



**Abernethy  
Laurels**  
**EveryAge™ Senior Living**

## **Disclosure Statement**

**Abernethy Laurels**

**Continuing Care Retirement Community**

**Provider: EveryAge**

**Date of Disclosure Statement: 09/30/2025**

**Last Date for Delivery: 03/09/2027**

- **This Disclosure Statement must be delivered to a contracting party before the execution of a binding reservation agreement, continuing care contract, or continuing care at home contract.**
- **This Disclosure Statement has not been reviewed or approved by any government agency or representative to ensure the accuracy of the information provided.**
- **This Disclosure Statement has been filed with, and recorded by, the North Carolina Department of Insurance in accordance with Article 64A of Chapter 58 of the North Carolina General Statutes (“Article 64A”).**
- **This Disclosure Statement contains all information required by Article 64A and is correct in all material respects. Knowingly delivering a Disclosure Statement that contains an untrue statement or omits a material fact may subject EveryAge to penalties under Article 64A.**

## Financial Snapshot: Key Ratios for EveryAge

Fiscal Year Ended: September 30, 2025 (FY), with comparative historical and prospective periods

Ratio	FY-2	FY-1	FY	FY+1	FY+2	FY+3	NC 25 <sup>th</sup> % <sup>1</sup>	NC 50 <sup>th</sup> % <sup>1</sup>	NC 75 <sup>th</sup> % <sup>1</sup>
<b>DCOH</b>	508.80	584.00	566.00	648.00	687.00	724.00	—	—	—
<b>CUSH</b>	11.84	17.39	29.42	35.44	39.06	41.39	—	—	—
<b>OR</b>	95.62%	96.31%	95.94%	94.78%	93.90%	93.77%	—	—	—
<b>NOM</b>	11.00%	7.13%	6.35%	8.36%	9.17%	9.17%	—	—	—
<b>NOM-A</b>	18.42%	16.24%	20.21%	20.59%	21.52%	21.28%	—	—	—
<b>DSCR</b>	1.88	2.74	5.26	5.30	5.62	5.56	—	—	—
<b>CD</b>	0.88x	1.08x	1.14x	1.38x	1.53x	1.68x	—	—	—
<b>CED</b>	0.34x	1.15x	1.35x	0.95x	0.67x	0.78x	—	—	—

### Liquidity Ratios:

- **Days Cash on Hand (DCOH).** Number of days the provider could pay its normal cash operating expenses using unrestricted cash and investments. More days generally means stronger liquidity.
- **Cushion Ratio (CUSH).** Number of times the provider's unrestricted cash and investments could cover one year of debt service. Higher values mean more resources to pay debt service.

### Profitability Ratios:

- **Operating Ratio (OR).** Compares current operating expenses (excluding depreciation and amortization) to current operating revenues (excluding entrance fee amortization). Lower percentages mean operating revenues are more easily covering cash operating expenses.
- **Net Operating Margin (NOM).** Shows the result from core resident services. Higher values mean a stronger operating result from resident services.
- **Adjusted Net Operating Margin (NOM-A).** Shows the operating result after also counting net entrance fee cash received during the year. Higher values mean the result is improved when net entrance fee cash is included.

### Capital Structure Ratios:

- **Debt Service Coverage (DSCR).** Measures the provider's ability to pay annual debt service from operations and net entrance fee cash. Higher values indicate greater ability to pay debt service.
- **Unrestricted Cash & Investments to Long-Term Debt (CD).** Compares unrestricted cash and investments to long-term debt. Higher values indicate more unrestricted cash and investments relative to debt.
- **Capital Expenditures to Depreciation (CED).** Compares what the provider is spending on capital improvements to the amount its assets are wearing out. Values at or above 1.0x usually mean the provider is reinvesting enough to keep up.

See Appendix F for full statutory definitions of how ratios are derived.

<sup>1</sup> **NC Provider Quartiles.** Values will be compiled annually by the North Carolina Department of Insurance, stratified by community model (Entrance Fee, Rental, Equity), and are expected to be available in late 2026.

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# 1. Provider Identification

## Legal Responsibility for Continuing Care

EveryAge is the entity that enters into continuing care contracts and continuing care at home contracts with residents and is legally responsible for providing continuing care and performing all obligations under those contracts. No other person or entity is responsible for providing continuing care to residents except as expressly disclosed in this Disclosure Statement.

## Doing Business As (DBA)

EveryAge conducts business under the name “Abernethy Laurels.” The name “Abernethy Laurels” is a trade name only and does not represent a separate legal entity. EveryAge remains legally responsible for providing continuing care and performing all obligations under continuing care contracts and continuing care at home contracts.

Item	Information
<b>Provider Name:</b>	EveryAge
<b>Doing Business As (DBA):</b>	Abernethy Laurels
<b>Business Address:</b>	100 Leonard Avenue, Newton NC 28658
<b>Telephone Number:</b>	(828) 464-8260
<b>Legal Entity Type:</b>	Nonprofit corporation organized under the laws of North Carolina
<b>For-Profit / Nonprofit Status:</b>	Nonprofit
<b>Federal Tax Status:</b>	Tax-exempt under Section 501(c)(3) of the Internal Revenue Code
<b>Ownership Type:</b>	A privately owned nonprofit organization governed by a volunteer board of directors. The provider is not part of any publicly held or publicly traded corporate system.
<b>Tax Filing Status:</b>	Current on all required federal and state tax filings
<b>Ownership / Control:</b>	EveryAge

## 2. Organizational Structure

### 2.1 Multi-Entity Organization Status

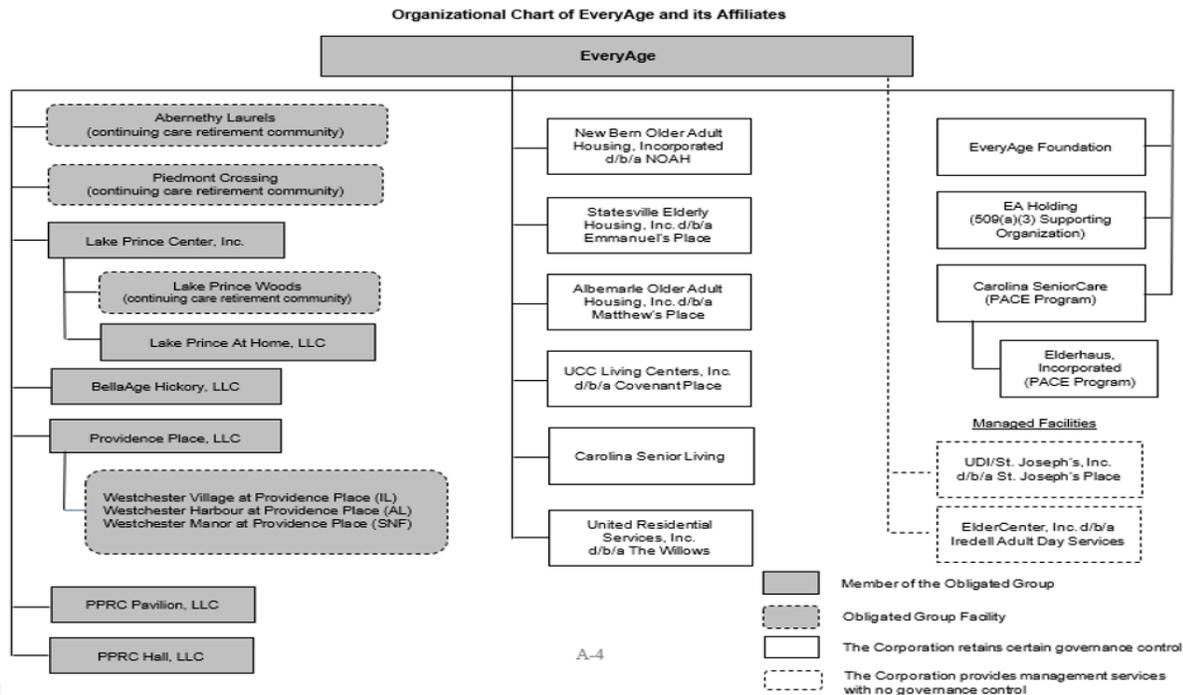
EveryAge is part of a multi-entity organization. EveryAge, a North Carolina nonprofit corporation serves as the controlling person. Abernethy Laurels is registered as an assumed business name of EveryAge or commonly referred to as “doing business as” (DBA) of EveryAge.

### 2.2 Consolidation of Financial Statements

Abernethy Laurels is included in the combined audited financial statements of EveryAge and its affiliates. The combined financial statements include EveryAge, Lake Prince Center, Inc., Providence Place, LLC, PPRC Pavilion, LLC, PPRC Hall, LLC, and BellaAge Hickory, LLC which make up the Obligated Group. The combined financial statements also include non-members of the Obligated Group including Carolina SeniorCare, EA Holding, and EveryAge Foundation. Combined schedules within the audit present the financial position and results of operations of each entity, including Abernethy Laurels individually.

### 2.3 Company Structure Chart

The organizational structure of EveryAge and its related entities, including Abernethy Laurels, is illustrated below:



#### Accessible Text Equivalent:

- **EveryAge** is a North Carolina nonprofit which owns and operates two continuing care retirement communities operating as assumed names, Abernethy Laurels located in

Newton, NC and Piedmont Crossing located in Thomasville, NC, and a Corporate home office in Newton, NC. EveryAge is the controlling person of a multi-entity organization.

- **Lake Prince Center, Inc.** is a North Carolina nonprofit corporation organized in 1999 and authorized to do business in the Commonwealth of Virginia. Lake Prince Center, Inc. owns and operates a continuing care retirement community doing business as Lake Prince Woods located in Suffolk, Virginia consisting of residential living, assisted living and skill nursing facilities. Lake Prince Center, Inc. is a wholly owned subsidiary of EveryAge.
- **Lake Prince At Home, LLC** was formed October 2017 as a limited liability company and is a wholly owned subsidiary of Lake Prince Center, Inc. Lake Prince At Home is a Medicare certified Home Health and Hospice agency.
- **BellaAge Hickory, LLC** is a North Carolina limited liability company operates an independent living rental apartment community in downtown Hickory, NC. The Community opened in April 2025. EveryAge is the sole member of BellaAge Hickory, LLC.
- **Providence Place, LLC** is a North Carolina limited liability company whose sole member is EveryAge. Providence Place, LLC became a licensed continuing care retirement community provider in February 2025 and is in High Point, NC.
- **PPRC Pavilion, LLC** is a North Carolina limited liability company whose sole member is EveryAge. PPRC Pavilion, LLC owns and leases commercial real estate space which is adjacent to Providence Place, LLC.
- **PPRC Hall, LLC** is a North Carolina limited liability company whose sole member is EveryAge. PPRC Hall, LLC is a commercial piece of leasable real estate adjacent to PPRC Pavilion, LLC.
- **EveryAge Foundation** is a North Carolina nonprofit organization that was organized in 2000 to raise funds for, and to support the charitable work and ministry of EveryAge and its affiliates.
- **EA Holding** is a North Carolina nonprofit organization that was formed in 2021 as a supporting organization to EveryAge with the intent of holding assets to be used for future strategic projects and mission expansion.
- **Carolina SeniorCare (CSC)** is a North Carolina nonprofit organization organized by EveryAge in 2011. Carolina SeniorCare operates a Program of All-Inclusive Care for the Elderly (PACE) based in Lexington, NC. EveryAge leases space to Carolina SeniorCare in Lexington. In 2025, Carolina SeniorCare opened a second location in New Bern, NC. EveryAge provides management oversight of both program locations.

### 3. Key Persons and Management Personnel

#### Definitions (for purposes of this Section):

- **Outside Interests:** Any professional service firm, association, trust, partnership, or corporation in which the individual has, or which has in the individual, a ten percent

(10%) or greater interest and that currently provides, or is expected to provide, goods, leases, or services to the provider of an aggregate value of \$5,000 or more. If none, the provider discloses “None.”

- **Adverse Disclosures:** Any conviction of or plea of nolo contendere to a felony charge; any final judgment in a civil action for fraud, embezzlement, fraudulent conversion, or misappropriation of property; any currently effective injunctive or restrictive court order; or any suspension or revocation within the past five years of a state or federal license or permit as a result of governmental action. If none, the provider discloses “None.”

### 3.1 Senior Officers of EveryAge and related entities

Name / Role	Education	Experience	Length of Service
<b>Lee B. Syria – President &amp; Chief Executive Officer</b>	MBA, Gardner-Webb University; BSBA in Health Care Management, Appalachian State University  Nursing Home Administrator in NC and VA	25 + years in nonprofit long term care administration; Prior roles include as Senior Vice President of Operations and VP of Human Resources	28 years 6 months (since 06/01/1997); served as President and Chief Executive Officer of EveryAge since October 1, 2012; employed by EveryAge.
<b>Aimee Reimann – Chief Operating Officer</b>	BA, Indiana University of Pennsylvania  Nursing Home Administrator in NC and VA	25 + years in nonprofit long term care administration; Prior role includes CCRC Executive Director	18 years (since 1/20/2008); served as Chief Operating Officer of EveryAge since 5/30/2013; employed by EveryAge
<b>Tamra “Tammy” Jones – Chief Financial Officer</b>	BS Business Management, Gardner-Webb University	15+ years in nonprofit healthcare finance; Prior role as Controller	12 years (since 11/10/2010); served as Chief Financial Officer of EveryAge since 1/26/2023; employed by EveryAge.

**Business Address:** 100 Leonard Avenue, Newton, NC 28658

**Disclosure:** No officer has reported any Outside Interests or Adverse Disclosures.

### 3.2 Community Management – Abernethy Laurels

Name / Role	Education	Experience	Length of Service
<b>Amber McIntosh – Executive Director</b>	BSBA in Health Care Management, Appalachian State University  Nursing Home Administrator in NC	30+ years’ experience in long-term care administration.	13 years (since 04/15/2013); Employed by EveryAge.

**Business Address:** 102 Leonard Ave., Newton, NC 28658

**Disclosure:** The Executive Director has reported no Outside Interests or Adverse Disclosures.

### 3.3 Board of Directors — EveryAge

Name/Role	Education	Experience	Length of Service
<b>Brad Thie – Chair</b>	MBA, Jacksonville University; MDiv, Duke University; BA in Psychology, Bowling Green University	United Methodist Minister for 20+ years; District and Market Manager in Hospitality industry previously. Previously served as Abernethy Laurels Advisory Council, Chair of EveryAge Foundation, Vice of Chair of EveryAge Board of Directors	Since 10/1/2012, Ex-officio Advisory Chair since 10/1/2012; Elected Director since 10/1/2014
<b>Margie Wiley – Vice Chair</b>	Minisink Valley High School; Accredited Asset Management Specialist (AAMS), College for Financial Planning	Finance, Investment Advisor. Previously served as Lake Prince Woods Advisory Chair.	Since 10/1/2019, Ex-officio Advisory Council Chair since 10/1/2019; Elected Director since 10/1/2022
<b>Jeff Gilliam – Treasurer</b>	BSBA, Appalachian State University  Certified Public Accountant (CPA)	Business and Management Executive. Previously served as Chair, Vice	Original service began 10/1/2005 as elected Director.

Name/Role	Education	Experience	Length of Service
	and Certified Turnaround Professional	Chair of EveryAge Board of Directors. Serves as Treasurer currently.	Reelected to current service 10/1/2020.
<b>Greg Alcorn – Secretary</b>	MBA, UNC Charlotte	CEO/founder of communication company; founder of nonprofit technology company; Education; Finance; Governance. Previously served as Chair, Vice Chair of EveryAge Board of Directors, and Chair of EveryAge Foundation Board of Trustees. Currently serves as Secretary of the Board.	Original Service began 10/1/1993 as elected Director. Reelected to current service 10/1/2022.
<b>Julius Abernethy – Director</b>	MBA and BS International Business, Gardner-Webb University	Business and operations management	Since 10/1/2019, Ex-officio Advisory Council Chair since 10/1/2019; Elected Director since 10/1/2022
<b>Rev. Lawrence R. Bolick - Director</b>	A.B. Degree Religion, Catawba College, M. Div. Duke University; Certificate: Pastoral Care Specialist;	Minister, Healthcare Chaplaincy, past EveryAge Foundation Board Chair	Since 10/1/2020
<b>Anthony Branch-Director</b>	BS Finance – UNC Greensboro	Financial Investment Services; Previously served as Vice Chair and Treasurer of EveryAge Board	Original services began 10/1/2000. Reelected to current service 10/1/2017.
<b>Ken Clapp - Director</b>	Masters Divinity-Yale; BA, Catawba College	Chaplain and Sr. VP Emeritus. Previously served on Piedmont Crossing Advisory	Since 10/1/2025

Name/Role	Education	Experience	Length of Service
		Council; Serves as EveryAge Foundation Board Chair.	
<b>Charles Erdman, MD. - Director</b>	Doctor of Medicine- University of Oklahoma	Physician – Emergency Medicine	Since 10/1/2024
<b>P. Allen Gray- Director</b>	AB, UNC; RN, Mercy School of Nursing; BSN, NCCU, MSN, UNC; PhD, UNC Education; MS, Duke Medical Informatics	Retired Educator/Administrator (UNCW, US Navy Reserve); Board Member (Elderhaus Chair, Director when acquired by EveryAge), UNC School of Nursing, Health Information Exchange)	Since 10/1/2023
<b>Michelle Horton- Director</b>	B.S. Education; East Carolina University; M.S. Ed Old Dominion University	Education Head of Middle School. Served as Lake Prince Woods Advisory Chari	Since 10/1/2022, Ex-officio Advisory Council Chair since 10/1/2022; Elected Director since 10/1/2025
<b>Parker Howell- ex-officio, voice and vote, Immediate Past Chair</b>	B.A. William and Mary	Business owner; construction. Served as Lake Prince Woods Advisory Chair, Board of Trustee of EveryAge Foundation, Chair and Vice Chair of EveryAge Board of Directors	Since 10/1/2014
<b>Lamont Maddox- Director</b>	JD/MBA, William and Mary	Legal, Attorney	Since 10/1/2024
<b>Mills Hunter March- Director</b>	B.S. and MBA, Old Dominion University	Licensed insurance agent and agency owner. Served on Lake	Since 10/1/2017

Name/Role	Education	Experience	Length of Service
		Prince Woods Advisory Council	
<b>Shane Smith-Director</b>	JD, The College of William and Mary, BBA Marketing, West Texas A&M University	Legal, Attorney	Since 10/1/2022
<b>Jody Street-ex officio, voice and vote, Abernethy Laurels Advisory Council Chair</b>	B.S. UNC Chapel Hill	Banking and Finance	Since 10/1/2023, Ex-officio Advisory Council Chair since 10/1/2023
<b>Susan Stone-ex officio, voice and vote, Lake Prince Woods Advisory Council Chair</b>	B.A. Carson-Newman University	Philanthropy/Fund Development; Community Engagement	Since 10/1/2025, Ex-officio Advisory Council Chair since 10/1/2025
<b>Diana Sullivan-ex officio, voice and vote, Piedmont Crossing Advisory Council Chair</b>	B.S. Business Administration, Gannon University	Banking	Since 10/1/2024, Ex-officio Advisory Council Chair since 10/1/2024
<b>Cory Tobin, Director</b>	MBA, NC State University; B.A. in Parks and Recreation Management and History, UNC Wilmington	Local Government; serves as Director of Parks and Recreation for the City of Thomasville. Served as Piedmont Crossing Advisory Council Chair; Serves as Chair of EveryAge Housing Service Board (related party)	Since 10/1/2017, Ex-officio Advisory Council Chair since 10/1/2017; Elected Director since 10/1/2020
<b>Kathy Wood-Director</b>	PhD Organizational Management, Capella University; MBA, Winthrop	Ministerial, Healthcare Business and Finance Educator	Since 10/1/2018

Name/Role	Education	Experience	Length of Service
	University; Ordained UCC Minister		
<b>Rev. Dr. Edward Davis, ex-officio director, voice, no vote. Southern Conference Minister of United Church of Christ</b>	Doctor of Ministry, United Theological Seminary; Master of Divinity, Chicago Theological Seminary; Master of Business, Roosevelt University; Bachelor's in Business Administration, Roosevelt University; Executive in Leadership, Kellogg School of Management Northwestern University. Certified Nonprofit Manager.	Ministerial, Chaplaincy	Since 2011

**Business Address:** 100 Leonard Ave, Newton, NC 28658

**Disclosure:** None of the directors of EveryAge have reported any Outside Interests or Adverse Disclosures.

### 3.4 Management Entity — EveryAge

- **Nature of Role:** EveryAge employs the Chief Executive Officer, Chief Financial Officer, and Chief Operating Officer who provide centralized management and administrative services to Abernethy Laurels. EveryAge also employs an Executive Director who provides on-site, day-to-day management of Abernethy Laurels.
- **Business Address:** 100 Leonard Avenue, Newton NC 28658
- **Key Officers:** Lee B. Syria (President & CEO), Tammy Jones (CFO), Aimee Reimann (COO) — see Senior Officers of EveryAge for education, experience, and length of service.

### **3.5 10%+ Ownership Interests**

(Individuals holding ten percent (10%) or more equity or beneficial interest in the provider or any controlling person)

EveryAge is organized as a nonprofit corporation and therefore has no equity ownership interest. No individual holds a ten percent (10%) or greater beneficial interest in the provider, EveryAge.

## **4. Governing Body and Oversight**

### **4.1 Provider and Controlling Person Governing Body**

EveryAge is governed by a Board of Directors consisting of no less than eleven (11) elected directors and no more than nineteen (19) elected directors. Its duties include:

- Establishing the mission, vision and strategic direction of the corporation.
- Reviewing and approving budgets and financial reports.
- Ensuring compliance with applicable laws, regulations, and contractual obligations.
- Overseeing the quality of resident care and services, including safety and satisfaction.
- Monitoring risks to EveryAge's solvency and operations.

#### **4.1.1 Selection of Members**

A slate of nominees is prepared by the Governance Committee for presentation to the Board for approval. In addition to the elected directors, the Board consists of four voting ex-officio members: the immediate past Chairperson, and the Chairperson of the Advisory Councils of Lake Prince Woods, Abernethy Laurels and Piedmont Crossing retirement communities. Three additional non-voting members of the Board are the EveryAge President and Chief Executive Officer, EveryAge Executive Assistant to the President/Assistant Secretary and the Conference Minister of the Southern Conference of the United Church of Christ.

#### **4.1.2 Oversight of Management and Operations**

Accountable to the EveryAge Board of Directors, the President and CEO has general charge of the business, affairs and property of EveryAge and control over its other officers, agents and employees. The President and CEO delegates day-to-day operations of Abernethy Laurels retirement community to the Executive Director and senior leadership employed by EveryAge. The Board maintains oversight through:

- Regular review of financial and operating reports.
- Approval of major contracts, capital projects, and debt issuances.
- Regular scheduled board and committee meetings with written and verbal reports.
- Evaluation of management performance.

### 4.1.3 Committees

The EveryAge Board maintains standing committees for:

- **Executive:** may exercise authority of the Board within limits established by the Board. Oversees executive compensation program.
- **Finance:** budget review, financial performance monitoring, investment policy management and oversight, audit review.
- **Governance:** board recruitment, development, evaluation, succession.
- **Advisory Council:** elected by the Board for each retirement community to provide local oversight and community engagement. The Chair of Advisory Council serves as an ex-officio member of the Board with voice and vote.

## 5. Related Parties

EveryAge has relationships with related parties under common control as its controlling person. For purposes of this section, Actual/Probable Cost refers to the cost incurred by EveryAge.

EveryAge provides management and administrative services, and in most cases sponsorship and start-up funding, for the following entities:

### 5.1 Albemarle Older Adult Housing, Inc. (Matthew's Place)

**Nature of Relationship:** EveryAge is a sponsor and managing agent of the nonprofit organization which owns and operates a HUD 202 project in Albemarle, NC.

**Goods/Leases/Services Provided:** Management and administrative services. Salaries and employee benefit expenses are paid on a reimbursement basis.

**Actual/Probable Cost:** Not Applicable

### 5.2 New Bern Older Adult Housing, Inc. (NOAH)

**Nature of Relationship:** EveryAge is a sponsor and managing agent of the nonprofit organization which owns and operates a HUD 202 project in New Bern, NC.

**Goods/Leases/Services Provided:** Management and administrative services. Salaries and employee benefit expenses are paid on a reimbursement basis.

**Actual/Probable Cost:** \$ 42,506

### 5.3 UCC Living Center, Inc. (Covenant Place)

**Nature of Relationship:** EveryAge is a sponsor and managing agent of the nonprofit organization which owns and operates a HUD 202 project in Chapel Hill, NC.

**Goods/Leases/Services Provided:** Management and administrative services. Salaries and employee benefit expenses are paid on a reimbursement basis.

**Actual/Probable Cost:** Not Applicable

#### **5.4 Statesville Elderly Housing, Inc. (Emmanuel's Place)**

**Nature of Relationship:** EveryAge is a sponsor and managing agent of the nonprofit organization which owns and operates a HUD 202 project in Statesville, NC.

**Goods/Leases/Services Provided:** Management and administrative services. Salaries and employee benefit expenses are paid on a reimbursement basis.

**Actual/Probable Cost:** \$5,051

#### **5.5 Carolina Senior Living, Inc.**

**Nature of Relationship:** EveryAge is a sponsor and managing agent of the nonprofit organization which owns and operates a HUD 202 project in Lexington, NC.

**Goods/Leases/Services Provided:** Management and administrative services. Salaries and employee benefit expenses are paid on a reimbursement basis.

**Actual/Probable Cost:** \$34,325

#### **5.6 UDI/St. Joseph's, Inc. (St. Joseph's Place)**

**Nature of Relationship:** EveryAge is one of the sponsors of the nonprofit organization and the managing agent which owns and operates a HUD 202 project in Durham, NC.

**Goods/Leases/Services Provided:** Management and administrative services. Salaries and employee benefit expenses are paid on a reimbursement basis.

**Actual/Probable Cost:** \$15,761

#### **5.7 The Willows**

**Nature of Relationship:** EveryAge is one of the sponsors of the nonprofit organization and managing agent which owns and operates a HUD 202 project in Burlington, NC.

**Goods/Leases/Services Provided:** Management and administrative services. Salaries and employee benefit expenses are paid on a reimbursement basis.

**Actual/Probable Cost:** \$28,161

#### **5.8 Providence Place, LLC**

**Nature of Relationship:** North Carolina limited liability company whose sole member is EveryAge.

**Goods/Leases/Services Provided:** Management and administrative services. Salaries and employee benefit expenses are paid on a reimbursement basis. Operating expenses were being funded during the fiscal year due to a delay by the federal and state agencies in processing the Change of Ownership to enable billing of Medicare and Medicaid for residents in the skilled nursing facility. Repayment to EveryAge is being made for the

expenses funded during FY2026. In future years the actual/probably cost are expected to not be applicable.

**Actual/Probable Cost:** \$12,143,727

### **5.9 PPRC Hall, LLC**

**Nature of Relationship:** North Carolina limited liability company whose sole member is EveryAge.

**Goods/Leases/Services Provided:** Management and administrative services.

**Actual/Probable Cost:** \$38,018

### **5.10 PPRC Pavilion, LLC**

**Nature of Relationship:** North Carolina limited liability company whose sole member is EveryAge.

**Goods/Leases/Services Provided:** Management and administrative services.

**Actual/Probable Cost:** \$37,262

### **5.11 Lake Prince Center, Inc. (Lake Prince Woods)**

**Nature of Relationship:** North Carolina nonprofit corporation authorized to do business in the Commonwealth of Virginia to operate a retirement community. Lake Prince Center, Inc. is a wholly owned subsidiary of EveryAge.

**Goods/Leases/Services Provided:** Management and administrative services. Salaries and employee benefit expenses are paid on a reimbursement basis.

**Actual/Probable Cost:** Not Applicable

### **5.12 Lake Prince At Home, LLC**

**Nature of Relationship:** a Limited liability company and is a wholly owned subsidiary of Lake Prince Center, Inc, which is controlled by EveryAge.

**Goods/Leases/Services Provided:** Management and administrative services. Salaries and employee benefit expenses are paid on a reimbursement basis.

**Actual/Probable Cost:** Not Applicable

### **5.13 BellaAge Hickory, LLC**

**Nature of Relationship:** EveryAge is the sole member of the North Carolina limited liability company.

**Goods/Leases/Services Provided:** Management and administrative services. Salaries and employee benefit expenses are paid on a reimbursement basis.

**Actual/Probable Cost:** Not Applicable

## 5.14 EveryAge Foundation

**Nature of Relationship:** Nonprofit supporting organization, controlled by EveryAge

**Goods/Leases/Services Provided:** Management and administrative services. Salaries and employee benefit expenses are paid on a reimbursement basis as unrestricted funds are received.

**Actual/Probable Cost:** \$29,452

## 5.15 ElderCenter, Inc (Iredell Adult Day Services)

**Nature of Relationship:** North Carolina nonprofit organization in Statesville, NC which EveryAge provides contracted management services.

**Goods/Leases/Services Provided:** Management and administrative services.

**Actual/Probable Cost:** \$21,000

## 5.16 Carolina SeniorCare

**Nature of Relationship:** North Carolina nonprofit organization, controlled by EveryAge which is a Program of All Inclusive Care for the Elderly (PACE).

**Goods/Leases/Services Provided:** Management and administrative services. EveryAge owns the real estate in Lexington where Carolina SeniorCare operates. Carolina SeniorCare has a rental agreement with EveryAge.

**Actual/Probable Cost:** Not applicable. Carolina SeniorCare provides revenue to EveryAge home office in the form of management fees and lease for use of property owned by EveryAge.

## 5.17 Elderhaus, Inc.

**Nature of Relationship:** North Carolina nonprofit organization, controlled by Carolina SeniorCare both of which are Programs of All Inclusive Care for the Elderly (PACE).

**Goods/Leases/Services Provided:** Management and administrative services. EveryAge owns the real estate in Wilmington where Elderhaus operates. Elderhaus has a rental agreement with EveryAge.

**Actual/Probable Cost:** Not applicable. Elderhaus, Inc. provides revenue to EveryAge home office in the form of management fees and lease for use of the property owned by EveryAge.

## 5.18 EA Holding

**Nature of Relationship:** Nonprofit supporting organization, controlled by EveryAge

**Goods/Leases/Services Provided:** Management and administrative services.

**Actual/Probable Cost:** Not Applicable

## **6. Relationships with Religious, Charitable, or Other Organizations**

The disclosures in this section address organizational relationships and are distinct from the related-party transactions reported in Section 5 (Related Parties).

EveryAge is a nonprofit corporation under its own control. EveryAge exercises overall governance and financial oversight.

EveryAge has a relationship with the Southern Conference of the United Church of Christ(UCC) as its sponsoring religious denomination. The Southern Conference Minister has an ex-officio seat on the EveryAge Board of Directors with voice but no vote. EveryAge is a member of the Council of Health and Human Service Ministries (CHHSM) of the United Church of Christ. The United Church of Christ, the Southern Conference, or CHHSM do not have governance authority or provide financial support.

EveryAge also receives support from EveryAge Foundation, a nonprofit supporting organization that administers benevolent care assistance for residents who cannot meet monthly service fees. The EveryAge Foundation provides charitable resources but does not appoint directors or exercise governance authority.

EveryAge is a member of industry organizations such as the American Health Care Association, North Carolina Health Care Facilities Association, LeadingAge, and LeadingAge North Carolina. Membership is limited to networking and professional development and carry no governance authority or financial support.

## **7. Other Persons Responsible for Obligations**

Except as described in Section 8 (Obligated Groups) regarding EveryAge's participation in the obligated group and the joint and several liability for long term debt under a Master Trust Indenture (MTI), no other person or entity is responsible for the financial or contractual obligations of EveryAge.

## **8. Obligated Groups**

EveryAge is a member of an obligated group created under the terms of bond indentures and related financing agreements. Membership in the obligated group creates joint and several liability among the members solely for repayment of bonded indebtedness and for compliance with related bond covenants.

As of September 30, 2025, the obligated group consisted of:

- EveryAge
- EveryAge, dba Abernethy Laurels
- EveryAge, dba Piedmont Crossing
- Lake Prince Center, Inc. dba Lake Prince Woods

- Lake Prince At Home, LLC
- BellaAge Hickory, LLC
- Providence Place, LLC
- PPRC Pavilion, LLC
- PPRC Hall, LLC

Participation in the obligated group allows the members to access financing collectively and at more favorable terms. However, it also means that the bonded debt of each member is supported by the financial resources of the others, and a default by one member may affect the entire group.

The audited combined financial statements of EveryAge and its subsidiaries include consolidating schedules that present the financial position and results of operations of each obligated group member. These schedules also show Abernethy Laurels' financial information, allowing residents and prospective residents to evaluate the retirement community separately from the group. The audited combined financial statements are located in Appendix A (Audited Financial Statements).

## **9. Debt Covenants and Compliance**

EveryAge and the obligated group are subject to covenants contained in bond indentures and related debt agreements, including requirements for minimum debt service coverage, liquidity, and restrictions on additional borrowing.

As of September 30, 2025, EveryAge and the obligated group were in full compliance with all covenants contained in debt agreements.

## **10. Third-Party Management Arrangements**

EveryAge does not employ a third-party manager to operate the continuing care retirement community. Day-to-day operations are carried out by the Executive Director and senior management employed by EveryAge.

## **11. Real Property Leases**

EveryAge does not lease any part of the real property that makes up the continuing care retirement community.

## **12. Endowment Funds**

EveryAge has the EveryAge Corporate Benevolent Trust Fund (EACBTF) which was established prior to the establishment of the EveryAge Foundation in 2001. The purpose of the funds is to provide benevolent care assistance to residents of EveryAge continuing care

retirement communities. The funds are included as part of the Board-designated funds on the EveryAge balance sheet.

In addition, the EveryAge Foundation, a related-party nonprofit supporting organization, has the EveryAge Foundation Benevolent Fund (EAFBF) where funds raised are held and disbursed since 2001 to support benevolent care to individuals in need and served by EveryAge and affiliates. Distributions from these funds are applied directly to resident accounts. The annual spending policy is based on the average combined balance of both the EACBTF and EAFBF. If individual resident benevolent support needed is less than the available funds per the spending policy in a given year, then block grants may be made to affiliated organizations of EveryAge to support charitable care.

The funds are restricted by donor intent and board policy to benevolent care and may not be used for general operating purposes of EveryAge. Availability of distributions is not guaranteed and remains subject to the discretion of the EveryAge Foundation Board of Trustees.

The EveryAge Foundation has other donor-restricted funds that support the communities, programs, employees and residents of EveryAge and affiliates. Distributions from the funds is based on policies approved by the EveryAge Foundation Board of Trustees.

### **13. Description and Location of the Community**

EveryAge operates Abernethy Laurels located at 102 Leonard Avenue, Newton, North Carolina 28658.

Abernethy Laurels is a continuing care retirement community situated on approximately 120 acres in the foothills of the Appalachian Mountains in western North Carolina, just south of Newton. Abernethy Laurels opened in August 1971. The campus has three major areas with a specific lifestyle in mind. The Village includes cottages, villas and apartments. The Pavilion includes apartments and assisted living units. The Pavilion apartments are for residents needing or wanting more support services than can reasonably be provided in the Village. The Pavilion also offers licensed adult care home (assisted living) units. The Health Center known as the Manor has 174 Medicare/Medicaid certified skilled nursing facility beds.

Additional amenities offered on campus include a bistro, beauty salon, libraries, game room, auditorium and chapel, fitness center with indoor pool, woodworking shop, on-site clinic, gazebo with picnic area, dog park, walking trails, and guest accommodations.

Abernethy Laurels also operates a licensed home care agency referred to as Laurels at Home. Laurels at Home services include, but are not limited to, companion care, medication administration, special medical treatments, and assistance with bathing and dressing.

### **14. Living Units by Level of Care**

As of September 30, 2025, Abernethy Laurels included:

- 187 independent living, also referred to as residential living units
  - 26 cottages
  - 62 villas
  - 99 apartments
- 18 assisted living units
- 174 skilled nursing beds

## **15. Continuing Care at Home Program**

Abernethy Laurels does not operate a Continuing Care at Home (CCaH) program.

## **16. Resident Population Served**

As of September 30, 2025, the resident population served by Abernethy Laurels was:

- 219 residents in residential living
- 18 residents in assisted living
- 166 residents in skilled nursing

There was a total of 176 continuing care contracts at Abernethy Laurels, which encompasses a total of 221 people, inclusive of second persons.

As of September 30, 2025, the community maintained a waitlist for admission to independent living consisting of 15 individuals. Individuals on the waitlist are prospective applicants and are not residents of the community unless and until they have executed a continuing care contract and commenced residency.

To be placed on the independent living waitlist, prospective applicants are required to submit a waitlist deposit of 10% of the entrance fee of the preferred unit type. The waitlist deposit is fully refundable and is not considered an entrance fee. If the applicant later enters into a continuing care contract, the waitlist deposit is applied toward the required entrance fee at that time.

Placement on the waitlist does not guarantee admission to the community or priority for a specific unit and does not create contractual rights unless expressly provided in a continuing care contract.

## 17. Occupancy Rates

The 12-month daily average occupancy rates for Abernethy Laurels for the past five fiscal years were as follows:

**17.1 Table – Historical Occupancy Rates (12-Month Daily Average)**

Fiscal Year End	Residential Living (%)	Assisted Living (%)	Skilled Nursing (%)
9/30/2025	91.98%	94.44%	90.80%
9/30/2024	90.91%	88.89%	91.38%
9/30/2023	84.65%	83.87%	86.71%
9/30/2022	80.21%	81.32%	79.89%
9/30/2021	79.37%	86.54%	78.69%

## 18. Semiannual Resident Meetings

EveryAge holds meetings with residents of the Abernethy Laurels at least twice each year, as required by law.

**Most Recent Meeting Dates**

- November 19, 2024
- May 20, 2025

Meetings held on or after December 1, 2025 will require by law, an independent member of the provider’s board of directors to be present.

## 19. Resident Property Rights

Residents do not hold ownership or property rights in the real estate of this Community. EveryAge retains full ownership and control of the property.

To protect resident health and safety, management may evacuate and relocate residents when a disaster is threatened. Abernethy Laurels maintains an evacuation plan, developed in coordination with local emergency management agencies, which may be implemented for events including hurricanes, floods, hazardous material incidents, or unsafe nuclear conditions. All residents must comply with evacuation orders. Failure to do so may result in removal and relocation with assistance from law enforcement or emergency agencies. No waiver permits a resident to remain in the community after an evacuation order is issued.

## **20. Services Provided Under the Contract**

EveryAge provides services under continuing care agreements at Abernethy Laurels. The following disclosures describe the services included as well as those available for an additional charge.

### **20.1 Health Care Services**

Residents of Abernethy Laurels have access to a full continuum of care on campus, including assisted living, skilled nursing, and memory support. Health services include 24-hour nursing coverage, medication management, rehabilitative therapies, and coordination with residents' personal physicians.

Clinic services are available to all Residential Living residents and are staffed by professional nurses, with physician services offered periodically. The clinic provides consultations, medication administration, outpatient examinations and treatments, prescribed therapies, screenings, vaccinations, and diagnostic testing as needed. Limited infirmary services are also available for residents experiencing minor illness or injury who require short-term recovery support.

When temporary healthcare services are needed within a resident's Residential Living unit, care is provided through Abernethy Laurels' Home Care Agency, Laurels At Home. Services may include companion care, routine vital sign monitoring, medication administration, specialized medical treatments, and assistance with bathing and dressing.

Abernethy Laurels operates 18 licensed Adult Care (Assisted Living) rooms approved by the North Carolina Division of Health Service Regulation. The Health Center, also known as the Manor, is a 174-bed Medicare- and Medicaid-certified nursing home licensed by the same agency and offers both private and semi-private companion suites. Care is delivered by licensed and certified nursing professionals under the supervision of a Medical Director and a licensed Nursing Home Administrator.

### **20.2 Continuing Care Contract (CCRC)**

Residents living on the Abernethy Laurels campus receive the following services as part of their monthly fees, with additional services available at an extra charge.

#### **20.2.1 Services Included in the Monthly Fees**

The monthly fee is paid by the resident at the beginning of each month that helps underwrite administrative/programmatic costs and a variety of support services. A description of all services included in the monthly fee and those available at additional cost appears in Appendix D- Section 4 (Monthly Fee) of the continuing care contract attached. The fee provides the resident with services including the following:

- Outside maintenance and inside routine maintenance of the Residential Living Unit as described in the Resident Handbook.

- Twelve (12) noncumulative nurse visits per year, if needed. (See Appendix D-Section 7 Health Needs.
- Emergency call system to Nursing Station on 24-hour basis plus night security services.
- The option to purchase meals singly or through a monthly fee. Three meals per day are included in the per diem licensed adult care home and nursing home rates.
- Access to social, cultural, and recreational programming and transportation of the Community. A minimum charge will be made for certain activities and items. The resident will be informed of all charges.
- Access to a variety of types of support services. A minimum charge will be made for these services. The resident will be informed of all charges.

Residential Living Units located in the Pavilion include additional Support Services covered by the Monthly Fee. In addition to the services listed above, the Monthly Support Fee for Pavilion residents includes:

- Availability of three meals daily
- All utilities (including electricity, water, cable)
- Complimentary Wi-Fi in the Pavilion
- Weekly housekeeping and linen service
- Access to Catered Living and Home Care services at an additional charge

### **20.2.2 Services Available at Additional Charge**

Additional services may be purchased by the resident. Some of the services are listed below. See Appendix D (Representative Contract and Forms) for a list of additional services, which may be purchased, and the applicable cost of each to the resident. The Fee Schedule is published annually.

- Meals and guest meals
- Housekeeping and laundry services
- Salon and barber services
- Transportation
- Concierge services and private duty care

### **20.3 Delivery of Services**

Core residential, assisted living, and skilled nursing services are provided directly by EveryAge. Admission to the licensed assisted living and skilled nursing facility is contingent upon the resident meeting the regulatory requirements for admission and upon bed availability. If there is no bed available in the applicable licensed facility, or the resident does not meet the admission requirements, Abernethy Laurels will make reasonable efforts to assist the resident in finding placement at another community. The resident will be given priority application access at other skilled nursing facilities operated by EveryAge or its affiliates, when applicable.

Home care services are offered based on staff availability. Certain home health and rehabilitative therapies (physical, occupational, and speech) are furnished under contract with a third-party provider.

## 21. Resident Fees

Nonancillary fees at Abernethy Laurels consist of required, ongoing fees such as entrance fees, monthly service fees, and transfer fees. The following tables show Abernethy Laurels’ current fee schedules, along with historical information on entrance fee and monthly fee increases over the past five fiscal years. Narrative explanations of household composition changes, transfer fees, and resale fees are also included.

### 21.1 CCRC Contracts

CCRC contracts represent continuing care contracts for residents who live on the Abernethy Laurels campus.

Payment of a residency fee (entrance fee) secures for a resident the right to maintain occupancy of a selected Residential Living Unit and utilize the services and amenities available at the Community for as long as the resident is able to comply with the terms of the Residential Living Agreement.

Payment of a Monthly Fee provides a resident with certain monthly services as described in Section 20 (Services Provided Under the Contract) above. All other services are provided on an additional fee-for-service basis. The Monthly Fee shall continue to be charged for as long as the Resident and/or the Resident’s personal belongings occupy the unit, until the unit is made available for remarketing and all keys are returned.

**Table 21.1: Current Monthly Fees (CCRC Contracts)**

Unit Type	Single Occupant	Double Occupant
Residential Living – Pavilion 1-Bedroom Deluxe	\$5,094.00	\$6,490.00
Residential Living – Pavilion 1-Bedroom Apartment	\$4,868.00	\$6,264.00
Residential Living – Pavilion Deluxe Efficiency Apartment	\$4,192.00	\$5,588.00
Residential Living – Pavilion Efficiency Apartment	\$3,771.00	\$5,167.00
Residential Living – Village 1- Bedroom Patio Home	\$1,949.00	\$2,808.00

<b>Unit Type</b>	<b>Single Occupant</b>	<b>Double Occupant</b>
Residential Living – Village 2-Bedroom Patio Home	\$2,101.00	\$2,960.00
Residential Living – Village Villa	\$2,246.00	\$3,105.00
Residential Living – Village Cottage	\$2,450.00	\$3,309.00
Skilled Nursing Rehab – Private Room	\$14,174.00	Not Applicable
Skilled Nursing Companion Suite	\$10,159.00	Not Applicable
Memory Support	\$11,467.00	Not Applicable
Assisted Living Studio A	\$6,418.00	Not Applicable
Assisted Living B	\$6,935.00	Not Applicable
Non refundable Application Fee	0	0

\*One and two bedroom patio homes in 500's have water and sewer included in support. Since 2017, one and two bedroom patio homes in the 200's and 500's have landscaping included in their support.

Contracted residents after 10/01/2014 received a \$10/per day discount on skilled nursing daily rate.

Contracted residents received a \$5/day discount on the Assisted Living daily rate.

Monthly fees may be adjusted from time to time to reflect changes in operating costs, staffing, health care expenses, and capital needs. Adjustments are subject to board approval, with no contractual cap on increases. EveryAge will provide the resident with not less than 30 days written notice of the effective date of any changes in the Monthly Fee. Although Monthly Fees may be adjusted at any time, such adjustments have been historically made and noticed in September with an effective date of October 1.

**Table 21.2: Historical Increases in Monthly Fees (CCRC contracts)**

<b>Fiscal Year- Beginning</b>	<b>Average % Increase</b>	<b>Average \$ Increase</b>	<b>Frequency</b>
10/01/2025	4%	\$121.00	Annual
10/01/2024	4%	\$115.00	Annual
10/01/2023	4%	\$124.00	Annual
10/01/2022	6%	\$139.00	Annual
10/01/2021	4%	\$102.00	Annual

**Tables 21.3: Current Entrance Fees (CCRC Contracts)**

**Fully Declining Residential Living Residency Agreement (0% Refundable) Contract**

Unit Type	Entrance Fee
Pavilion Efficiency Apartment	\$40,500
Pavillion Efficiency Deluxe Apartment	\$40,500
Pavillion One Bedroom Apartment	\$55,500
Pavillion One Bedroom Deluxe Apartment	\$83,500
Village One Bedroom Patio Home	\$125,000-\$139,500
Village Two Bedroom Patio Home	\$134,500-\$161,500
Villa	\$148,500-\$303,000
Cottage	\$219,500-\$362,000

\*Entrance Fees are the same for single and double occupancy.

\*Refundability terms vary by contract and are disclosed in Section 22 (Refundable Entrance Fee Obligations).

**50% Refund Residential Living Residency Agreement (50% Refundable) Contract**

Unit Type	Entrance Fee
Pavilion Efficiency Apartment	\$60,750
Pavillion Efficiency Deluxe Apartment	\$60,750
Pavillion One Bedroom Apartment	\$83,250
Pavillion One Bedroom Deluxe Apartment	\$125,250
Village One Bedroom Patio Home	\$187,500-\$209,250
Village Two Bedroom Patio Home	\$201,750-\$242,250
Villa	\$222,750-\$454-500
Cottage	\$329,250-\$543,000

\*Entrance Fees are the same for single and double occupancy. Refundability terms vary by contract and are disclosed in Section 22

**Table 21.4: Historical Increases in Entrance Fees (CCRC contracts)-**

Fiscal Year Beginning	Average % Increase	Average \$ Increase*	Frequency
10/01/2025	7%	\$8,939	Annual

<b>Fiscal Year Beginning</b>	<b>Average % Increase</b>	<b>Average \$ Increase*</b>	<b>Frequency</b>
10/01/2024	7%	\$10,492	Annual
10/01/2023	3%	\$4,874	Annual
10/01/2022	7%	\$9,432	Annual
10/01/2021	8%	\$8,781	Annual

\*The average \$ increase is based on the Fully Declining Agreement (0% Refundable). The percentage increase is the same applied to the 50% Refund Agreement.

## **21.2 Household Composition Changes**

If a resident marries or wants another person to move in with them, and the individual does not already have a CCRC contract with this Community, that person must apply for admission and complete the standard application process, including the payment of all required fees. These fees may include an application fee, the upgraded and readjusted residency fee, and the current monthly fee at the time of entry. The monthly fee is adjusted to the two-person rate upon the execution of the second person’s CCRC contract. If the spouse (or other individual) is not approved, they may not be admitted under a continuing care contract. The couple will have 60 days to make other living arrangements.

If a resident marries or wants to move in with another resident with a CCRC contract for another Residential Living Unit, any fees to be returned to the person vacating their Residential Living Unit will be set aside and held by the Corporation for use by that resident to pay for necessary healthcare expenses, if needed.

Should a couple occupying a Residential Living Unit choose to no longer share a single living unit, one of the residents may remain in the occupied unit with that resident becoming solely entitled to any refund which may be later due under the Residential Living Agreement, and that resident will continue to enjoy all rights, privileges, and obligations of said Residency Agreement. A separate and new Residential Living Agreement must be executed for the other resident moving out of the Residential Living Unit and into another Residential Living Unit. Should the other resident vacating the Residential Living Unit choose to leave the Community and find other living opportunities, the other resident is not entitled to any refund, and EveryAge shall have no further obligations to the other resident or their heirs, executors, administrators, or assigns.

For more details related to changes in household composition, please refer to the Residential Living Agreement under Appendix D – Section 2 (Changes In Occupancy).

## **21.3 Transfer Fees and Resale Fees**

A transfer fee is a base fee charged for transfers from one Residential Living Unit to another Residential Living Unit according to the ancillary fee schedule. Additional refurbishment fees may be added to this fee, based on the condition and the extent of refurbishments needed for the Residential Living Unit being vacated.

If a resident transfers to a different Residential Living Unit where a lesser Residency Fee is required, the resident may do so but without a refund. If the resident should choose to move into a different Residential Living Unit where a larger Residency Fee is required, the resident will pay the difference between the Residency Fee and additional fees based on the amount the resident paid upon admission and the current Residency Fee for the new Residential Living Unit to be occupied. No resale fees are charged because residents do not hold ownership rights in their units.

## **22. Refundable Entrance Fee Obligations**

### **22.1 Conditions for Refunds**

EveryAge offers a contract option that includes a 50% refund provision. Under the 50% Refund Residential Living Residency Agreement, a portion of the original entrance fee is refundable when a resident permanently vacates their residential living unit, provided that (1) the unit has been remarketed to a new resident who has paid their entrance fee in full and (2) all other contractual conditions for a refund have been satisfied. Refunds are payable within 30 days after these conditions are met. For clarity, a refund is not considered due until the replacement entrance fee has been received and all contractual requirements have been fulfilled.

In addition, EveryAge offers a declining balance contract (Fully Declining Residential Living Residency Agreement) in which the refundable portion of the entrance fee decreases monthly and is fully amortized to 0% after thirty-six months. Once the amortization period ends, no refund is payable upon termination of the contract or the resident's death. Accordingly, these contracts do not create refundable entrance fee obligations beyond the initial amortization period.

For cancellations on or after day 91, the refundable portion is limited to 90% of the original Residency Fee and is reduced monthly through the end of the 36th month of occupancy in accordance with the amortization schedule in Appendix D - Section 3 Residency. The refund amount is calculated based on the time elapsed from the signing of the Residency Agreement to the effective termination date. Refund rights may not be assigned during the resident's lifetime without a written amendment executed by both the resident and EveryAge.

For specific information regarding refunds based on length of occupancy, the applicable amortization schedule, and other contractual requirements affecting refunds, please refer to Appendix D, Section 1 (Basic Requirements and Terms of Cancellation).

During the life of the resident at the Community, the refund shall not be assigned to another party without an amendment to the Residency Agreement executed by the resident and EveryAge.

**22.2 Refund Obligations as of September 30, 2025**

Category	Number of Contracts	Aggregate Amount
Refunds due once all contractual conditions are met	67	\$5,186,414.25
Refunds currently due (including amounts 30+ days past due)	7	\$521,850.93
Resident now in non-residential living unit – unit not remarketed	0	\$0.00
Resident now in non-residential living unit – unit remarketed	5	\$218,622.50

As of September 30, 2025, EveryAge had \$5,186,414.25 in total refundable entrance fee obligations. No refunds were contractually due or past due at year-end. Obligations will be satisfied in accordance with contract terms as residential living units are remarketed and replacement entrance fees are received; however, the timing of refund payments depends on the pace of residential living unit turnover and remarketing activity.

**23. Financial Hardship Policies**

**23.1 Policies for Residents Unable to Pay**

It is the policy of EveryAge to allow residents to remain in the Community if they become unable to pay the monthly fee, the per diem licensed room fee, or any other fees charged by the Community, through no fault of their own, provided the resident has first applied all available assets and income. Residents admitted under a continuing care contract are not discharged solely due to financial hardship.

If a resident experiences financial hardship, the Community’s administrative staff will assist the resident in applying for available financial assistance to help meet these obligations. When, in the EveryAge Foundation’s judgment, a resident’s circumstances warrant special financial consideration, the EveryAge Foundation may consider subsidizing all or a portion of the resident’s monthly fees, provided such assistance does not compromise the EveryAge Foundation’s financial stability or its ability to fulfill its mission.

Please see Appendix D Section 9 – Financial Assistance for additional details related to this provision.

## **23.2 Sources of Financial Support**

- **EveryAge Foundation:** A related party nonprofit supporting organization that administers a benevolent care program funded by donor contributions and endowment earnings. Distributions are applied directly to the resident account once approved for benevolence assistance. Residents receiving this assistance are required to execute a separate Financial (Benevolence) Assistance Agreement with the EveryAge Foundation. In addition, please refer to Section 12 (Endowment Funds).
- **Refundable Entrance Fees:** Residents contractually entitled to a refundable entrance fee may, subject to the approval of EveryAge, apply available refundable amounts toward a portion of the unpaid monthly fees. Such applications reduce the remaining refund obligation and do not accelerate contractual payment of refunds.

## **23.3 Conditions or Limitations**

- Residents must have resided in an EveryAge community for three (3) years to be eligible to apply for benevolent assistance through the EveryAge Foundation.
- Eligibility for benevolent assistance is determined through a confidential financial review conducted by management with oversight from the EveryAge Foundation’s board of trustees.
- Assistance is subject to the availability of EveryAge Foundation funds and is not guaranteed.
- The residents may not transfer or voluntarily reduce substantially their assets, as related on their application for occupancy of a Residential Living Unit at Abernethy Laurels, without notification to EveryAge. The resident shall be required at specific times to present EveryAge with an updated confidential financial statement
- Residents must annually recertify financial need to continue receiving assistance.
- Residents must apply for any and all federal, state, and local grants and benefits for which the resident may be entitled or eligible, and to apply any and all such grants and benefits toward the cost of the resident’s care at the Community. The resident’s failure to do so will result in termination of the Residency Agreement by EveryAge and release of its obligations.
- Any resident admitted under a financial guaranty from another individual is not eligible for benevolent assistance, until obligations established by the financial guaranty have been met.

## **23.4 Narrative**

In 2025, the EveryAge Foundation distributed \$67,067 in benevolent care support to Abernethy Laurels Community residents. As of September 30, 2025, the EveryAge

Foundation maintained net assets of \$4 million designated for benevolent care, subject to donor restrictions and the discretion of the EveryAge Foundation's board of trustees.

## **24. Contract Cancellation and Refund Policies**

### **24.1 Provider-Initiated Cancellation**

EveryAge may terminate a continuing care contract:

- Before occupancy or commencement of services, if:
  - The applicant fails to meet health or financial eligibility requirements at the time of application;
  - The applicant provided materially false or misleading information during the application process; or
  - Admission would pose a direct threat to the health and safety of others.
- After occupancy or commencement of services, if:
  - During the first ninety (90) days of occupancy, based on EveryAge's determination of the resident's ability to adjust to the CCRC lifestyle;
  - Persistent nonpayment of monthly fees occurs;
  - The resident commits a material breach of contract terms;
  - Persistent refusal to comply with EveryAge's written policies and procedures; or
  - The resident engages in repeated conduct that unreasonably interferes with other residents' enjoyment of the Community or engages in disruptive or harmful conduct that materially impairs the rights of other residents or the orderly operation of the Community.

### **24.2 Resident-Initiated Cancellation**

A resident may cancel a contract under the following circumstances:

- Before occupancy or commencement of services:

If the Residency Agreement is executed before occupancy and the resident dies prior to occupying the Residential Living Unit, or is unable to occupy the unit due to illness, injury, or incapacity, the Residency Agreement shall automatically terminate, less a nonrefundable application fee retained by EveryAge to cover administrative costs.
- After occupancy or commencement of services:

Notwithstanding any other provision of the Residency Agreement, the resident may rescind the Residency Agreement within thirty (30) days after execution,

or receipt of the disclosure statement, whichever is later. The resident is not required to occupy the Residential Living Unit during the thirty (30) day rescission period.

During the first ninety (90) days of occupancy, the resident may terminate the Residency Agreement by providing EveryAge with written notice of termination. After the initial ninety (90) day period, the Residency Agreement may be terminated by the resident at any time by providing EveryAge with sixty (60) days' advance written notice of termination.

Refundable entrance fees are returned in accordance with Section 22 (Refundable Entrance Fee Obligations) once all contractual conditions are satisfied, including re-marketing of the unit. Please see Appendix D - Section 1 (Basic Requirements and Terms for Cancellation).

### **24.3 Refunds Upon Cancellation**

- Refundable entrance fees are returned in accordance with Section 22 (Refundable Entrance Fee Obligations).
- Nonrefundable portions of entrance fees are retained by EveryAge.
- Prepaid monthly fees will be prorated through the date the unit is vacated, made available for remarketing, and the keys are returned, with any remaining balance refunded.

### **24.4 Refunds Upon Death**

- **Before occupancy or commencement of services:**

If a resident dies or becomes ill or incapacitated before occupying the Residential Living Unit, the entrance fee and any other money or property paid to EveryAge will be refunded in full, less the non-refundable application fee specified in the ancillary fee schedule and any nonstandard costs specifically incurred by EveryAge at the resident's request. Any refund shall be issued after EveryAge's receipt of written notice of the resident's death, illness, or incapacity.

- **After occupancy or commencement of services:**

Refunds are made according to the standard refundable entrance fee provisions described in Section 22 (Refundable Entrance Fee Obligations), including remarketing and replacement entrance fee conditions. Prepaid monthly fees will be prorated through the date the unit is vacated, made available for remarketing, and the keys are returned, with any remaining balance refunded.

## **25. Re-occupancy of Units**

A Residential Living Unit at Abernethy Laurels may be reassigned to a new resident under the following circumstances:

## 25.1 Resident-Initiated Vacating

- **Voluntary termination:** When a resident cancels their continuing care contract and permanently vacates the Residential Living Unit.
- **Transfer to a higher level of care:** When a resident moves from residential living to a licensed assisted living or skilled nursing room, and the contract permits the original living unit to be reassigned.

## 25.2 Provider-Initiated Vacating

- **Contract termination by provider:** When a contract is terminated by EveryAge under the circumstances described in Section 24 (Contract Cancellation and Refund Policies).
- **Persistent nonpayment:** When a resident fails to meet contractual payment obligations and EveryAge declares the contract terminated.

## 25.3 Temporary Absences

Hospitalizations, rehabilitative stays, or other temporary absences do not constitute vacating of the living unit and do not permit re-occupancy by a new resident.

## 25.4 Refunds

Refunds associated with the vacating of a living unit are handled in accordance with Section 22 (Refundable Entrance Fee Obligations). Refunds are contingent upon re-occupancy by a new resident, and the timing of repayment may vary depending on market demand and the pace of living unit turnover.

## 26. Resident Relocation

Residents of Abernethy Laurels may be required to relocate from their current living unit to another living unit within the Community under the following circumstances:

### 26.1 Resident Needs

- **Health-Related Transfer:** When a resident's medical condition requires a move to a more supportive level of care, such as assisted living, memory care, or skilled nursing.
- **Safety and Accessibility:** When the current living unit no longer meets the resident's safety or accessibility needs (for example, due to mobility limitations or inability to safely navigate stairs).

## 26.2 Provider Needs

- **Renovation or Construction:** When construction, renovation, or repair work requires temporary or permanent relocation.
- **Operational Necessity:** When the continued occupancy of a living unit materially interferes with the orderly operation of the Community and no reasonable alternative exists. This provision is applied only in limited circumstances.

## 26.3 Process

- Relocation decisions are made in consultation with the resident, the resident's family (if applicable), and appropriate health professionals.
- EveryAge makes reasonable efforts to relocate the resident to a comparable living unit within the Community, meaning one of similar size, type, and monthly fee level whenever possible.
- If relocation is required for renovation or construction purposes, EveryAge will inform the resident in advance and clarify whether the move is temporary or permanent.

## 26.4 Financial Obligations

All entrance fee and monthly fee obligations continue in accordance with the terms of the resident's contract, regardless of relocation.

## 27. Admission and Continuation Standards

### 27.1 Admission Requirements

Admission to Abernethy Laurels is subject to both health and financial screening at the time of application.

#### 27.1.1 CCRC Contracts (Campus-Based)

- **Financial Standards:** EveryAge evaluates whether a prospective resident has sufficient income, assets, or other financial resources to pay the required entrance fee, monthly fees, and other charges as they become due. In making this determination, EveryAge considers factors such as income sources, assets, liabilities, and anticipated living expenses.
- **Health Standards:** Applicants for residential living must be capable of living safely and independently at the time of entry, with or without reasonable accommodation. A current medical history and health assessment completed by the applicant's physician or the Community's Medical Director is required. Individuals who require immediate assisted living, memory care, or skilled nursing are not eligible for entry into residential living.

- **Social Interests:** The individual’s interests, temperament and outlook should be such that they will contribute to the Community and will be able to live in harmonious relationship with other residents. It is important to consider the ways the individual will benefit from a social setting provided in a Community and how other residents will benefit from the individual’s presence in the Community.

## 27.2 Continuation Requirements

- **CCRC Contracts:** Once admitted, residents may remain at the Community regardless of changes in health or financial status, subject to the hardship policies described in Section 23(Financial Hardship Policies). Residents may be required to relocate to a higher level of care (see Section 26 Resident Relocation) if their health needs can no longer be met safely in their current living unit. If the resident relocates to a higher level of care within the community, the resident shall continue to be responsible for the then-current monthly fees and all applicable non-ancillary fees associated with the residency.

## 27.3 Changes in Condition Before Occupancy or Commencement of Services

- **CCRC Contracts:** If a resident’s health materially declines between signing a contract and the date of initial occupancy, the provider may re-evaluate eligibility for residential living and may require admission to a higher level of care, if available. If no suitable accommodation is available or if the applicant no longer meets entry requirements, the contract may be cancelled and entrance fees refunded in accordance with Section 24 (Contract Cancellation and Refund Policies). Depending upon the amount of time that has elapsed since the initial acceptance, material changes in financial condition occur before occupancy (such as loss of income or assets needed to pay monthly fees), and/or whether any rate changes have been implemented, the provider may re-evaluate eligibility. If standards are no longer met, the contract may be canceled, and applicable fees would be refunded.

## 28. Age and Insurance Requirements

### 28.1 Age Requirements

The age for admission is at least sixty-two (62) years. If application is for two individuals to occupy one Residential Living Unit, at least one of the two individuals must be at least sixty-two (62) years of age. There is no maximum age limit for admission, provided the applicant meets the health and financial eligibility standards described in Section 27 (Admission and Continuation Standards).

## **28.2 Insurance Requirements**

Applicants for CCRC contracts must maintain eligible Medicare Coverage and one supplemental insurance policy or equivalent insurance coverage, which adequately covers hospital, medical and skilled nursing deductibles and copayments required of the primary insurance plan. Such coverage would include:

- Medicare Parts A and B; and
- a Medicare supplement (Medigap) policy or equivalent health insurance to cover services not provided by Medicare.

Alternatively, if the resident has chosen to participate in a managed care insurance program as an alternative to Medicare Part A, Part B, or other healthcare programs, and supplemental insurance coverage, when healthcare services are provided at the Community, EveryAge must be a participating provider in the insurance network or the resident will assume the financial responsibility for services provided that otherwise would not be covered. reserves the right and sole discretion to eliminate and/or change its participation in all insurance plans.

Please see Appendix D Section 6 – Health Insurance for additional details related to this provision.

## **28.3 Special Conditions**

- Exceptions to the minimum age requirement may be considered on a case-by-case basis if a younger applicant is married to or partnered with an eligible applicant, or if otherwise required to maintain household composition.
- Waivers of the insurance requirement may be granted only if the applicant demonstrates alternative coverage or financial capacity sufficient to meet anticipated health care expenses.
- A designated staff member conducts sex-offender screening for each applicant utilizing a national sex-offender registry. Registered sex offenders will be excluded from admission to Residential Living Units, if the sex offense occurred at age twenty-five (25) or older. All registered sex offenders will be excluded from admission to any licensed bed or unit.

## **29. Reserve Funding and Refund Security**

### **29.1 Cash and Investments**

As of September 30, 2025, EveryAge held \$78,345,514 in unrestricted cash and investments. While unrestricted for accounting purposes, \$65 million of these funds have been designated by the Board of Directors to prioritize liquidity, consistent with the organization's investment policy emphasizing liquidity and capital preservation.

At year-end, unrestricted cash and investments supported a Days Cash on Hand of 566 days, representing over eighteen months of projected operating expenses without new revenues.

## 29.2 Investment Management and Oversight

- **Oversight Body:** Finance Committee of the Board of Directors of EveryAge
- **Day-to-Day Management:** Chief Financial Officer (CFO).
- **Experience:** Finance Committee members average over 18 years of financial oversight and investment policy.
- **Policy and Controls:** Investments are managed under a Board-approved Investment Policy Statement emphasizing liquidity and capital preservation. Permitted holdings include cash, cash equivalents, U.S. Treasury/agency securities, investment-grade bonds, and broadly diversified public funds/ETFs. The CFO executes within these limits, reports quarterly to the Finance Committee, and maintains control over custody, counterparty limits, and rebalancing.

## 29.3 Statutory Operating Reserve Requirement

As of September 30, 2025, Abernethy Laurels' 12-month rolling average residential living unit occupancy was 91.98%. Based on this level of occupancy, the required statutory operating reserve was 25% of projected operating costs for the next 12 months.

Because Abernethy Laurels is part of an obligated group that maintains a separate Debt Service Reserve Fund, principal and interest payments are excluded from the operating reserve requirement.

**Table 29.1: Statutory Operating Reserve Calculation (as of September 30, 2025)**

<b>Component</b>	<b>Amount</b>
Total projected operating expenses	\$31,323,000
Add: Debt service (principal and interest)	\$2,035,000
Less: Principal and interest (covered by Debt Service Reserve Fund)	(\$1,633,000)
Less: Depreciation and amortization	(\$3,575,000)
<b>Net projected operating costs</b>	<b>\$28,150,000</b>
Applicable reserve percentage based on occupancy	25%
<b>Required operating reserve</b>	<b>\$7,037,500</b>
Unrestricted cash & investments on hand	\$78,345,214

Component	Amount
<b>Excess above required reserve</b>	<b>\$71,307,714</b>

**Summary:** The required statutory operating reserve for Abernethy Laurels was \$7.0 million. The required statutory operating reserve requirement for Piedmont Crossing was \$5.7 million. EveryAge held \$78.3 million in unrestricted cash and investments, providing an excess cushion of \$65.6 million above the statutory minimums.

## 29.4 Refund Security (Entrance Fee Refunds)

Entrance fee refund obligations are supported by unrestricted cash and investments of \$78.3 million held by EveryAge.

The statutory operating reserve cannot be used for any purpose, including refund payments, without prior regulatory approval.

Abernethy Laurels is not required by statute to escrow entrance fees and none are maintained in escrow.

**Table 29.2: Unrestricted Cash and Investment Summary as of September 30, 2025**

Category	Amount	Notes
Total unrestricted cash & investments	\$78,345,214	All liquid balances (cash and investments)
Less: Required operating reserve for Abernethy Laurels and Piedmont Crossing	(\$12,737,500)	Must be maintained; release requires regulatory approval
<b>Excess unrestricted cash and investments above operating reserve and board designated refund reserve</b>	<b>\$65,607,714</b>	Available for operations and refund needs (outside of designated reserves)

## 30. Expansion and Renovation Plans

EveryAge engaged architectural services to update cottage plans to evaluate the pricing to construct five new cottages on available land that has infrastructure in place. EveryAge has no other plans for expansion or renovation at Abernethy Laurels outside of routine annual capital budget expenditures.

EveryAge seeks to serve the broader community by responding with care and services to meet the diverse needs of an aging population. As opportunities and financial resources permit, EveryAge undertakes new outreach ministries to address community needs and promote high standards of quality care and affordable retirement living. EveryAge remains

committed to charitable work in support of individuals and the community as funds and opportunities allow.

### **31. Audit Opinion and Timeliness**

The combined financial statements of EveryAge and its affiliates, including Abernethy Laurels for the fiscal year ended September 30, 2025, were audited by CliftonLarsonAllen LLP Charlotte, North Carolina.

- **Timeliness:** The audit was completed and issued within 150 days of fiscal year-end, meeting statutory requirements.
- **Audit Opinion:** The independent auditor issued an unmodified opinion (a “clean” audit opinion) on the combined financial statements.

EveryAge does not issue separate stand-alone audited financial statements; its financial information is presented within the combined audit of EveryAge, with combined schedules.

### **32. Audited Financial Statements**

The audited combined financial statements of EveryAge and its affiliates for the fiscal year ended September 30, 2025, are attached hereto as Appendix A and form an integral part of this Disclosure Statement. These statements include the balance sheet, statement of operations, statement of cash flows, and accompanying notes, and have been prepared in accordance with generally accepted accounting principles (GAAP).

Because the financial statements are presented on a combined basis, supplemental combined schedules provide provider-level detail for EveryAge.

### **33. Five-Year Prospective Financial Statements**

The five-year prospective financial statements of EveryAge and its affiliates, including Abernethy Laurels for the period 2026 through 2030 are attached hereto as Appendix B. These statements were prepared and compiled by CliftonLarsonAllen LLP, and include a summary of significant assumptions and accounting policies.

Because the prospective financial statements are presented on a combined basis, supplemental combined schedules provide prospective operating results for EveryAge on a standalone basis.

### **34. Variances from Prospective Financial Statements**

For the fiscal year ended September 30, 2025, management reviewed the results of operations for EveryAge against the prospective financial statements filed in the prior year.

Variations included both financial line items and key assumptions, such as occupancy, used in preparing the projections. The following material variations were identified:

**Table 34.1: Variance Analysis - Fiscal Year Ended 9/30/2025**

Category	Projected Amount	Actual Amount	Variance	Explanation
Residential Living Occupancy	330	324	-6	Move-ins were slower during the first part of the fiscal year creating a lower average for the entire year but residential living occupancy increased by 25 from 9/30/2024 to 9/30/2025
Entrance Fee Receipts	\$8,914,000.00	\$7,959,035.00	-957,965.00	Although move-ins were nine below projected, higher-than-average entrance fees helped offset part of the shortfall.
Staffing Costs	\$35,177,096.91	\$34,296,183.68	-\$880,913.23	Staffing costs were lower than expected due to vacant positions as well as lower employee benefit (health insurance) costs than projected.
Debt Service	\$2,679,772.00	\$2,622,780.00	-\$56,992.00	Debt service was slightly lower than projected, which may be attributable to interest rate variability on several

Category	Projected Amount	Actual Amount	Variance	Explanation
				adjustable-rate bank loans.

### 35. Key Financial Metrics

This section presents the eight statutory financial ratios required under N.C. Gen. Stat. § 58-64A-150(a)(39). Historical values are based on audited financial statements; prospective values are derived from the provider’s five-year prospective financial statements. Comparative statewide medians will be published by the North Carolina Department of Insurance beginning in late 2026.

For the tables below, FY = the most recent fiscal year end.

Full statutory text of definitions is provided in Appendix F.

#### 35.1 Liquidity Ratios

**Days Cash on Hand (DCOH).** Number of days the provider (obligated group) could pay its normal cash operating expenses using unrestricted cash and investments. More days generally means stronger liquidity.

**Cushion Ratio (CUSH).** Number of times unrestricted cash and investments could cover one year of debt service. Higher values mean more resources to pay debt service.

**Table 35.1: Liquidity Ratios – Provider Only**

Ratio	FY-2	FY-1	FY	FY+1	FY+2	FY+3
<b>DCOH</b>	508.80	584.00	566.00	648.00	687.00	724.00
<b>CUSH</b>	11.84x	17.39x	29.42x	35.44x	39.06x	41.39x

**Narrative – Provider Only:**

EveryAge’s liquidity position remains strong and is projected to continue to improve over the forecast period, reflecting our focus on improved operating efficiency and cost control to support higher operating margins, together with conservative projections of positive investment returns.

Debt service coverage has also improved materially and is projected to continue to improve also because of increases in unrestricted cash and investments while debt service is not projected to increase over the projection period.

**Table 35.1A: Liquidity Ratios – Obligated Group**

<b>Ratio</b>	<b>FY-2</b>	<b>FY-1</b>	<b>FY</b>	<b>FY+1</b>	<b>FY+2</b>	<b>FY+3</b>
<b>DCOH</b>	397.83	449.00	342.00	392.00	416.00	436.00
<b>CUSH</b>	9.44x	9.41x	9.53x	9.18x	9.67x	10.49x

**Narrative – Obligated Group:**

Because the majority of the Obligated Group’s unrestricted cash and investments are held at EveryAge, the DCOH at the Obligated Group level is lower than at the EveryAge level but still reflects sufficient liquidity to cover operating expenses for all the Obligated Group members, with DCOH projected to improve over the forecast period.

The Obligated Group’s debt service coverage is projected to improve over the forecast period, though at a slower pace than at the EveryAge level, primarily due to increasing annual debt service for other Obligated Group members. Even so, coverage remains very strong, with unrestricted liquidity covering nine to ten times annual debt service.

**35.2 Profitability Ratios**

**Operating Ratio (OR).** Compares current operating expenses (excluding depreciation and amortization) to current operating revenues (excluding entrance fee amortization). Lower percentages mean operating revenues are more easily covering cash operating expenses.

**Net Operating Margin (NOM).** Shows the result from core resident services. Higher values mean a stronger operating result from resident services.

**Adjusted Net Operating Margin (NOM-A).** Shows the operating result after also counting net entrance fee cash received during the year. Higher values mean the result is improved when net entrance fee cash is included.

**Table 35.2: Profitability Ratios – Provider Only**

<b>Ratio</b>	<b>FY-2</b>	<b>FY-1</b>	<b>FY</b>	<b>FY+1</b>	<b>FY+2</b>	<b>FY+3</b>
<b>OR</b>	95.62%	96.31%	95.94%	94.78%	93.90%	93.77%
<b>NOM</b>	11.00%	7.13%	6.35%	8.36%	9.17%	9.17%
<b>NOM-A</b>	18.42%	16.24%	20.21%	20.59%	21.52%	21.28%

**Narrative – Provider Only:**

Operating performance remained stable in the prior three years with a gradual improvement in margins projected over the next three years. This reflects EveryAge’s focus on improvements in operating efficiencies and expense control.

NOM declined during the historical period because resident expenses increased at a faster rate than resident revenues, resulting in margin compression. NOM is projected to improve during the projection period as revenue growth and expense management rebalance.

EveryAge experienced an improvement in NOM-A in FY2025 due to higher than projected net entrance fees, with performance projected to stabilize over the subsequent three-year period.

**Table 35.2A: Profitability Ratios – Obligated Group**

Ratio	FY-2	FY-1	FY	FY+1	FY+2	FY+3
OR	100.30%	100.29%	100.24%	94.48%	92.99%	92.38%
NOM	7.83%	5.21%	6.94%	12.28%	13.25%	13.50%
NOM-A	21.08%	17.46%	20.68%	23.79%	23.27%	23.46%

**Narrative – Obligated Group:**

The OR for the Obligated Group remained above 100% during the historical period, indicating operating expenses for the other members of the Obligated Group exceeded operating revenues during those years. Beginning in FY2026, OR is projected to decline reflecting improved focus on operating efficiency and expense control relative to revenues in the projection period.

Consistent with the trend on the EveryAge level, the Obligated Group NOM declined during the historical period as a result of resident expenses increasing at a higher rate than resident revenues for other members of the Obligated Group. Beginning in FY2026, NOM is expected to increase, indicating improved projected operating performance.

After a decline in NOM-A in FY2024, adjusted margins strengthened mostly due to higher than projected net entrance fees at all three CCRC’s in the Obligated Group. Net entrance fees are projected to be lower but remain stable in the forecast period.

**35.3 Capital Structure Ratios**

**Debt Service Coverage (DSCR).** Measures ability to pay annual debt service from operations and net entrance fee cash. Higher values indicate greater ability to pay debt service.

**Unrestricted Cash & Investments to Long-Term Debt (CD).** Compares unrestricted cash and investments to long-term debt. Higher values indicate more unrestricted cash and investments relative to debt.

**Capital Expenditures to Depreciation (CED).** Indicates reinvestment relative to depreciation expense. Values at or above 1.0x usually mean the provider is reinvesting enough to keep up.

**Table 35.3: Capital Structure Ratios – Provider Only**

Ratio	FY-2	FY-1	FY	FY+1	FY+2	FY+3
<b>DSCR</b>	1.88x	2.74x	5.26x	5.30x	5.62x	5.56x
<b>CD</b>	0.88x	1.08x	1.14x	1.38x	1.53x	1.68x
<b>CED</b>	0.34x	1.15x	1.35x	0.95x	0.67x	0.78x

**Narrative – Provider Only:**

In FY2025, EveryAge saw higher than normal net entrance fees, exceeding projections by almost \$1.0 million. During the same period, annual debt service declined by \$1.6 million. Together, these factors contributed to the resulting higher DSCR. Annual debt service is projected to remain relatively stable over the forecast period, while operating performance is projected to improve, resulting in a modestly higher but stabilized DSCR.

The CD ratio is projected to increase over the forecast period, reflecting growth in unrestricted cash and investments alongside continued repayment of long-term debt.

EveryAge experienced an increase in the capital expenditures-to-depreciation ratio, primarily driven by elevated capital spending in FY2024 and FY2025. In addition, a significant asset at Piedmont Crossing will become fully depreciated in FY2026, resulting in notable decline in depreciation expense for that year. As capital spending is projected to normalize over the forecast period, the capital expenditures-to-depreciation ratio is expected to moderate in the forecast years.

**Table 35.3A: Capital Structure Ratios – Obligated Group**

Ratio	FY-2	FY-1	FY	FY+1	FY+2	FY+3
<b>DSCR</b>	2.13x	1.89x	2.72x	2.45x	2.41x	2.52x
<b>CD</b>	0.66x	0.67x	0.49x	0.60x	0.67x	0.75x
<b>CED</b>	1.09x	2.90x	5.93x	0.71x	0.59x	0.69x

### **Narrative – Obligated Group:**

While coverage and liquidity ratios at the Obligated Group level are moderated by operating performance and higher debt service of certain members, the resulting metrics remain within ranges commonly observed for multi-site senior living operators. Projected growth in unrestricted liquidity and declining long-term debt are expected to support improvement in coverage and liquidity over the forecast period.

The Obligated Group consistently exceeds typical bond-covenant thresholds ( $DSCR \geq 1.20\times$  and  $CD \geq .35$ ) and reflecting prudent borrowing and sustained capital reinvestment across campuses.

The modest increase in the CD ratio reflects incremental growth in unrestricted cash and investments, combined with the ongoing repayment of long-term debt.

The decrease in the capital expenditures-to-depreciation ratio is primarily due to elevated capital spending in the prior three years and the resulting increase in depreciation as those assets were placed into service, combined with normalized current-year capital expenditures

### **35.4 Overall Summary**

Statutory financial ratios indicate a strong and improving financial position for EveryAge at both the provider and Obligated Group levels. Liquidity remains robust, with Days Cash on Hand and Cushion Ratios well above the levels typically associated with financial stability, and both metrics are projected to improve over the forecast period. Operating performance experienced pressure during the historical period due to expense growth outpacing revenues, but margins are projected to improve beginning in FY2026 as operating efficiencies and expense management take effect. Capital structure metrics remain solid, with debt service coverage consistently exceeding typical covenant thresholds and unrestricted liquidity increasing relative to long-term debt. Capital expenditure ratios reflect recent periods of elevated reinvestment, followed by projected normalization as capital spending moderates and assets are placed into service.

## **36. Actuarial Opinion and Balance**

EveryAge is exempt from the actuarial study requirement under North Carolina law because it offers health care services on a fee-for-service or limited-benefit basis. Instead, EveryAge is required to obtain an actuarial projection of future population flows and health care needs at least once every five years. Due to timing of the enactment of this requirement and the applicable statutory filing schedule, the required actuarial projection has not yet been completed. EveryAge is required to submit its actuarial projection to the North Carolina Department of Insurance no later than 12/1/2030, at which time it will be subject to review by the Department.

## 37. Most Recent Department Examination Report

The North Carolina Department of Insurance has not conducted an examination of EveryAge under Article 64A of the North Carolina General Statutes.

## 38. Other Material Information

Management has reviewed whether there are any additional facts, circumstances, risks, or events that could reasonably be expected to influence a prospective or current resident's decision to contract with EveryAge.

EveryAge purchases general liability, professional liability, and excess automobile liability insurance from Caring Communities, a Reciprocal Risk Retention Group ("CCrRRG"). CCrRRG is a District of Columbia-domiciled insurer owned by more than 60 members, including EveryAge. All members are not-for-profit providers of senior services and housing, with the exception of one member, which is a Vermont-domiciled insurer owned by its members, all of whom are also not-for-profit providers of senior services and housing. CCrRRG is registered with the North Carolina Department of Insurance; however, it is not covered by the North Carolina Insurance Guaranty Association.

Capital contributions are now represented by EveryAge Charter Capital Account of CCrRRG.

Other than the disclosures provided in prior sections of this Disclosure Statement, management has determined that no additional material information requires disclosure at this time.

## 39. Contract Forms and Attachments

EveryAge offers continuing care contracts. A representative form is attached hereto as Appendix D (Representative Contracts).

### 39.1 Continuing Care Contracts

EveryAge offers two forms of continuing care contracts, which differ primarily in their entrance fee refund provisions:

- **50% Refundable Contract (50% Refund)** – Residents pay a moderate entrance fee, and 50% of the fee (less applicable deductions) is refundable after the unit is remarketed. This contract is also referred to as a 50% Refund Residential Living Residency Agreement.

Beginning on day 91, the total portion of the residency fee which remains refundable is reduced to 90% of the original fee. From Day 91 through the end of the 36<sup>th</sup> month of occupancy, the refundable portion of the original residency fee will be reduced by 1.21% per month for each month of occupancy through month thirty-six (36). After the thirty-sixth (36<sup>th</sup>) month of occupancy, the refund will remain at the fifty percent

(50%) level. During the life of the resident at the Community, the refund shall not be assigned to another party without an amendment to the Residency Agreement executed by the resident and EveryAge.

- **Declining Balance Contract (0% Refundable)**– Residents pay the lowest entrance fee. The refundable portion of the entrance fee decreases monthly and amortizes to 0% after a two-year period. Once the amortization period has elapsed, no refund is payable upon termination or death of the resident. This contract is also referred to as a Fully Declining Residential Residency Agreement.

Beginning on day 91, the total portion of the residency fee which remains refundable is reduced to 90% of the original fee. From Day 91 through the end of the 36<sup>th</sup> month of occupancy, the refundable portion of the original residency fee will be reduced by 2.73% per month for each month of occupancy through month thirty-six (36). After the thirty-sixth (36<sup>th</sup>) month of occupancy, the balance will decline to zero. During the life of the resident at the Community, the refund shall not be assigned to another party without an amendment to the Residency Agreement executed by the resident and EveryAge.

- **Pavilion Continuing Care Contract Addendum**- Residents who elect to occupy a Residential Living Unit in the Pavilion may choose from the same continuing care contract options available to all residents, including the 50% refundable and declining balance contracts. Pavilion Residential Living Units are subject to an additional contract addendum reflecting Support Services included in the Monthly Fee for Pavilion residents.
- **Rental Option**-EveryAge offers a rental option through which an individual may enter the community by signing a monthly rental agreement. The rental option is only available for Studio rooms referenced in Section 21(Resident Fees). This agreement does not require payment of an entrance fee but does require payment of a monthly rental rate set at a higher fee than the monthly support fee paid by residents who hold a contracted Residency Agreement with EveryAge. The rental option provides the resident with access to services and amenities also available to contracted residents, with the exception of healthcare services. Additional amenities may be available on a fee-for-service basis for the resident, and likewise the resident shall be charged direct admission fees upon entrance to a higher level of living.

All other terms and conditions of the continuing care contracts are substantially similar. A representative form of these contracts are included in Appendix D (Representative Contracts).

## **Appendix Index**

The following Appendices are incorporated into and form an integral part of this Disclosure Statement. Each Appendix begins on a separate page.

**APPENDIX A – AUDITED FINANCIAL STATEMENTS**

**APPENDIX B- FIVE YEAR PROSPECTIVE FINANCIAL STATEMENTS**

**APPENDIX C-STATEMENT OF ACUARIAL OPINION**

**APPENDIX D- REPRESENTATIVE CONTRACT**

**APPENDIX E – EXAMINATION REPORT**

**APPENDIX F – STATUTORY RATIO AND SUPPORTING DEFINITIONS**

## Appendix A— Audited Financial Statements

**EVERYAGE AND AFFILIATES  
COMBINED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**YEARS ENDED SEPTEMBER 30, 2025 AND 2024**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
EveryAge and Affiliates  
Newton, North Carolina

### ***Opinion***

We have audited the combined financial statements of EveryAge and Affiliates (a North Carolina nonprofit organization), which comprise the combined statements of financial position as of September 30, 2025 and 2024, and the related combined statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of EveryAge and Affiliates as of September 30, 2025 and 2024, and the changes in their net assets and 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 audit 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 Financial Statements section of our report. We are required to be independent of EveryAge and Affiliates and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibility of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about EveryAge and Affiliates' ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

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

Our objectives are to obtain reasonable assurance about whether the combined 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 auditing standards generally accepted in the United States of America 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, including omissions, 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 combined financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

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



CliftonLarsonAllen LLP

Charlotte, North Carolina  
January 21, 2026

**EVERYAGE AND AFFILIATES**  
**COMBINED STATEMENTS OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2025 AND 2024**

	2025	2024
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 10,704,804	\$ 3,374,885
Accounts Receivable	15,574,695	4,688,182
Allowance for Credit Losses	<u>(1,267,400)</u>	<u>(569,361)</u>
Accounts Receivable, Net of Allowance for Credit Losses	14,307,295	4,118,821
Other Receivables	814,562	2,441,401
Due from Related Parties, Current	1,493,631	2,881,830
Other Current Assets	<u>788,022</u>	<u>556,652</u>
Total Current Assets	28,108,314	13,373,589
Due from Related Parties, Less Current Portion	227,524	227,524
Assets Limited as to Use	98,661,878	91,718,881
Investments	9,899,722	9,283,665
Equity Investment	1,670,488	1,441,432
Fair Value of Interest Rate Swap Agreements	5,162,882	4,142,418
Other Noncurrent Assets	1,476,618	1,442,027
Property and Equipment, Net	164,456,238	125,001,405
Other Intangible Assets, Net	4,163,014	-
Goodwill, Net	<u>7,549,798</u>	<u>-</u>
Total	<u>293,268,162</u>	<u>233,257,352</u>
 Total Assets	 <u>\$ 321,376,476</u>	 <u>\$ 246,630,941</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current Portion of Long-Term Debt	\$ 4,069,624	\$ 2,655,000
Accounts Payable	5,050,957	7,808,774
Accrued Salaries and Related Benefits	6,243,901	4,695,117
Other Current Payables	<u>3,422,325</u>	<u>2,921,095</u>
Total Current Liabilities	18,786,807	18,079,986
<b>LONG-TERM LIABILITIES</b>		
Long-Term Debt, Less Current Portion	176,396,451	116,122,610
Refundable Advance Fees	7,253,705	7,715,691
Deferred Revenue from Advance Fees	<u>49,306,939</u>	<u>43,700,678</u>
Total	<u>232,957,095</u>	<u>167,538,979</u>
Total Liabilities	251,743,902	185,618,965
<b>NET ASSETS</b>		
Without Donor Restrictions	61,979,202	52,578,508
With Donor Restrictions	<u>7,653,372</u>	<u>8,433,468</u>
Total Net Assets	<u>69,632,574</u>	<u>61,011,976</u>
 Total Liabilities and Net Assets	 <u>\$ 321,376,476</u>	 <u>\$ 246,630,941</u>

**EVERYAGE AND AFFILIATES**

**COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN  
NET ASSETS YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>OPERATING REVENUES</b>		
Healthcare	\$ 51,831,519	\$ 34,648,531
Pavilion/Assisted Living	9,325,941	4,521,322
Residential Living	20,653,881	16,556,705
Amortization of Advance Fees	6,493,221	6,377,441
Home Care	4,812,797	3,238,006
PACE Income	20,330,024	17,337,722
Rental Income	1,167,111	-
Management Fee Income	1,178,111	963,651
Outside Services	228,955	185,216
Other Operating Revenue	<u>1,368,727</u>	<u>1,278,664</u>
Total Operating Revenues	117,390,287	85,107,258
<b>OPERATING EXPENSES</b>		
Health Services:		
Healthcare	25,713,159	15,896,888
Medical Records	218,908	178,173
Personnel and Employee Benefits	14,442,789	11,123,637
Laundry	527,375	361,626
Social Services	534,057	322,799
Activities	767,300	478,171
Spiritual Life	287,828	222,702
Housekeeping	2,268,103	1,482,366
Plant Maintenance	9,559,147	6,438,552
Residential Living	1,909	-
Pavilion/Assisted Living	3,822,108	2,023,715
Clinic	101,510	112,956
Resident Services	500,686	316,763
Transportation	191,998	212,752
Dietary	7,680,581	5,534,973
Wellness Center	152,284	164,227
Beauty Shop	66,293	59,278
Day Care	280,192	274,243
Home Care	2,109,644	1,735,947
Home Health	1,604,914	1,334,111
Hospice	353,931	147,687
PACE Expenses (Including 2025 and 2024 Depreciation of \$120,399 and 112,113, respectively)	17,638,861	14,928,149
Outside Services	156,481	138,148
General and Administrative:		
Administrative	7,726,524	6,123,760
Marketing	1,299,649	1,075,302
Staff Development	224,118	210,231
Depreciation	9,960,059	7,181,565
Amortization	1,116,602	-
Real Estate Taxes	981,054	406,783
Interest Expense	6,628,205	3,172,885
Insurance	1,791,441	1,240,683
Credit Losses	552,394	599,015
Other Operating Expenses	<u>1,055,924</u>	<u>702,762</u>
Total Operating Expenses	<u>120,316,028</u>	<u>84,200,849</u>

**EVERYAGE AND AFFILIATES**  
**COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS (CONTINUED)**  
**YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

	2025	2024
<b>OPERATING INCOME (LOSS)</b>	\$ (2,925,741)	\$ 906,409
<b>NONOPERATING INCOME (EXPENSE)</b>		
Contributions and Grants	555,549	696,006
Contribution Expense	(1,533,381)	(182,196)
Investment Return, Net	9,464,410	17,715,793
Change in Fair Value of Interest Rate Swap Agreements	1,020,466	(4,287,557)
Loss on Sale of Property and Equipment	(13,470)	(50,660)
Other Nonoperating Income	1,441,307	954,243
Net Assets Released from Restrictions	1,391,554	14,980
Total Nonoperating Income	12,326,435	14,860,609
<b>EXCESS OF REVENUES OVER EXPENSES AND CHANGE</b>		
<b>IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	9,400,694	15,767,018
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>		
Contributions	611,458	276,308
Net Assets Released from Restrictions	(1,391,554)	(14,980)
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>	(780,096)	261,328
<b>CHANGE IN NET ASSETS</b>	8,620,598	16,028,346
Net Assets - Beginning of Year	61,011,976	44,983,630
<b>NET ASSETS - END OF YEAR</b>	\$ 69,632,574	\$ 61,011,976

**EVERYAGE AND AFFILIATES**

**COMBINED STATEMENTS OF CASH FLOWS YEARS  
ENDED SEPTEMBER 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change In Net Assets	\$ 8,620,598	\$ 16,028,346
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Net Realized and Unrealized Gain on Investments	(4,569,526)	(12,694,113)
Net Loss on Sale of Property and Equipment	13,470	50,660
Provision for Credit Losses	(698,039)	(41,258)
Depreciation	9,960,059	7,181,565
Change in Fair Value of Interest Rate Swap Agreement	(1,020,464)	4,287,557
Amortization of Goodwill and Other Intangible Assets	1,116,602	-
Amortization of Deferred Issue Costs	244,130	197,754
Amortization of Bond Premium, Net	(314,667)	(288,571)
Amortization of Advance Fees	(6,493,221)	(6,377,441)
Advance Fees Received	14,021,937	8,553,446
Change in Value of Equity Investment	(229,056)	(115,328)
(Increase) Decrease in:		
Accounts Receivable	(9,490,435)	(703,265)
Other Receivables	2,154,091	(981,975)
Other Current Assets	(265,961)	13,914
Increase (Decrease) in:		
Accounts Payable	418,595	(1,164,131)
Accrued Salaries and Related Benefits	1,548,784	748,624
Other Current Payables	<u>501,230</u>	<u>28,783</u>
Net Cash Provided by Operating Activities	<u>15,518,127</u>	<u>14,724,567</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Change in Assets Limited as to Use	1,621,682	(3,032,316)
Change in Investments	(349,496)	(257,473)
Purchases of Property and Equipment	(22,710,799)	(32,505,307)
Proceeds from Sale of Property and Equipment	3,000	6,812
Repayments to Related Parties, Net	<u>1,388,199</u>	<u>(34,230)</u>
Net Cash Used by Investing Activities	<u>(20,047,414)</u>	<u>(35,822,514)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advance Fees Refunds	(1,849,182)	(1,256,051)
Borrowings from Long-Term Debt	17,724,643	24,328,860
Principal Payments on Long-Term Debt and Leases	(3,494,980)	(2,435,000)
Refundable and First Generation Advance Fees Received	-	225,252
Increase in Bond Premiums	682,238	-
Increase in Bond Issuance Costs	<u>(1,203,513)</u>	<u>(229,095)</u>
Net Cash Provided by Financing Activities	<u>11,859,206</u>	<u>20,633,966</u>
<b>NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	7,329,919	(463,981)

**EVERYAGE AND AFFILIATES**  
**COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)**  
**YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	<u>3,374,885</u>	<u>3,838,866</u>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR</b>	<u><u>\$ 10,704,804</u></u>	<u><u>\$ 3,374,885</u></u>
 <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash Paid for Interest, Net of Amounts Capitalized	<u>\$ 6,059,599</u>	<u>\$ 3,171,619</u>
 <b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITY</b>		
Acquisition of Property and Equipment through Incurrence of Accounts Payable	<u>\$ 286,828</u>	<u>\$ 4,634,315</u>
 <hr/>		
Property and Equipment Acquired from Purchase	\$ 31,068,050	\$ -
Other Current Assets Acquired from Purchase	5,324,225	-
Intangible Assets Acquired from Purchase	4,440,750	-
Goodwill Acquired from Purchase	8,388,664	-
Accounts Payable and Accrued Expenses Assumed	1,171,075	-
Long-Term Debt Incurred	<u>48,050,614</u>	<u>-</u>
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025 AND 2024**

**NOTE 1 ORGANIZATION**

EveryAge is a nonprofit organization that owns and operates continuing care retirement communities in Newton (Abernethy Laurels) and Thomasville (Piedmont Crossing), North Carolina, consisting of residential living units, assisted living units and nursing facilities providing adult care and intermediate and skilled nursing care. EveryAge was incorporated in North Carolina in 1961. EveryAge's corporate office is located in Newton, North Carolina.

Lake Prince Center, Inc. (Lake Prince) is a nonprofit continuing care retirement community in Suffolk, Virginia. The facility consists of independent living units and nursing facilities providing adult care and intermediate and skilled nursing care for Lake Prince residents. Lake Prince was incorporated under the laws of North Carolina in July 1999 and has obtained a certificate to transact business in Virginia where the facility is located.

Lake Prince at Home, LLC, was incorporated on October 16, 2017 and is a wholly owned subsidiary of Lake Prince Center, Inc. It has expanded the services offered at Lake Prince and the surrounding market areas of Suffolk, Virginia.

The EveryAge Foundation (the Foundation) is a nonprofit organization which was established for the purpose of fund development for the capital and operating support of the residential facilities operated by EveryAge, which includes fund development to support benevolent care for those residents who are unable to pay for continuing care at the residential facilities operated by EveryAge. The Foundation was incorporated under the laws of the state of North Carolina in 2000.

EA Holding is a nonprofit organization which was established for the purpose of development and investment of funds outside of the obligated group. EA Holding was incorporated under the laws of the state of North Carolina in 2021.

Carolina SeniorCare (CSC), a Program of All-inclusive Care for the Elderly (PACE), in Lexington, North Carolina, is a nonprofit organization created in 2011 by its parent organization, EveryAge. Carolina SeniorCare serves individuals who are age 55 or older, are certified by their state to need nursing home care, able to live safely in the community at the time of enrollment, live in Davidson, Rowan, Davie, Iredell, Craven, Pamlico, Jones, Carteret, Beaufort, Lenoir, or Onslow counties and either Medicare or Medicaid eligible. The program is able to provide the entire continuum of care and services to seniors with chronic care needs while maintaining their independence in their homes for as long as possible. PACE receives direct payments from Medicare and Medicaid to cover needed services. Because of the pooled financing of PACE, programs have strong incentives to focus on wellness and prevention and to decrease the hospitalization rates for the participants and the incidence of long-term institutionalization.

BellaAge Hickory, LLC is a nonprofit organization which was incorporated on December 12, 2022. BellaAge Hickory, LLC is a 95 rental unit independent living unit community that became available for occupancy April 2025.

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025 AND 2024**

**NOTE 1 ORGANIZATION (CONTINUED)**

Providence Place, LLC (Providence Place) is a nonprofit organization which was incorporated on July 24, 2024. Providence Place was organized for the purpose of acquiring Providence Place, a retirement community located in High Point, North Carolina that consists of independent living units, assisted living units, and nursing facilities. The acquisition occurred on October 1, 2024. EveryAge is the sole member of Providence Place.

PPRC Pavilion, LLC (PPRC Pavilion) is a nonprofit organization which was incorporated on July 24, 2024. PPRC Pavilion was organized for the purpose of acquiring, owning and operating certain commercial space adjacent to Providence Place. Certain lease arrangements are in place and have remained in place after the acquisition by PPRC Pavilion. The acquisition occurred on October 1, 2024. EveryAge is the sole member of PPRC Pavilion.

PPRC Hall, LLC (PPRC Hall) is a nonprofit organization which was incorporated on July 24, 2024. PPRC Hall was organized for the purpose of acquiring and owning a vacant auditorium adjacent to Providence Place. During the year ended September 30, 2025, PPRC Hall is being leased by a charter school. The acquisition occurred on October 1, 2024. EveryAge is the sole member of PPRC Hall.

EveryAge, Lake Prince, Carolina SeniorCare, EA Holding, BellaAge, the Foundation, Providence Place, PPRC Pavilion and PPRC Hall are collectively referred to as the Organization.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Principles of Combination**

The combined financial statements include the financial statements of EveryAge, Lake Prince, Carolina SeniorCare, EA Holding, BellaAge Hickory, the Foundation, Providence Place, PPRC Pavilion and PPRC Hall. All material intercompany accounts and transactions have been eliminated in the combination.

**Use of Estimates**

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

The Organization considers all cash on hand and highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. The Organization excludes assets limited as to use from cash and cash equivalents.

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025 AND 2024**

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets Limited as to Use**

Assets limited as to use primarily include assets held by trustees under indenture agreements and designated assets set aside by the board of directors for future capital improvements to the extent funds are available, over which the board retains control and may, at its discretion, subsequently use for other purposes; and the operating reserve required by State statute.

**Investments**

Investments held are reported at fair value and are included in assets limited as to use as they are considered board designated. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included and reflected within investment return, net of nonoperating income on the combined statement of operations and changes in net assets. Donated investments are stated at fair value at the date of the gift. Investment expenses and fees are approximately \$254,000 and \$233,000, and are netted with net realized gains on investments in the combined statement of operations and changes in net assets as of September 30, 2025 and 2024, respectively.

The Organization's 20% investment in Trinity Rehab, LLC is accounted for by the equity method, and the Organization's proportionate share of Trinity Rehab, LLC's change in net assets is reflected in the Organization's combined statement of operations.

**Accounts Receivable**

The Organization records accounts receivable at the total unpaid balance less an allowance for credit losses. The Organization determines past-due status based on the billing dates and does not charge interest on overdue accounts. The Organization writes off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to credit loss expense. Management estimates its allowance for credit losses based on a combination of factors, including the Organization's historical loss experience and any anticipated effects related to current and future economic conditions, as well as the current payor mix of receivables. The accounts receivable allowance for credit losses at September 30, 2025 and 2024 was approximately \$1,267,000 and \$569,000, respectively.

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025 AND 2024**

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Equipment**

Property and equipment are recorded at cost, net of accumulated depreciation. Donated property and equipment are recorded at their estimated fair value on the date of receipt. Interest costs incurred on borrowed funds during the period of construction are capitalized as a component of the cost of acquiring those assets. The Organization capitalizes property and equipment with an estimated useful life of greater than one year and a cost of more than \$2,000.

Depreciation is computed using the straight-line method based on the following estimated useful lives:

Land Improvements	10 to 20 Years
Buildings and Improvements	30 to 40 Years
Furniture, Fixtures, and Equipment	5 to 15 Years
Vehicles	5 Years

The Organization periodically assesses the value of its long-lived assets and evaluates such assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. For assets to be held and used, impairment is determined to exist if estimated future cash flows, undiscounted and without interest charges, are less than the carrying amount. For assets to be disposed of, impairment is determined to exist if the estimated net realizable value is less than the carrying amount.

The Organization reports contributions of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Contributions of long-lived assets with explicit restrictions that specify how the assets are to be used and contributions of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations about how long these assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

**Business Combination**

The Organization accounts for business acquisitions using the acquisition method of accounting and records any identifiable definite-lived intangible assets separate from goodwill. Intangible assets are recorded at their fair value based on estimates as of the date of acquisition. Goodwill is recorded as the residual amount of the purchase price consideration less the fair value assigned to the individual identifiable assets acquired and liabilities assumed as of the date of acquisition.

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025 AND 2024**

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Goodwill**

Goodwill is recognized as a result of a business combination when the price paid for the acquired business exceeds the fair value of its identified net assets. The Organization has recorded goodwill related to the acquisition of Providence Place, PPRC Pavilion, and PPRC Hall of approximately \$8,389,000 during the year ended September 30, 2025. The Organization adopted the accounting alternative for the subsequent measurement of goodwill. As a result of this election, the Organization assigned a useful life of 10 years to goodwill. Goodwill is being amortized on a straight-line basis over this period. Further, in accordance with the elected accounting alternative, the Organization will test goodwill for impairment at the entity level if an event occurs or circumstances change indicating that the fair value may be below its carrying amount. At September 30, 2025, management determined that no events or changes in circumstances occurred that would require goodwill to be tested for impairment.

Amortization expense of approximately \$822,000 was recorded for the year ended September 30, 2025 and is included in Amortization Expense in the combined statements of operations and changes in net assets. Estimated amortization of goodwill for the next five years as of September 30, 2025 is \$822,000 each year.

**Intangible Assets**

The Organization's intangible assets consist primarily of trade name and a certificate of need acquired in connection with the acquisition of Providence Place, PPRC Pavilion, and PPRC Hall during the year ended September 30, 2025. These assets are amortized on a straight-line basis over their estimated useful lives of 15 years.

Amortization expense of approximately \$283,000 was recorded for the year ended September 30, 2025 and is included in Amortization Expense in the combined statements of operations and changes in net assets. Estimated amortization of intangibles for the next five years as of September 30, 2025 is \$283,000 each year.

**Deferred Costs**

Deferred financing costs relating to the permanent financing of the facilities have been deferred and are being amortized over the life of the bonds. Amortization expense, which is included with interest expense on the combined statements of operations and changes in net assets without donor restrictions, was approximately \$244,000 and \$198,000 for the years ended September 30, 2025 and 2024, respectively. The annual amortization for these deferred financing costs will be approximately \$244,000 for each of the next five years.

**Resident Escrows**

If a resident should move into a health care unit and vacate a residential living unit, the amount of any refund to which the resident would be entitled is set aside and held by the Organization for use by the resident to pay for necessary health care expenses. Once a permanent move is made and the residential living unit is available for remarketing, the resident may draw against the remaining residency refund to pay health care costs. At September 30, 2025 and 2024, resident escrow totaled approximately \$310,000 and \$252,000, respectively.

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025 AND 2024**

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Resident Escrows (Continued)**

In case of financial hardship, withdrawal of more than \$1,500 per month may be requested by the resident. The resident must submit financial information sufficient to prove financial need. Such withdrawals will be allowed upon approval by senior management of the Organization.

**Obligation to Provide Future Services**

The Organization annually calculates the present value of the net cost of future services and use of facilities to be provided to current residents at a discount rate of 5% and compares that amount with the balance of deferred revenue from entrance fees. If the present value of the net cost of future services and use of facilities exceeds the deferred revenue from entrance fees, a liability is recorded (obligation to provide future services and use of facilities) with the corresponding charge to income. The Organization had no future service obligation at September 30, 2025 and 2024.

**Advance Deposits**

The Organization may collect up to 10% of the advance fees described below as a deposit on unoccupied units. Once the unit becomes occupied, these fees are transferred to deferred revenue. At September 30, 2025 and 2024, advance deposits totaled approximately \$630,000 and \$1,377,000, respectively.

**Advance Fees**

Deferred revenue from advance fees represents payments made by a resident in exchange for the use and privileges of the community for life or until termination of the residency agreement.

Contracts currently offered to EveryAge and Lake Prince residents are a fully declining refund contract and a 50% refundable contract. The nonrefundable portion of these fees is amortized into income on a straight-line basis over the estimated remaining life, actuarially adjusted, of each resident. The estimated amount of advance fees that is expected to be refunded to current residents under terms of the contracts are classified as refundable advance fees. Refunds are made to residents upon re-occupancy of the unit unless the resident has chosen to transfer their remaining balance into escrow as described above. Any unrecognized deferred revenue, less any related refund, at the date of termination of the contract is recorded as income in the period the termination of the contract occurs.

At September 30, 2025 and 2024, current portion of refunds payable was approximately \$590,000 and \$498,000, respectively.

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025 AND 2024**

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Interest Rate Swap Agreements**

The Organization uses interest rate swap agreements to manage risks related to interest rate movements. The Organization's interest rate risk strategy is to pay-fixed and receive-variable interest rate swaps. The combination of these swaps and variable-rate bonds creates synthetic fixed-rate debt. The use of synthetic fixed-rate debt has the ability to lower the Organization's borrowing costs associated with the issuance of traditional fixed-rate bonds. The Organization's interest rate swap agreements have not been designated as hedging transactions and are reported at fair value.

**Net Assets**

The following classification of net assets is presented in the accompanying combined financial statements:

*Without Donor Restrictions* – All revenue not restricted by donors, unrestricted contributions designated by the board and donor restricted contributions whose restrictions are met in the same period in which they are received are accounted for in net assets without donor restrictions.

*With Donor Restrictions* – All revenues restricted by donors as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in donor restricted net assets. The investment income arising from endowment funds, if any, are accounted for in accordance with donor stipulations. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions.

**Operating Reserve**

In accordance with the requirements of North Carolina General Statute 58, Article 64-33, management computes an annual operating reserve for its continuing care retirement communities licensed in North Carolina. The operating reserve must be an amount at least equal to 25% to 50% of operating expenses (net of depreciation and amortization) plus debt service, for the projected years ended September 30, 2025 and 2024, for those facilities depending on occupancy levels of each facility.

**Excess of Revenues Over Expenses**

The combined statements of operations and changes in net assets reflect the excess of revenues over expenses. Changes in net assets without donor restrictions that are excluded from the excess of revenues over expenses, consistent with industry practice, would include permanent transfers of assets to and from affiliates for other than goods and services and contributions of long-lived assets (including assets acquired using contributions which by donor restrictions were used for acquiring the asset).

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025 AND 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

The Organization generates revenues, primarily by providing housing, amenities (recreational, dining, etc.) and access to health care services to its residents and participants. The various life care contract streams of revenue are recognized as follows:

**Entrance Fees**

The nonrefundable entrance fees are recognized as deferred revenue upon receipt of the payment under the life care contract and included in liabilities in the combined statement of financial position until the performance obligations are satisfied. These deferred amounts are then amortized on a straight-line basis into revenue on a monthly basis over the expectant life of the resident as the performance obligation is associated with access to future services. The refundable portion of an entrance fee is not considered part of the transaction price and as such is recorded as a liability in the combined statement of financial position.

**Healthcare Services**

The Organization also provides assisted and nursing care to residents who are covered by government and commercial payers. The Organization is paid fixed rates from government and commercial payers. These fixed rates are billed in arrears monthly when the service is provided. The monthly fees represent the estimated net realizable amounts from patients, third-party payors, and others for services rendered while in the health care unit, and includes estimated retroactive revenue adjustments due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations. Historically such adjustments for the Organization have been immaterial in relation to the combined financial statements as a whole.

**Monthly Service Fees**

The life care contracts that residents select require an advanced fee and monthly fees based upon the type of space they are applying for. Resident fee revenue for recurring and routine monthly services is generally billed monthly in advance. Payment terms are usually due within 30 days. The services provided encompass social, recreational, dining along with assisted living and nursing care and these performance obligations are earned each month. Resident fee revenue for nonroutine or additional services are billed monthly in arrears and recognized when the service is provided.

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025 AND 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition (Continued)**

Non Life Care Contract Communities

BellaAge Hickory offers senior living that includes housing, utilities, and access to amenities such as 24/7 onsite staff, emergency pendants, wellness programs, recreational areas, dog park, and onsite storage. Rental revenue is recognized on a straight-line basis over the one-year lease term, which automatically renews unless terminated under specific conditions. Monthly rental fees are due on the first day of each month. Optional services like housekeeping and transportation are billed separately and recognized when provided. A non-refundable \$50 application fee is recognized upon receipt, and a one-time non-refundable \$5,000 community fee is recognized upon occupancy as it relates to initial administrative and setup activities.

Providence Place offers senior living which includes housing accommodations and access to healthcare services such as independent living, skilled nursing care, assisted living, and memory care as well as amenities like wellness programs, recreational activities, and transportation. Rental revenue is recognized on a straight-line basis over the term of the resident agreements, which typically renew automatically unless terminated under specific conditions. A non-refundable application fee is recognized upon receipt, and any one-time community or admission fees are recognized upon occupancy as they relate to initial administrative and setup activities.

Two major types of revenue are recognized in resident services as follows:

Residential/Assisted Living Revenue

Residents that reside in residential and assisted living units are subject to a continuing monthly support service fee, which varies based on each resident's contract. The monthly fee can be adjusted from time to time by the Organization according to changes in costs.

PACE Revenue

PACE provides comprehensive health care services to participants and receives payment in the form of capitated rates per participant based on a tri-party agreement between Medicare, Medicaid, and Carolina SeniorCare. Medicaid and Medicare make monthly interim capitation payments to Carolina SeniorCare. Capitation revenues from Medicare are subject to the same retroactive rate adjustments and audits which often are not finalized until months or years after the services are rendered. Adjustments are nominal and are included in the combined statement of operations in the period they become known.

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025 AND 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Benevolent Assistance**

The Organization has a policy of providing benevolent assistance to qualified residents who are unable to pay. Such residents are identified based on financial information obtained from the resident and subsequent review and analysis. The normal charges for services provided are included in revenue and paid through a transfer of assets from the Benevolent Trust Fund.

**Income Tax Status**

The Organization consists of not-for-profit organizations exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3), and the affiliated Foundation is exempt from income taxes pursuant to Internal Revenue Code Section 501(a).

It is the Organization's policy to evaluate all tax positions to identify any that may be considered uncertain. All identified material tax positions are assessed and measured by a more-likely-than-not threshold to determine if the tax position is uncertain and what, if any, the effect of the uncertain tax position may have on the combined financial statements. No material uncertain tax positions were identified for 2025 and 2024.

**Advertising**

Advertising costs are expensed as incurred. Advertising expense for the years ended September 30, 2025 and 2024 were approximately \$262,000 and \$321,000, respectively.

**Functional Expenses**

The combined financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are primarily allocated include salaries and benefits which are allocated on the basis of estimates of time and effort.

**Business Combination Accounting for Contract Assets and Contract Liabilities**

The Organization has adopted FASB ASU No. 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers, which requires an acquirer to recognize and measure contract assets and liabilities acquired in a business combination in accordance with Topic 606 rather than adjust them to fair value at the acquisition date. The adoption did not have a material impact on the combined financial statements.

**Reclassifications**

Certain amounts in the 2024 combined financial statements were reclassified for

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025 AND 2024**

comparison purpose with the 2025 combined financial statements. The reclassifications did not result in a change in net assets as previously reported.

**Subsequent Events**

The Organization has evaluated events and transactions for potential recognition or disclosure through January 21, 2026, which is the date the combined financial statements were available to be issued.

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
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**NOTE 3 FAIR VALUE MEASUREMENTS**

Fair value measurement provides a 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 described as follows:

*Level 1* – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

*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 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.

Following is a description of the valuation methodologies used for assets limited as to use measured at fair value. There have been no changes in the methodologies used during the year.

*Common stocks and asset backed securities:* Valued at the closing price reported on the active market on which the individual securities are traded.

*U.S. government and agency, municipal, international, and corporate bonds:* Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

*Cash and Money Market Funds, Mutual Funds, and Closed-End Funds:* Valued at the net asset value of shares held by the Organization at year-end.

*Charitable Gift Annuities:* Valued at the net present value of the anticipated residual value of the original charitable gift.

*Interest Rate Swap:* Level 2 inputs include interest rate swap agreements at fair value.

**EVERYAGE AND AFFILIATES**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025 AND 2024**

**NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)**

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's investments, assets limited as to use and interest rate swap agreements at fair value as of September 30:

	2025			
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 60,722,245	\$ -	\$ -	\$ 60,722,245
U.S. Government and Agency Bonds	12,859	-	-	12,859
Municipal Bonds	-	4,177,493	-	4,177,493
Asset Backed Securities	-	36,430	-	36,430
Corporate Bonds	24,849	-	-	24,849
Cash and Money Market Funds	17,493,754	-	-	17,493,754
Charitable Gift Annuities	-	-	82,289	82,289
Closed End Funds	1,967,958	-	-	1,967,958
Common Stocks	24,043,723	-	-	24,043,723
Assets Under Interest Rate Swap Agreements	-	5,162,882	-	5,162,882
Total Assets at Fair Value	<u>\$ 104,265,388</u>	<u>\$ 9,376,805</u>	<u>\$ 82,289</u>	<u>\$ 113,724,482</u>

	2024			
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 54,780,144	\$ -	\$ -	\$ 54,780,144
U.S. Government and Agency Bonds	2,109,896	-	-	2,109,896
Municipal Bonds	-	8,347,655	-	8,347,655
Asset Backed Securities	-	24,545	-	24,545
Corporate Bonds	1,470,725	-	-	1,470,725
Cash and Money Market Funds	13,421,037	-	-	13,421,037
Charitable Gift Annuities	-	-	104,406	104,406
Closed End Funds	1,531,292	-	-	1,531,292
Common Stocks	19,212,846	-	-	19,212,846
Assets Under Interest Rate Swap Agreements	-	4,142,418	-	4,142,418
Total Assets at Fair Value	<u>\$ 92,525,940</u>	<u>\$ 12,514,618</u>	<u>\$ 104,406</u>	<u>\$ 105,144,964</u>

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
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**NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)**

A reconciliation of the beginning and ending balances of the Organization's Level 3 investments is as follows for the years ended September 30:

	<u>2025</u>	<u>2024</u>
Beginning Balance	\$ 104,406	\$ 104,833
Change in Value of Charitable Gift Annuities and Settlements	<u>(22,117)</u>	<u>(427)</u>
Ending Balance	<u>\$ 82,289</u>	<u>\$ 104,406</u>

**NOTE 4 INVESTMENTS AND ASSETS LIMITED AS TO USE**

Investments and assets limited as to use are allocated as follows for the years ended September 30:

	<u>2025</u>	<u>2024</u>
Board-Designated Quasi-Endowment Fund	\$ 72,357,166	\$ 72,773,858
Trustee Deposit Accounts Required by Debt Agreements	5,595,513	3,397,379
Operating Reserve for Department of Insurance	20,493,977	15,411,282
Investments	9,899,722	9,283,665
Beneficial Interest in Charitable Gift Annuities	82,289	104,406
Residents' Funds	<u>132,933</u>	<u>31,956</u>
Total	<u>\$ 108,561,600</u>	<u>\$ 101,002,546</u>

Net investment income is composed of the following for the years ended September 30:

	<u>2025</u>	<u>2024</u>
Interest and Dividends	5,147,219	\$ 5,268,118
Realized Gains (Losses) on Sale of Investments	(898,167)	(977,358)
Investment Expenses	(252,335)	(246,438)
Unrealized Gains on Investments	<u>5,467,693</u>	<u>13,671,471</u>
Total	<u>\$ 9,464,410</u>	<u>\$ 17,715,793</u>

The Organization's investments held within assets limited as to use potentially subject it to concentrations of credit risk. The Organization maintains various types of investments that encompass many different companies with varied industrial and geographical characteristics designed to limit exposure to any one industry, company or geographical location. However, as most of the Organization's investments are traded in public markets, they are subject to general fluctuations in the market's overall performance. The Organization maintains an investment policy and retains investment managers to operate within that investment policy and who perform periodic evaluations of the relative credit standing of the companies and financial institutions in which the Organization invests.

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025 AND 2024**

**NOTE 5 EQUITY METHOD INVESTMENT**

The Organization has a 20% equity interest in Trinity Rehab, LLC. During the year ended September 30, 2022, the Organization made the initial investment of \$1,100,000. The Organization receives 20% of Trinity Rehab LLC's net income, and distributions as declared by Trinity Rehab, LLC. During the year ended September 30, 2025 the Organization received \$377,000 in distributions, and their 20% share of income was approximately

\$606,000. During the year ended September 30, 2024 the Organization received \$372,000 in distributions, and their 20% share of income was approximately \$520,000. The investment as of September 30, 2025 and 2024 was \$1,670,488 and \$1,441,432, respectively.

Distributions received from equity method investees are classified in the combined statement of cash flows under the cumulative earnings approach, in which distributions received are considered returns on investment and classified as cash inflows from operating activities, unless the cumulative distributions received less distributions received in prior periods that were determined to be returns of investment exceed cumulative equity in earnings recognized. When such an excess occurs, distribution up to this excess would be considered a return of investment and classified as cash inflows from investing activities.

**NOTE 6 LIQUIDITY AND AVAILABILITY**

The following reflects the Organization's financial assets as of the combined statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the combined statement of financial position date. Amounts not available also include amounts designated for long-term investing in the quasi-endowment that could be drawn upon if the governing board approves that action.

	<u>2025</u>	<u>2024</u>
Cash and Cash Equivalents	\$ 10,704,804	\$ 3,374,885
Assets Limited As To Use:		
Board-Designated Quasi-Endowment Fund	72,357,166	72,773,858
Operating Reserve for Department of Insurance	20,493,977	15,411,282
Investments	9,899,722	9,283,665
Receivables, Net	15,121,857	6,560,222
Less: Net Assets With Donor Restrictions	<u>(7,653,372)</u>	<u>(8,433,468)</u>
 Total Financial Assets Available to Meet Liquidity Needs	 <u>\$ 120,924,154</u>	 <u>\$ 98,970,444</u>

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025 AND 2024**

**NOTE 6 LIQUIDITY AND AVAILABILITY (CONTINUED)**

The Organization is substantially supported by health care and residential/assisted living revenues. As part of the Organization's liquidity, management has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The organization maintains a line of credit for the purposes of managing short term cash flow deficits. Determination of the source of liquidity is based on an analysis of the underlying cost of capital for each source of liquidity including the line of credit or use of long-term assets with board approval. In addition, the Organization invests cash in excess of daily requirements in various investments held in assets limited as to use as board-designated quasi-endowment funds for long-term investing. These funds may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

**NOTE 7 PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at September 30:

	<u>2025</u>	<u>2024</u>
Land and Improvements	\$ 39,178,554	\$ 19,508,988
Buildings and Improvements	230,907,485	161,435,896
Furniture, Fixtures and Equipment	33,469,578	44,900,111
Vehicles	<u>2,558,425</u>	<u>1,851,322</u>
Total	306,114,042	227,696,317
Less: Accumulated Depreciation	<u>(142,564,514)</u>	<u>(133,237,041)</u>
Total	163,549,528	94,459,276
Construction in Progress	<u>906,710</u>	<u>30,542,129</u>
Total Property and Equipment	<u>\$ 164,456,238</u>	<u>\$ 125,001,405</u>

Depreciation expense for the years ended September 30, 2025 and 2024 totaled approximately \$10,080,000 and \$7,294,000, respectively. Construction in progress related to master planning and routine renovation projects, as of September 30, 2025. Construction in progress related to construction of the BellaAge Hickory campus, master planning and routine renovation projects, as of September 30, 2024.

The Organization signed contracts with architecture and construction firms for a total fee of approximately \$51,245,000. As of September 30, 2025, approximately \$697,000 remains to be paid on these contracts.

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025 AND 2024**

**NOTE 8      LONG-TERM DEBT**

Long-term debt consists of the following at September 30:

Description	2025	2024
North Carolina Medical Care Commission:		
Retirement Facilities First Mortgage Revenue Refunding Bonds (EveryAge Prev. United Church Homes and Services), Series 2021A:		
Term Bonds Due 2041, Yielding 3.15% to 4.29%	\$ 6,540,000	\$ 6,540,000
Term Bonds Due 2047, Yielding 3.15% to 4.29%	11,815,000	11,815,000
Term Bonds Due 2051, Yielding 3.15% to 4.29%	3,850,000	3,850,000
Retirement Facilities First Mortgage Revenue Bonds (EveryAge), Series 2024B:		
Term Bonds Due 2034, Yielding 4.00%	4,530,000	-
Term Bonds Due 2044, Yielding 4.42%	7,665,000	-
Term Bonds Due 2049, Yielding 4.62%	5,490,000	-
Term Bonds Due 2054, Yielding 4.70%	6,995,000	-
Truist Bank:		
Direct Bank Term Loan, Series 2024A (formerly 2021D) Due 2025-2037, Yielding 6.80%	17,675,000	17,785,000
Direct Bank Bond, Series 2022 Due 2025-2052, Yielding 5.43%	13,506,527	13,029,631
Direct Bank Term Loan, Series 2022B (formerly 2021B) Due 2025-2037, Yielding 5.37%	2,885,000	3,215,000
Direct Bank Bond, Series 2023A Due 2025-2053, Yielding 3.32%	30,537,302	16,741,755
Direct Bank Term Loan, Series 2023B (formerly 2021C) Due 2025-2046, Yielding 5.37%	26,685,000	26,790,000
Direct Bank Term Loan, Carolina Senior Care Due 2025-2030, Yielding 5.37%	6,050,641	3,332,807
Huntington Bank:		
Direct Bank Term Loan, 2024 Taxable Loan Due 2025-2054, Yielding 6.28%	23,115,000	-
Economic Development Authority of the City of Suffolk:		
Variable Rate Demand Residential Care Facility Revenue Bonds (Lake Prince Center, Inc.), Series 2016:		
Serial Bonds Due 2024-2027 Yielding 1.40% to 3.5%	4,360,000	6,320,000
Term Bonds Due 2031, Yielding 3.5%	9,180,000	9,180,000
Total	180,879,470	118,599,193
Plus Net Premium, Net of Accumulated		
Amortization of \$2,026,254	3,385,402	3,018,191
Less: Deferred Financing Cost, Net of Accumulated		
Amortization of \$2,401,443	(3,798,797)	(2,839,774)
Total	180,466,075	118,777,610
Less: Current Portion		
	(4,069,624)	(2,655,000)
Long-Term Portion	\$ 176,396,451	\$ 116,122,610

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025 AND 2024**

**NOTE 8      LONG-TERM DEBT (CONTINUED)**

During the 2017 fiscal year, the Organization entered into a financing agreement with the Economic Development Authority of the City of Suffolk (the Authority), under which the Authority issued tax-exempt Series 2016 revenue bonds of \$18,940,000. The bonds were issued to refund existing bonds for the Lake Prince Center.

During the 2022 fiscal year, the Organization entered into a re-financing agreement with the North Carolina Medical Care Commission, under which the Commission issued tax-exempt Series 2021A revenue bonds of \$22,205,000. The bonds were issued to refund the existing 2017B bonds of \$9,490,000 and 2017A bonds of \$10,300,000, in addition to \$4,100,000 of new project funding. The 2017B and 2017A debt was paid off during fiscal year 2022.

During the 2022 fiscal year, the Organization entered into a \$4,240,000 bank loan financing with a commercial lender (Series 2021B) and a \$18,385,000 bank loan financing with a commercial lender (Series 2021D). The loans were used to refund the existing 2015A bonds of \$21,230,000. The 2015A debt was paid off during the fiscal year 2022. Under the terms of the bond agreement, during the 2023 fiscal year, the Series 2021B Taxable Bonds were converted to the Series 2022B Tax-Exempt Bonds. Under the terms of the bond agreement, during the 2024 fiscal year, the Series 2021D Taxable Bonds were converted to the Series 2024A Tax-Exempt Bonds. There were no changes to the bond terms.

During the 2022 fiscal year, the Organization entered into a \$31,310,000 bank loan financing with a commercial lender (Series 2021C). The loan was used to refund the existing 2017C bonds of \$29,565,000. The 2017C debt was paid off during the fiscal year 2022. Under the terms of the bond agreement, during the 2023 fiscal year, the Series 2021C Taxable Bonds were converted to the Series 2023B Tax-Exempt Bonds. There were no changes to the bond terms.

During the 2022 fiscal year, the Organization entered into a financing agreement with the Economic Development Authority of the City of Suffolk (the Authority), under which the Lender will advance proceeds up to \$14,000,000. The final advance will be on September 8, 2025. The amount outstanding as of September 30, 2025 and 2024 was \$13,506,527 and \$13,029,631, respectively. The loan was used to pay for projects at Lake Prince Woods including a new wellness center and other renovations and upgrades.

On May 1, 2023, the Organization entered into a financing agreement with the North Carolina Medical Care Commission, under which the Commission issued tax-exempt Series 2023A revenue bonds of \$31,960,000. The bonds were issued to finance the costs of the BellaAge Hickory project and pay certain expenses incurred in connection with the authorization and issuance of the Bonds. The amount outstanding as of September 30, 2025 and 2024 was \$30,537,302 and \$16,741,755, respectively.

During 2024, the Organization entered into a financing agreement with a commercial lender, under which the Lender will advance proceeds up to \$6,500,000. The loan will be used to pay for expansion projects at Carolina SeniorCare. The amount outstanding as of September 30, 2025 and 2024 was \$6,050,641 and \$3,332,807, respectively.

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025 AND 2024**

**NOTE 8      LONG-TERM DEBT (CONTINUED)**

During 2025, the Organization entered into a financing agreement with the North Carolina Medical Care Commission, under which \$25,310,000 of Retirement Facilities First Mortgage Revenue Bonds (Series 2024B Bonds) were issued. The Series 2024B Bonds were issued to finance a portion of the purchase price and other costs associated with acquiring substantially all of the assets used in the business of owning and operating the skilled nursing and assisted living portions of Providence Place. oDuring 2025, the Organization entered into a financing agreement with a financial institution (2024 Taxable Loan) in the principal amount of \$23,400,000. Proceeds from the 2024 Taxable Loan were used in financing the remaining purchase price and other costs associated with acquiring substantially all of the assets used in the business of owning and operating the skilled nursing and assisted living portions of Providence Place, a commercial office and retail building, and the vacant auditorium portion of e purchase along with payable certain expenses incurred with the issuance of the 2024 Taxable Loan and Series 2024B Bonds. The amount outstanding as of September 30, 2025 was \$23,115,000.

With the issuance of the debt, the Organization executed a Master Trust Indenture that appointed all the Organization's divisions, excluding the Foundation, EA Holding, and Carolina SeniorCare, as members of the obligated group. The Organization's bonds are collateralized by a deed of trust on the land and buildings of the obligated group and the assignment of interest in use-for-life contracts for the obligated group.

The bonds are also collateralized by an assignment of the Commission and Authority's rights in the Loan Agreement to the bond trustee.

Under the terms of the bonds, the obligated group is required to maintain certain deposits with the trustee. Such deposits are included with assets limited as to use of the Organization. The Master Trust Indenture and Loan Agreements for these bonds include certain covenants and restrictions. Management is not aware of any noncompliance with the covenants and restrictions.

Scheduled principal repayments on long-term debt, excluding the net premium on the bonds, for the next five years and thereafter, are summarized as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2026	\$ 4,069,624
2027	5,098,483
2028	6,004,919
2029	6,629,296
2030	6,282,209
Thereafter	<u>152,794,939</u>
Total	<u>\$ 180,879,470</u>

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025 AND 2024**

**NOTE 9 INTEREST RATE SWAP AGREEMENTS**

To reduce the impact of changes in interest rates on its variable rate bonds payable, the Organization has entered into four interest rate swap agreements for the 2021B-D bonds. Under the agreements, interest is payable at a fixed rate of 2.39-5.00% based on the outstanding balance of the bank qualified loans and have termination dates ranging from September 30, 2030 through September 30, 2053. The annual gain or loss on the fair value of the swap agreements is reported as revenue or expense in the combined statements of operations and changes in net assets. The interest rate swap agreements had a notional principal amount of \$47,245,000 and \$47,749,000 at September 30, 2025 and 2024, respectively. The fair value of the interest swap agreements at September 30, 2025 and 2024 is approximately \$5,240,000 and \$4,746,000, respectively.

In May 2023, the Organization entered into an additional interest rate swap agreement for the Series 2023 Bonds. Under the agreement, interest is payable at a fixed rate of 4.21% based on the outstanding balance of the bank qualified loan payable and has a termination date of May 1, 2030. The annual gain or loss on the fair value of the swap agreement is reported as revenue or expense in the combined statements of operations and changes in net assets. The interest rate swap agreement had a notional principal amount of \$31,960,000 and \$29,800,530 at September 30, 2025 and 2024, respectively. The fair value of the interest swap agreements at September 30, 2025 and 2024 is a liability of approximately \$168,000 and \$350,000, respectively.

In September 2024, the Organization entered into an additional forward interest rate swap agreement for the Series 2024 Bonds. Under the agreement, interest is payable at a fixed rate of 5.44% based on the outstanding balance of the bank qualified loan payable and has a termination date of October 1, 2034. The annual gain or loss on the fair value of the swap agreement is reported as revenue or expense in the combined statements of operations and changes in net assets. The interest rate swap agreement had a notional principal amount of \$18,115,000 and \$18,400,000 at September 30, 2025 and 2024, respectively. The fair value of the interest swap agreements at September 30, 2025 and 2024 is an asset of approximately \$91,000 and a liability of approximately \$254,000, respectively.

The combined fair value of all interest swap agreements at September 30, 2025 and 2024 is an asset of approximately \$5,163,000 and \$4,142,000, respectively. The fair value of the interest rate swap agreements was derived from proprietary models as of a given date, supplied by the swap advisor. The valuation is calculated on a mid-market basis and does not include bid/offered spread that would be reflected in an actual price quotation. This model relies on certain assumptions regarding past, present, and future market conditions.

**NOTE 10 LINE OF CREDIT**

The Organization had available a \$5,000,000 unsecured revolving line of credit with Truist due in full in June 2025. In June 2025, the line of credit was extended with a maturity date of June 2026. Amounts drawn against the line bore interest at the one-month SOFR rate plus 2.00% (4.24% at year-end), which was payable monthly. There are no amounts outstanding on the line of credit at September 30, 2025 and 2024.

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025 AND 2024**

**NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes as of September 30:

	2025	2024
Benevolent Trust	\$ 4,116,258	\$ 4,280,400
Capital Expansion	3,537,114	4,153,068
Total	\$ 7,653,372	\$ 8,433,468

**NOTE 12 EMPLOYEE GROUP HEALTH PLAN**

The Organization maintains a self-insured employee group health plan. The plan is administered by a third party and individual stop-loss coverage has been obtained at \$100,000, with a maximum aggregate limit of loss that fluctuates based on enrollment. The total plan expense incurred by the Organization during the year ended September 30, 2025 and 2024 was approximately \$4,725,000 and \$4,143,000, respectively.

**NOTE 13 RETIREMENT PLANS**

The Organization has a 403(b) plan that covers substantially all employees who meet eligibility requirements. The Organization contributes to the plan based on a percentage of gross wages paid. The expenses related to the plan during the year ended September 30, 2025 and 2024 were approximately \$745,000 and \$897,000, respectively.

The Organization has a nonqualified retirement plan that covers key management employees. The Organization contributes to the plan based on a percentage of the employee's salary. During the year ended September 30, 2025 and 2024, the Organization contributed \$419,000 and \$397,000, respectively.

The Organization also has a retirement annuity plan that covers ordained United Church of Christ ministers employed by the Organization. During the year ended September 30, 2025, the Organization did not contribute any amounts of the ministers' salary to the plan. During the year ended September 30, 2024, the Organization contributed 10% of the ministers' salary to the plan for a total of approximately \$3,000.

**EVERYAGE AND AFFILIATES**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025 AND 2024**

**NOTE 14 CONCENTRATIONS OF CREDIT RISK**

The Organization maintains its cash in financial institutions insured by the Federal Deposit Insurance Corporation. Deposit accounts, at times, may exceed federally insured limits.

The Organization grants credit without collateral to its residents and is insured under third-party payor agreements. The mix of receivables from residents and third-party payors was as follows at September 30:

	<u>2025</u>	<u>2024</u>
Medicaid	41 %	5 %
Medicare	29	48
Private and Other Insurances	<u>30</u>	<u>47</u>
Total	<u>100 %</u>	<u>100 %</u>

**NOTE 15 RESIDENT SERVICE REVENUE**

Resident services revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing resident and PACE participant care. These amounts are due from residents, patients, participants, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Organization bills the residents, patients, and third-party payors several days after the services are performed and monthly for capitated payment arrangements for PACE participants. Service fees paid by residents for maintenance, meals, and other services are assessed monthly and are recognized as revenue in the period services are rendered. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Organization believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to residents in the facilities receiving skilled nursing services or housing residents receiving services in the facilities. The Organization considers daily services provided to residents of the skilled nursing facilities, and monthly rental for housing services as a separate performance obligation and measures this on a monthly basis, or upon move-out within the month, whichever is shorter. Nonrefundable entrance fees are considered to contain a material right associated with access to future services, which is the related performance obligation. Revenue from nonrefundable entrance fees is recognized ratably in future periods covering a resident's life expectancy using a time-based measurement similar to the output method. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to our residents and patients in a retail setting (for example, gift shop and cafeteria meals) and the Organization does not believe it is required to provide additional goods or services related to that sale.

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025 AND 2024**

**NOTE 15 RESIDENT SERVICE REVENUE (CONTINUED)**

Because all of its performance obligations relate to contracts with a duration of less than one year, the Organization has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

The Organization determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Organization's policy, and/or implicit price concessions provided to residents. The Organization determines its estimates of contractual adjustments based on contractual agreements, its policy, and historical experience. The Organization determines its estimate of implicit price concessions based on its historical collection experience.

Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

Medicare and Medicaid

The Organization's licensed nursing facilities participate in the Medicare program. This federal program is administered by the Centers for Medicare and Medicaid Services (CMS). On October 1, 2019, CMS finalized the Patient Driven Payment Model (PDPM) to replace the existing Medicare Prospective Payment System (PPS). Under PDPM, therapy minutes are removed as the primary basis for payment and instead the underlying complexity and clinical needs of a patient is used as a basis for reimbursement. In addition, PDPM introduced variable adjustment factors that change reimbursement rates during the resident's length of stay. Annual cost reports are required to be submitted to the designated Medicare Administrative Contractor; however, they do not contain a cost settlement.

Nursing facilities licensed for participation in the Medicare and Medical Assistance programs are subject to annual licensure renewal. If it is determined that a nursing facility is not in substantial compliance with the requirements of participation, CMS may impose sanctions and penalties during the period of noncompliance. Such a payment ban would have a negative impact on the revenues of the licensed nursing facility.

Effective October 1, 2019, new PDPM HIPPS codes replaced RUG scores listed on each claim for determining reimbursement amounts. Annual Medicaid cost reports are required by the state of North Carolina, however, they are not used to settle the costs of claims. Instead, the cost reports are used in the development of price-based rates and to monitor the adequacy of the reimbursement methodology.

Other

Payment agreements with certain commercial insurance carriers provide for payment using prospectively determined daily rates.

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025 AND 2024**

**NOTE 15 RESIDENT SERVICE REVENUE (CONTINUED)**

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Organization's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Generally, residents and patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Organization estimates the transaction price for residents and patients with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent charges to the estimate of the transaction price are generally recorded as adjustments to resident and home and community-based services revenue in the period of the change. Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments were not considered material for the years ended September 30, 2025 or 2024. Subsequent changes that are determined to be the result of an adverse change in the resident's or patient's ability to pay are recorded as credit loss expense.

The Organization has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors: payors, service line, method of reimbursement, and timing of when revenue is recognized.

**Contract Costs**

The Organization has applied the practical expedient provided by FASB ASC 340-40-25-4 and all incremental customer contract acquisition costs are expensed as they are incurred as the amortization period of the asset that the Organization otherwise would have recognized is one year or less in duration.

The opening and closing contract balances related to resident accounts receivable and residence and service agreements were as follows:

	Accounts Receivable	Deferred Revenue
Balance as of October 1, 2023	\$ 3,374,298	\$ 41,928,863
Balance as of September 30, 2024	4,118,821	43,700,678
Balance as of September 30, 2025	14,307,295	49,306,939

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025 AND 2024**

**NOTE 16 FUNCTIONAL EXPENSES**

The table below presents functional expenses by their nature for the year ended September 30:

	2025					Total
	Salaries and Benefits	Contracted Services	Utilities	Repairs	Other	
<b>Health Services:</b>						
Healthcare	\$ 18,410,712	\$ 4,764,936	\$ -	\$ 11,206	\$ 2,526,305	\$ 25,713,159
Medical Records	212,350	1,684	-	-	4,874	218,908
<b>Personnel and</b>						
Employee Benefits	13,898,693	244,393	-	-	299,703	14,442,789
Laundry	265,187	113,559	-	4,548	144,081	527,375
Social Services	530,928	-	-	-	3,129	534,057
Activities	701,878	4,708	-	-	60,714	767,300
Spiritual Life	281,672	1,735	-	-	4,421	287,828
Housekeeping	1,414,304	530,450	-	20	323,329	2,268,103
Plant Maintenance	1,483,055	2,185,727	2,608,370	2,857,517	424,478	9,559,147
Independent Living	-	-	-	-	1,909	1,909
Pavilion/Assisted Living	3,695,236	96,716	-	-	30,156	3,822,108
Clinic	35,055	64,594	-	-	1,861	101,510
Resident Services	332,830	99,414	-	-	68,442	500,686
Transportation	147,050	566	-	7,690	36,692	191,998
Dietary	3,664,219	520,403	-	11,652	3,484,307	7,680,581
Wellness Center	139,755	5,446	-	1,267	5,816	152,284
Beauty Shop	-	-	-	-	66,293	66,293
Day Care	189,675	8,603	5,566	-	76,348	280,192
Home Care	2,068,611	34,606	-	-	6,427	2,109,644
Hospice	166,826	135,683	-	-	51,422	353,931
Home Health	741,888	766,972	-	-	96,054	1,604,914
PACE Expenses	5,556,887	6,771,281	81,081	105,987	5,123,625	17,638,861
Outside Services	-	156,481	-	-	-	156,481
<b>General and Administrative:</b>						
Administrative	5,745,827	1,150,291	27,819	19,676	782,911	7,726,524
Marketing	812,281	241,178	-	-	246,190	1,299,649
Staff Development	129,395	-	-	-	94,723	224,118
Depreciation	-	-	-	-	9,960,059	9,960,059
Amortization	-	-	-	-	1,116,602	1,116,602
Real Estate Taxes	-	-	-	-	981,054	981,054
Interest Expense	-	-	-	-	6,628,205	6,628,205
Insurance	-	-	-	-	1,791,441	1,791,441
Credit Losses	-	-	-	-	552,394	552,394
Other Operating Expenses	-	788,983	-	-	266,941	1,055,924
<b>Total Expenses</b>	<b>\$ 60,624,314</b>	<b>\$ 18,688,409</b>	<b>\$ 2,722,836</b>	<b>\$ 3,019,563</b>	<b>\$ 35,260,906</b>	<b>\$ 120,316,028</b>

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025 AND 2024**

**NOTE 16 FUNCTIONAL EXPENSES (CONTINUED)**

	2024					
	Salaries and Benefits	Contracted Services	Utilities	Repairs	Other	Total
Health Services:						
Healthcare	\$ 12,339,365	\$ 2,225,065	\$ -	\$ 6,447	\$ 1,326,011	\$ 15,896,888
Medical Records	173,844	2,600	-	-	1,729	178,173
Personnel and Employee Benefits	10,726,221	143,760	-	-	253,656	11,123,637
Laundry	263,117	-	-	2,432	96,077	361,626
Social Services	321,702	-	-	-	1,097	322,799
Activities	442,913	4,102	-	-	31,156	478,171
Spiritual Life	211,115	1,535	-	-	10,052	222,702
Housekeeping	1,254,833	42,277	-	237	185,019	1,482,366
Plant Maintenance	1,062,120	1,534,809	1,721,889	1,860,169	259,565	6,438,552
Pavilion/Assisted Living Clinic	2,022,867	-	-	-	848	2,023,715
Resident Services	33,827	77,379	-	-	1,750	112,956
Transportation	261,862	4,689	-	-	50,212	316,763
Dietary	163,722	903	-	12,050	36,077	212,752
Wellness Center	2,931,345	164,206	-	716	2,438,706	5,534,973
Beauty Shop	134,847	7,192	-	805	21,383	164,227
Day Care	-	-	-	-	59,278	59,278
Home Care	199,168	1,131	6,887	951	66,106	274,243
Hospice	1,700,548	30,980	-	-	4,419	1,735,947
Home Health	93,625	36,755	-	-	17,307	147,687
PACE Expenses	616,941	646,804	-	-	70,366	1,334,111
Outside Services	5,091,730	5,520,659	66,432	103,802	4,145,526	14,928,149
General and Administrative:	-	138,148	-	-	-	138,148
Administrative	4,521,853	912,595	13,588	17,361	658,363	6,123,760
Marketing	539,913	387,783	-	-	147,606	1,075,302
Staff Development	138,726	-	-	-	71,505	210,231
Depreciation	-	-	-	-	7,181,565	7,181,565
Real Estate Taxes	-	-	-	-	406,783	406,783
Interest Expense	-	-	-	-	3,172,885	3,172,885
Insurance	-	-	-	-	1,240,683	1,240,683
Credit Losses	-	-	-	-	599,015	599,015
Other Operating Expenses	-	507,047	-	-	195,715	702,762
Total Expenses	<u>\$ 45,246,204</u>	<u>\$ 12,390,419</u>	<u>\$ 1,808,796</u>	<u>\$ 2,004,970</u>	<u>\$ 22,750,460</u>	<u>\$ 84,200,849</u>

**NOTE 17 PROFESSIONAL AND GENERAL LIABILITY**

In the summer of 2002, the management of the Organization evaluated the best means of assuring the Organization's continued access to affordable liability and excess insurance coverage, including the possibility of obtaining such coverage from conventional and alternative insurance providers. After performing a diligent search, the Organization was not able to procure professional and general liability coverage from any insurance company licensed to do business in the state of North Carolina, and therefore, obtained liability coverage from Caring Communities Insurance Company (CCIC).

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025 AND 2024**

**NOTE 17 PROFESSIONAL AND GENERAL LIABILITY (CONTINUED)**

CCIC was an insured owned insurance company incorporated in and regulated by the Superintendent of Insurance of the Cayman Islands. In addition to the Organization, CCIC was owned by and insured approximately 25 other long-term care organizations that operate across the United States. As an insurance company that is not authorized to conduct business in North Carolina, CCIC was not subject to regulation by the North Carolina Department of Insurance nor covered under the North Carolina Guaranty Association. The Organization independently procured this liability coverage pursuant to the North Carolina General Statutes, which permit persons to obtain insurance from an insurer not authorized to do business in the state of North Carolina in the event that the full amount or kind of insurance necessary to protect the risks cannot be obtained from insurance companies authorized to do business in North Carolina. The policy was renewed November 30, 2004. Effective January 1, 2006, the insurance previously written by CCIC was written by Diapason Casualty Risk Retention Group, Inc., a District of Columbia corporation (DCRRG) regulated by the District of Columbia Department of Insurance. DCRRG was a wholly owned subsidiary of Diapason Shared Services, a District of Columbia nonprofit corporation (DSS). The four members of DSS, who were also owners of CCIC, were the insurers of DCRRG. DCRRG has given intent to offer insurance in North Carolina as required by federal law. DCRRG is substantially reinsured by CCIC.

As a risk retention group DCRRG is not covered under the North Carolina Guaranty Association. Effective January 1, 2008, CCIC and DCRRG completed a corporate restructuring. As a result of the restructuring, DCRRG changed its name to Caring Communities, a reciprocal Risk Retention Group (CCrRRG) and became a reciprocal insurer. The Organization, along with all other shareholders of CCIC, exchanged its shares of CCIC for a Charter Capital Account of CCrRRG. CCIC is now a wholly owned subsidiary of CCrRRG. Members of CCrRRG are required to pay assessed premiums and are subject to a per claim self-insurance retention. Insurance premiums under this program totaled

\$869,039.

The Organization made an initial capital contribution to CCIC of \$187,855 in November of 2002 and additional capital contributions of \$72,252 on January 1, 2004, and \$28,901 on January 1, 2005. These capital contributions, totaling \$289,008, are represented by the Organization's Charter Capital Account of CCrRRG and are included in other noncurrent assets in its combined statement of financial position. At year-end, the value of the Organization's Charter Capital Account is \$783,407 due to premiums in ss of claims paid by CCrRRG.

**NOTE 18 RELATED PARTIES**

The following organizations are considered related parties of the Organization due to management and administrative services provided to them by the Organization:

- New Bern Older Adult Housing, Inc. (NOAH), a HUD 202 facility in New Bern, North Carolina.
- UCC Living Center, Inc. (Covenant Place), a HUD 202 project in Chapel Hill, North Carolina.

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025 AND 2024**

**NOTE 18 RELATED PARTIES (CONTINUED)**

- Statesville Elderly Housing, Inc. (Emmanuel's Place), a HUD 202 facility in Statesville, North Carolina.
- Carolina Senior Living, Inc. a HUD 202 facility in Lexington, North Carolina.
- UDI/St. Joseph's, Inc. (St. Joseph's Place), a HUD 202 facility in Durham, North Carolina.
- Albemarle Older Adult Housing, Inc. (Matthew's Place), a HUD 202 facility in Albemarle, North Carolina.
- The Willows, a HUD 202 facility in Burlington, North Carolina.
- Elderhaus, Inc., a nonprofit PACE program in Wilmington, North Carolina
- Elderhaus at the Lake, a nonprofit Adult Day Service Program in Wilmington, North Carolina
- Iredell Adult Day Services, a nonprofit Adult Day Service Program in Statesville, North Carolina

The Organization provides management and administrative services to the above organizations. Management fee income was approximately \$1,178,000 and \$964,000, respectively.

The Organization pays salaries and employee benefit expense on behalf of its related parties, charging for expenses paid on a reimbursement basis. The Organization, as the sponsoring organization of these related parties, also advanced these entities funding for initial development costs.

The Organization had the following receivables (payables) at September 30:

	<u>2025</u>	<u>2024</u>
NOAH	\$ 345,676	\$ 303,171
Covenant Place	152,924	185,704
Emmanuel's Place	23,293	18,242
St. Joseph's Place	215,699	199,938
Carolina Senior Living	208,159	173,833
Matthew's Place	96,326	116,301
The Willows	432,113	403,951
Elderhaus, Inc.	(46,194)	1,335,208
Elderhaus At The Lake	292,673	371,040
Iredell Adult Day Services	486	1,966
Total	<u>\$ 1,721,155</u>	<u>\$ 3,109,354</u>

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025 AND 2024**

**NOTE 19 ACQUISITION**

On October 1, 2024, the Organization completed an acquisition transaction and became the sole corporate member of Providence Place, PPRC Pavilion, and PPRC Hall. This acquisition resulted in the Organization acquiring all assets and assuming all the liabilities of Providence Place, PPRC Pavilion, and PPRC Hall with the purpose being to acquire their operations and further the overall mission of the organization. All activity of the acquired organizations since the date of acquisition is included in the operating results presented for the year ended September 30, 2025, on the accompanying combined statement of operations. The acquisition was funded through consideration transferred in the form of debt financing of approximately \$48,050,000.

The Organization accounted for the acquisition using the purchase method of accounting. The purchase price was allocated to tangible and intangible assets acquired and liabilities assumed based on their estimated fair values at the acquisition date. The excess of the purchase price over the fair value of net assets acquired was allocated to goodwill. The goodwill is attributable to the workforce of the acquired business and the significant synergies expected to arise after the Organization's acquisition of the assets of Providence Place, PPRC Pavilion, and PPRC Hall.

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at their estimated fair values as of October 1, 2024:

Assets Assumed:	
Current Assets	\$ 5,324,225
Property and Equipment, Net	31,068,050
Other Intangible Assets	4,440,750
Liabilities Assumed:	
Accounts Payable and Accrued Liabilities	1,171,075
Consideration Exchanged	<u>48,050,614</u>
Goodwill	<u>\$ 8,388,664</u>

The allocation of purchase price for the acquisition is preliminary determined by management based on various market and income analyses and recent asset appraisals. The tangible assets and liabilities were valued by management. The intangible assets were valued by an independent third-party valuation specialist. The fair value of the assumed debt was determined using an option-adjusted discounted cash flows analysis. There was no contingent consideration included in this transaction. There were no contingent assets acquired or liabilities assumed in this transaction.



## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors  
EveryAge and Affiliates  
Newton, North Carolina

We have audited the combined financial statements of EveryAge and Affiliates as of and for the year ended September 30, 2025, and have issued our report thereon dated January 21, 2026, which contained an unmodified opinion on those combined financial statements. Our audit was performed for the purpose of forming an opinion on the combined financial statements as a whole. The combining statement of financial position, and combining statement of operations and changes in net assets without donor restrictions as of and for the year ended September 30, 2025 are presented for purposes of additional analysis and are not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Charlotte, North Carolina  
January 21, 2026

**EVERYAGE AND AFFILIATES**  
**COMBINING STATEMENT OF FINANCIAL POSITION**  
**YEAR ENDED SEPTEMBER 30, 2025**

(SEE INDEPENDENT AUDITORS' REPORT FOR SUPPLEMENTARY INFORMATION)

ASSETS	Corporate Office	Abernethy Laurels	Piedmont Crossing	EveryAge Subtotal	Lake Prince Center, Inc.	BellaAge	Providence Place
<b>CURRENT ASSETS</b>							
Cash and Cash Equivalents	\$ 6,310,471	\$ 1,900	\$ 174,243	\$ 6,486,614	\$ 2,020	\$ 20,701	\$ 993,801
Accounts Receivable,	-	2,394,963	1,321,690	3,716,653	1,571,551	4,275	9,604,984
Allowance for Credit Losses	-	(341,495)	(154,420)	(495,915)	(142,502)	-	(400,358)
Accounts Receivable, Net	-	2,053,468	1,167,270	3,220,738	1,429,049	4,275	9,204,626
Other Receivables, Net	41,211	122,430	74,645	238,286	55,418	216,665	106,389
Due from Related Parties, Current	(9,538,030)	31,435,889	(7,663,017)	14,234,842	4,608,845	(96,782)	(12,894,381)
Other Current Assets	91,933	232,235	161,239	485,407	133,710	9,901	111,543
Total Current Assets	(3,094,415)	33,845,922	(6,085,620)	24,665,887	6,229,042	154,760	(2,478,022)
Due from Related Parties, Less Current Portion	227,524	-	-	227,524	-	-	-
Assets Limited as to Use	73,465,193	32,464	5,620	73,503,277	1,659,510	31,978	7,573,697
Investments	-	-	-	-	-	-	-
Equity Investment	1,670,488	-	-	1,670,488	-	-	-
Interest Rate Swap Agreements	-	4,219,667	1,020,522	5,240,189	-	(168,246)	48,198
Other Noncurrent Assets	1,476,618	-	-	1,476,618	-	-	-
Property and Equipment, Net	7,471,059	44,617,414	12,759,721	64,848,194	29,149,638	31,548,490	20,885,356
Other Intangible Assets, Net	-	-	-	-	-	-	4,007,191
Goodwill, Net	-	-	-	-	-	-	7,549,798
Total Assets	\$ 81,216,467	\$ 82,715,467	\$ 7,700,243	\$ 171,632,177	\$ 37,038,190	\$ 31,566,982	\$ 37,586,218
<b>LIABILITIES AND NET ASSETS CURRENT</b>							
<b>LIABILITIES</b>							
Current Portion of Long-Term Debt	\$ -	\$ 387,780	\$ 152,220	\$ 540,000	\$ 2,195,000	\$ 200,000	\$ 604,701
Accounts Payable	467,624	727,124	749,841	1,944,589	517,525	227,523	390,780
Accrued Salaries and Related Benefits	1,576,631	1,629,978	908,101	4,114,710	851,895	18,401	739,221
Other Current Payables	30,446	629,220	739,049	1,398,715	878,809	295,963	489,913
Total Current Liabilities	2,074,701	3,374,102	2,549,211	7,968,014	4,443,229	741,887	2,224,615
<b>LONG-TERM LIABILITIES</b>							
Long-Term Debt, Less Current Portion	-	56,482,607	13,747,434	70,230,041	24,323,155	29,838,563	35,803,428
Refundable Advance Fees	-	3,063,745	2,163,832	5,227,577	2,026,128	-	-
Deferred Revenue from Advance Fees	-	14,098,166	9,871,771	23,969,937	25,337,002	-	-
Total Liabilities	2,074,701	77,018,620	28,332,248	107,425,569	56,129,514	30,580,450	38,028,043
<b>NET ASSETS</b>							
Without Donor Restrictions	79,141,766	5,696,847	(20,632,005)	64,206,608	(19,091,324)	986,532	(441,825)
With Donor Restrictions	-	-	-	-	-	-	-
Total Net Assets	79,141,766	5,696,847	(20,632,005)	64,206,608	(19,091,324)	986,532	(441,825)
Total Liabilities and Net Assets	\$ 81,216,467	\$ 82,715,467	\$ 7,700,243	\$ 171,632,177	\$ 37,038,190	\$ 31,566,982	\$ 37,586,218

**EVERYAGE AND AFFILIATES**

**COMBINING STATEMENT OF FINANCIAL POSITION (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2025**

(SEE INDEPENDENT AUDITORS' REPORT FOR SUPPLEMENTARY INFORMATION)

	PPRC		Total	EA		Carolina	Total
	Pavilion	Hall	Obligated Group	Foundation	Holding	SeniorCare	
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash and Cash Equivalents	\$ 96,062	\$ -	\$ 7,599,198	\$ 280,531	\$ 9,822	\$ 2,815,253	\$ 10,704,804
Accounts Receivable,	12,216	-	14,909,679	-	-	665,016	15,574,695
Allowance for Credit Losses	-	-	(1,038,775)	(8,739)	-	(219,886)	(1,267,400)
Accounts Receivable, Net	12,216	-	13,870,904	(8,739)	-	445,130	14,307,295
Other Receivables, Net	865	81,474	699,097	100,850	-	14,615	814,562
Due from Related Parties, Current	386,835	45,556	6,284,915	(4,022,179)	(16,715)	(752,390)	1,493,631
Other Current Assets	-	-	740,561	2,064	-	45,397	788,022
Total Current Assets	495,978	127,030	29,194,675	(3,647,473)	(6,893)	2,568,005	28,108,314
Due from Related Parties, Less Current Portion	-	-	227,524	-	-	-	227,524
Assets Limited as to Use	-	-	82,768,462	15,757,667	135,749	-	98,661,878
Investments	-	-	-	-	-	9,899,722	9,899,722
Equity Investment	-	-	1,670,488	-	-	-	1,670,488
Interest Rate Swap Agreements	23,644	19,097	5,162,882	-	-	-	5,162,882
Other Noncurrent Assets	-	-	1,476,618	-	-	-	1,476,618
Property and Equipment, Net	5,317,314	4,272,286	156,021,278	-	-	8,434,960	164,456,238
Other Intangible Assets, Net	86,200	69,623	4,163,014	-	-	-	4,163,014
Goodwill, Net	-	-	7,549,798	-	-	-	7,549,798
Total Assets	\$ 5,923,136	\$ 4,488,036	\$ 288,234,739	\$ 12,110,194	\$ 128,856	\$ 20,902,687	\$ 321,376,476
<b>LIABILITIES AND NET ASSETS CURRENT</b>							
<b>LIABILITIES</b>							
Current Portion of Long-Term Debt	\$ 85,702	\$ 69,221	\$ 3,694,624	\$ -	\$ -	\$ 375,000	\$ 4,069,624
Accounts Payable	27,238	-	3,107,655	10,639	-	1,932,663	5,050,957
Accrued Salaries and Related Benefits	-	-	5,724,227	28,056	-	491,618	6,243,901
Other Current Payables	97,235	201,649	3,362,284	-	-	60,041	3,422,325
Total Current Liabilities	210,175	270,870	15,888,790	38,695	-	2,859,322	18,786,807
<b>LONG-TERM LIABILITIES</b>							
Long-Term Debt, Less Current Portion	5,822,696	4,702,947	170,720,830	-	-	5,675,621	176,396,451
Refundable Advance Fees	-	-	7,253,705	-	-	-	7,253,705
Deferred Revenue from Advance Fees	-	-	49,306,939	-	-	-	49,306,939
Total Liabilities	6,032,871	4,973,817	243,170,264	38,695	-	8,534,943	251,743,902
<b>NET ASSETS</b>							
Without Donor Restrictions	(109,735)	(485,781)	45,064,475	4,418,127	128,856	12,367,744	61,979,202
With Donor Restrictions	-	-	-	7,653,372	-	-	7,653,372
Total Net Assets	(109,735)	(485,781)	45,064,475	12,071,499	128,856	12,367,744	69,632,574
Total Liabilities and Net Assets	\$ 5,923,136	\$ 4,488,036	\$ 288,234,739	\$ 12,110,194	\$ 128,856	\$ 20,902,687	\$ 321,376,476

**EVERYAGE AND AFFILIATES**

**COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS YEAR  
ENDED SEPTEMBER 30, 2025**

**(SEE INDEPENDENT AUDITORS' REPORT FOR SUPPLEMENTARY INFORMATION)**

	Corporate Office	Abernethy Laurels	Piedmont Crossing	EveryAge Subtotal	Lake Prince Center, Inc.	BellaAge	Providence Place
<b>Operating Revenues:</b>							
Healthcare	\$ -	\$ 21,407,886	\$ 10,467,311	\$ 31,875,197	\$ 4,006,068	\$ -	\$ 15,950,254
Pavilion/Assisted Living	-	1,170,734	391,192	1,561,926	3,248,793	-	4,515,222
Residential Living	-	6,756,508	4,981,438	11,737,946	6,085,273	-	2,830,662
Amortization of Advance Fees	-	2,088,561	1,656,836	3,745,397	2,747,824	-	-
Home Care	-	1,520,811	772,820	2,293,631	2,519,166	-	-
PACE Income	-	-	-	-	-	-	-
Rental Income	-	-	-	-	-	260,058	-
Management Fee Income	1,178,111	-	-	1,178,111	-	-	-
Outside Services	-	-	-	-	228,955	-	-
Other Operating Revenue	786,628	244,819	106,054	1,137,501	213,868	-	9,045
<b>Total Operating Revenues</b>	<b>1,964,739</b>	<b>33,189,319</b>	<b>18,375,651</b>	<b>53,529,709</b>	<b>19,049,947</b>	<b>260,058</b>	<b>23,305,183</b>
<b>Operating Expenses:</b>							
<b>Health Services:</b>							
Healthcare	-	9,163,680	5,354,543	14,518,223	2,576,797	-	8,618,139
Medical Records	-	92,042	42,928	134,970	44,613	-	39,325
Personnel and Employee Benefits	2,429,464	4,685,367	2,417,937	9,532,768	2,418,998	38,696	2,370,069
Laundry	-	157,530	157,225	314,755	78,074	-	134,546
Social Services	-	165,472	125,994	291,466	66,216	-	176,375
Activities	-	323,909	111,992	435,901	136,374	396	194,629
Spiritual Life	-	77,222	69,659	146,881	77,058	-	63,889
Housekeeping	-	839,705	443,863	1,283,568	281,381	9,292	693,862
Plant Maintenance	-	2,902,519	2,397,974	5,300,493	2,243,634	123,524	1,680,214
Residential Living	-	-	-	-	-	-	1,909
Pavilion/Assisted Living	-	797,579	198,463	996,042	1,163,086	-	1,662,980
Clinic	-	85,046	16,036	101,082	-	-	-
Resident Services	-	60,824	138,502	199,326	156,053	-	145,307
Transportation	-	132,614	12,557	145,171	46,176	-	651
Dietary	-	2,630,423	2,049,155	4,679,578	1,343,682	-	1,657,281
Wellness Center	-	151,766	-	151,766	-	-	518
Beauty Shop	-	-	23,525	23,525	42,768	-	-
Day Care	280,192	-	-	280,192	-	-	-
Home Care	-	1,029,411	647,141	1,676,552	433,092	-	-
Home Health	-	-	-	-	1,604,914	-	-
Hospice	-	-	-	-	353,931	-	-
PACE Expenses (Including Depreciation)	-	-	-	-	-	-	-
Outside Services	-	-	-	-	156,481	-	-
<b>General and Administrative:</b>							
Administrative	4,570,823	758,557	525,756	5,855,136	707,840	122,746	741,960
Marketing	-	346,642	437,368	784,010	433,039	1,021	81,579
Staff Development	-	107,819	20,622	128,441	77,600	-	18,077
Management Fees	(6,666,882)	2,061,806	1,279,697	(3,325,379)	1,100,374	27,919	948,965
Depreciation	425,539	3,331,449	1,614,694	5,371,682	2,540,544	713,375	914,610
Amortization	-	-	-	-	-	-	1,105,472
Real Estate Taxes	13,562	-	-	13,562	407,903	119,458	256,718
Interest Expense (Including Amortization)	377	1,645,832	409,650	2,055,859	1,367,384	489,665	1,933,161
Insurance	169,901	499,779	327,509	997,189	269,617	44,019	316,376
Credit Losses	-	349,383	110,748	460,131	116,424	-	(26,824)
Other Operating Expenses	41,351	272,845	183,078	497,274	269,507	21,265	243,189
<b>Total Operating Expense</b>	<b>1,264,327</b>	<b>32,669,221</b>	<b>19,116,616</b>	<b>53,050,164</b>	<b>20,513,560</b>	<b>1,711,376</b>	<b>23,972,977</b>
<b>Operating Income (Loss)</b>	<b>700,412</b>	<b>520,098</b>	<b>(740,965)</b>	<b>479,545</b>	<b>(1,463,613)</b>	<b>(1,451,318)</b>	<b>(667,794)</b>

**EVERYAGE AND AFFILIATES**

**COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS (CONTINUED) YEAR ENDED SEPTEMBER 30, 2025**

	PPRC Pavilion	PPRC Hall	Total Obligated Group	Foundation	EA Holding	Carolina SeniorCare	Total
<b>Operating Revenues:</b>							
Healthcare	\$ -	\$ -	\$ 51,831,519	\$ -	\$ -	\$ -	\$ 51,831,519
Pavilion/Assisted Living	-	-	9,325,941	-	-	-	9,325,941
Residential Living	-	-	20,653,881	-	-	-	20,653,881
Amortization of Advance Fees	-	-	6,493,221	-	-	-	6,493,221
Home Care	-	-	4,812,797	-	-	-	4,812,797
PACE Income	-	-	-	-	-	20,330,024	20,330,024
Rental Income	771,220	135,833	1,167,111	-	-	-	1,167,111
Management Fee Income	-	-	1,178,111	-	-	-	1,178,111
Outside Services	-	-	228,955	-	-	-	228,955
Other Operating Revenue	519	-	1,360,933	426	-	7,368	1,368,727
<b>Total Operating Revenues</b>	<b>771,739</b>	<b>135,833</b>	<b>97,052,469</b>	<b>426</b>	<b>-</b>	<b>20,337,392</b>	<b>117,390,287</b>
<b>Operating Expenses:</b>							
<b>Health Services:</b>							
Healthcare	-	-	25,713,159	-	-	-	25,713,159
Medical Records	-	-	218,908	-	-	-	218,908
Personnel and Employee Benefits	-	-	14,360,531	81,831	-	427	14,442,789
Laundry	-	-	527,375	-	-	-	527,375
Social Services	-	-	534,057	-	-	-	534,057
Activities	-	-	767,300	-	-	-	767,300
Spiritual Life	-	-	287,828	-	-	-	287,828
Housekeeping	-	-	2,268,103	-	-	-	2,268,103
Plant Maintenance	171,779	7,637	9,527,281	-	-	31,866	9,559,147
Residential Living	-	-	1,909	-	-	-	1,909
Pavilion/Assisted Living	-	-	3,822,108	-	-	-	3,822,108
Clinic	-	-	101,082	-	-	428	101,510
Resident Services	-	-	500,686	-	-	-	500,686
Transportation	-	-	191,998	-	-	-	191,998
Dietary	-	-	7,680,541	-	-	40	7,680,581
Wellness Center	-	-	152,284	-	-	-	152,284
Beauty Shop	-	-	66,293	-	-	-	66,293
Day Care	-	-	280,192	-	-	-	280,192
Home Care	-	-	2,109,644	-	-	-	2,109,644
Home Health	-	-	1,604,914	-	-	-	1,604,914
Home Health	-	-	353,931	-	-	-	353,931
PACE Expenses (Including Depreciation)	-	-	-	-	-	17,638,861	17,638,861
Outside Services	-	-	156,481	-	-	-	156,481
<b>General and Administrative:</b>							
Administrative	-	17,100	7,444,782	281,547	-	195	7,726,524
Marketing	-	-	1,299,649	-	-	-	1,299,649
Staff Development	-	-	224,118	-	-	-	224,118
Management Fees	-	-	(1,248,121)	-	-	1,248,121	-
Depreciation	219,088	147,714	9,907,013	-	-	53,046	9,960,059
Amortization	6,157	4,973	1,116,602	-	-	-	1,116,602
Real Estate Taxes	57,510	96,525	951,676	-	-	29,378	981,054
Interest Expense (Including Amortization)	353,437	285,468	6,484,974	-	-	143,231	6,628,205
Insurance	80,667	73,144	1,781,012	-	-	10,429	1,791,441
Credit Losses	2,663	-	552,394	-	-	-	552,394
Other Operating Expenses	13,818	8,150	1,053,203	918	1,803	-	1,055,924
<b>Total Operating Expense</b>	<b>905,119</b>	<b>640,711</b>	<b>100,793,907</b>	<b>364,296</b>	<b>1,803</b>	<b>19,156,022</b>	<b>120,316,028</b>
<b>Operating Income (Loss)</b>	<b>(133,380)</b>	<b>(504,878)</b>	<b>(3,741,438)</b>	<b>(363,870)</b>	<b>(1,803)</b>	<b>1,181,370</b>	<b>(2,925,741)</b>

**EVERYAGE AND AFFILIATES**

**COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS (CONTINUED) YEAR ENDED SEPTEMBER 30, 2025**

	Corporate Office	Abernathy Laurels	Piedmont Crossing	EveryAge Subtotal	Lake Prince Center, Inc.	BellaAge	Providence Place
Nonoperating Income (Loss):							
Contributions and Grants	\$ -	\$ 336,503	\$ 56,401	\$ 392,904	\$ -	\$ -	\$ -
Contribution Expense	(141,827)	-	-	(141,827)	-	-	-
Investment Return, Net	6,953,449	-	5	6,953,454	107,606	49	150,869
Change in Fair Value of Interest Rate							
Swap Agreements	-	412,003	82,550	494,553	-	181,430	182,576
Gain (Loss) on Sale of Property and Equipment	8,000	4,565	(26,763)	(14,198)	(22)	-	-
Other Nonoperating Income	-	16,092	53,995	70,087	1,193,237	-	26,902
Net Assets Released from Restrictions	-	-	-	-	-	-	-
Total Nonoperating Income	<u>6,819,622</u>	<u>769,163</u>	<u>166,188</u>	<u>7,754,973</u>	<u>1,300,821</u>	<u>181,479</u>	<u>360,347</u>
Changes in Net Assets Without Donor Restriction	<u>\$ 7,520,034</u>	<u>\$ 1,289,261</u>	<u>\$ (574,777)</u>	<u>\$ 8,234,518</u>	<u>\$ (162,792)</u>	<u>\$ (1,269,839)</u>	<u>\$ (307,447)</u>

**EVERYAGE AND AFFILIATES**

**COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS (CONTINUED) YEAR ENDED SEPTEMBER 30, 2025**

	PPRC Pavilion	PPRC Hall	Total Obligated Group	Foundation	EA Holding	Carolina Senior Care	Total
Nonoperating Income (Loss):							
Contributions and Grants	\$ -	\$ -	\$ 392,904	\$ 162,645	\$ -	\$ -	\$ 555,549
Contribution Expense	-	-	(141,827)	(1,391,554)	-	-	(1,533,381)
Investment Return, Net	-	-	7,211,978	1,454,018	14,852	783,562	9,464,410
Change in Fair Value of Interest Rate Swap Agreements	89,566	72,341	1,020,466	-	-	-	1,020,466
Gain (Loss) on Sale of Property and Equipment	-	-	(14,220)	-	-	750	(13,470)
Other Nonoperating Income	-	-	1,290,226	-	39	151,042	1,441,307
Net Assets Released from Restrictions	-	-	-	1,391,554	-	-	1,391,554
Total Nonoperating Income	<u>89,566</u>	<u>72,341</u>	<u>9,759,527</u>	<u>1,616,663</u>	<u>14,891</u>	<u>935,354</u>	<u>12,326,435</u>
Changes in Net Assets Without Donor Restriction	<u>\$ (43,814)</u>	<u>\$ (432,537)</u>	<u>\$ 6,018,089</u>	<u>\$ 1,252,793</u>	<u>\$ 13,088</u>	<u>\$ 2,116,724</u>	<u>\$ 9,400,694</u>

## **@Global**

### INDEPENDENT NETWORK MEMBER

CLA (CliftonlaronAllen **LLP**) is a network member of CLA Global. See [CLAGlobal.com/disclaimer](http://CLAGlobal.com/disclaimer). Investment advisory services are offered through CliftonlaronAllen Wealth Advisors, **LLC**, an SEC-registered investment advisor.

## Appendix B— Five-Year Prospective Financial Statements

**THE OBLIGATED GROUP OF EVERYAGE  
COMPILATION OF A COMBINED FINANCIAL  
PROJECTION  
AND SUPPLEMENTAL PROJECTED FINANCIAL STATEMENTS  
FOR THE YEARS ENDING SEPTEMBER 30, 2026  
THROUGH SEPTEMBER 30, 2030**



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**THE OBLIGATED GROUP OF EVERYAGE TABLE  
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FOR THE YEARS ENDING SEPTEMBER 30, 2026 THROUGH 2030**

**INDEPENDENT ACCOUNTANTS' COMPILATION REPORT**

**PROJECTED COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS**

**PROJECTED COMBINED STATEMENTS OF CASH FLOWS**

**PROJECTED COMBINED BALANCE SHEETS**

**SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES:**

BASIS OF PRESENTATION

BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
MANAGEMENT'S BASIS FOR PROJECTION OF REVENUES

MANAGEMENT'S BASIS FOR PROJECTION OF EXPENSES AND OTHER ITEMS

**SUPPLEMENTAL INFORMATION:**

PROJECTED BALANCE SHEETS, STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS, AND STATEMENTS OF CASH FLOWS:

*Abernethy Laurels*  
*Piedmont Crossing*

*Providence Place LLC*

*Home Office*



## INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Directors  
EveryAge and Affiliates  
Newton, North Carolina

Management is responsible for the accompanying projected combined financial statements for the obligated group of EveryAge (the "Obligated Group"), which comprise the projected combined balance sheets as of September 30, 2026, 2027, 2028, 2029 and 2030, and the related projected combined statements of operations and changes in net assets, and cash flows for the years then ending, and the related summary of significant projection assumptions and accounting policies in accordance with the guidelines for presentation of a financial projection established by the American Institute of Certified Public Accountants ("AICPA"). We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the projected combined financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these projected combined financial statements or the assumptions. Furthermore, even if the hypothetical assumptions as noted in Management's Summary of Significant Projection Assumptions and Accounting Policies on page 6 (the "Hypothetical Assumptions") occurs as projected, the projected results may not be achieved, as there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The accompanying supplementary information on pages 33 - 46 is presented for purposes of additional analysis and is not a required part of the combined projection. Such information is the responsibility of Management. Supplementary information was subject to our compilation engagement. We have not examined or reviewed the supplementary information and do not express an opinion, a conclusion, or provide any assurance on such information.

The accompanying projection information and this report are intended solely for the information and use of management, the Board of Directors, and the North Carolina Department of Insurance (pursuant to the requirements of North Carolina General Statutes, Chapter 58, Article 64 and is included in the Obligated Group's disclosure statement filing), and is not intended to be and should not be used, by anyone other than these specified parties.

As discussed in the Basis of Presentation section, accounting principles generally accepted in the United States of America require that the financial statements for affiliates meeting certain criteria be consolidated with the parent organization's financial statements. For purposes of this projection, the financial statements of three affiliates (The EveryAge Foundation, EA Holding, and Carolina SeniorCare), which should be included with EveryAge, Inc.'s and Affiliates consolidated financial statements under accounting principles generally accepted in the United States of America, have been excluded from the projected financial statements. The effects of this departure from accounting principles generally accepted in the United States of America on the projected financial position, results of operations and cash flows have not been determined.

Board of Directors  
EveryAge

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Charlotte, North  
Carolina February 19,  
2026

**THE OBLIGATED GROUP OF EVERYAGE**  
**PROJECTED COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS**  
**ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 6**  
**FOR THE YEARS ENDING SEPTEMBER 30,**  
**(IN THOUSANDS)**

	2026	2027	2028	2029	2030
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>					
Health Care	\$ 54,488	\$ 56,395	\$ 58,369	\$ 60,411	\$ 62,525
Pavillion/Assisted Living	10,523	10,891	11,273	11,668	12,076
Residential Living	21,865	22,892	23,740	24,621	25,534
Amortization of Advance Fees	8,109	8,392	8,686	8,990	9,304
Home Care	5,588	5,784	5,986	6,195	6,412
Rental Income	2,176	3,627	4,460	4,615	4,776
Management Fee Income	2,925	2,672	2,680	2,771	2,865
Outside Services	223	231	239	247	256
Other Operating Revenue	1,545	1,599	1,654	1,711	1,771
<b>Total Revenue, Gains, and Other Support</b>	<b>107,442</b>	<b>112,483</b>	<b>117,087</b>	<b>121,229</b>	<b>125,519</b>
<b>EXPENSES</b>					
Health Services					
Health Care	24,755	25,622	26,519	27,447	28,407
Medical Records	229	237	246	255	264
Personnel and Employee Benefits	16,603	17,226	17,873	18,498	19,145
Laundry	691	716	741	766	793
Social Services	536	555	574	594	614
Activities	837	872	906	939	973
Spiritual Life	301	312	323	335	347
Housekeeping	2,339	2,425	2,510	2,598	2,689
Plant Maintenance	8,579	9,010	9,480	9,812	10,154
Residential Living	2	2	2	2	2
Pavillion/Assisted Living	4,141	4,286	4,436	4,591	4,751
Clinic	115	119	123	127	132
Resident Services	477	494	511	528	545
Transportation	231	239	247	255	264
Dietary	7,884	8,186	8,473	8,771	9,078
Wellness Center	164	170	176	182	188
Beauty Shop	65	67	69	71	74
Day Care	320	331	343	355	367
Home Care	1,920	1,987	2,057	2,129	2,204
Home Health	1,450	1,501	1,554	1,608	1,664
Hospice	714	739	765	792	820
Outside Services	109	113	117	121	125
General and Administrative:					
Administrative	8,746	9,083	9,482	9,814	10,159
Marketing	1,489	1,541	1,594	1,650	1,707
Staff Development	191	197	204	211	218
Depreciation	11,581	11,661	11,228	11,377	11,617
Amortization	1,118	1,118	1,118	1,118	1,118
Real Estate Taxes	683	578	598	619	640
Interest Expense	6,988	6,791	6,671	6,562	6,349
Interest - Amortization of Issuance Costs	212	212	212	212	212
Insurance	1,947	2,012	2,109	2,183	2,259
Credit Loss Expense	376	389	404	419	434
Other Operating Expenses	963	995	1,030	1,065	1,100
<b>Total Operating Expenses</b>	<b>106,756</b>	<b>109,786</b>	<b>112,695</b>	<b>116,006</b>	<b>119,413</b>
<b>Operating Income (Loss)</b>	<b>686</b>	<b>2,697</b>	<b>4,392</b>	<b>5,223</b>	<b>6,106</b>
Nonoperating Income					
Contribution Income (Expense)	(84)	(84)	(84)	(84)	(84)
Other Nonoperating Revenue	163	165	167	169	171
Investment/Interest Income	3,333	3,184	3,209	3,234	3,259
<b>Net Nonoperating Income</b>	<b>3,412</b>	<b>3,265</b>	<b>3,292</b>	<b>3,319</b>	<b>3,346</b>
<b>Excess of Revenues Over Expenses and Change in Net Assets Without Donor Restrictions</b>	<b>4,098</b>	<b>5,962</b>	<b>7,684</b>	<b>8,542</b>	<b>9,452</b>
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>					
Contributions	-	-	-	-	-
<b>Change in Net Assets With Donor Restrictions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Net Assets</b>	<b>4,098</b>	<b>5,962</b>	<b>7,684</b>	<b>8,542</b>	<b>9,452</b>
<b>Net Assets, Beginning of Year</b>	<b>45,065</b>	<b>49,163</b>	<b>55,125</b>	<b>62,809</b>	<b>71,351</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 49,163</b>	<b>\$ 55,125</b>	<b>\$ 62,809</b>	<b>\$ 71,351</b>	<b>\$ 80,803</b>

See Summary of Significant Projection Assumptions and Accounting Policies and  
Independent Accountants' Compilation Report

**THE OBLIGATED GROUP OF EVERYAGE  
PROJECTED COMBINED STATEMENTS OF CASH FLOWS  
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 6**

**FOR THE YEARS ENDING SEPTEMBER 30, (IN  
THOUSANDS)**

	2026	2027	2028	2029	2030
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Change in Net Assets	\$ 4,098	\$ 5,962	\$ 7,684	\$ 8,542	\$ 9,452
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:					
Depreciation and Amortization	11,581	11,661	11,228	11,377	11,617
Amortization of Goodwill and Other Intangible Assets	1,118	1,118	1,118	1,118	1,118
Amortization of Deferred Issue Costs	212	212	212	212	212
Amortization of Bond Premium, Net	(284)	(284)	(220)	(116)	(116)
Amortization of Advance Fees	(8,109)	(8,392)	(8,686)	(8,990)	(9,304)
Advance Fees Received	13,712	12,065	12,235	12,580	12,888
(Increase) Decrease in Current Assets:					
Accounts Receivable	6,964	(412)	(355)	(310)	(321)
Other Receivables	(422)	(244)	(145)	(54)	(54)
Other Current Assets	(108)	(35)	(41)	(33)	(32)
Increase (Decrease) in Current Liabilities:					
Accounts Payable	(219)	198	269	116	123
Accrued Salaries and Related Benefits	(56)	212	221	214	221
Other Current Payables	(30)	-	-	-	-
Net Cash Provided by Operating Activities	28,457	22,061	23,520	24,656	25,804
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Change in Assets Limited as to Use	3,751	(585)	(576)	(550)	(632)
Purchases of Property and Equipment	(8,251)	(6,895)	(7,796)	(8,822)	(9,995)
(Purchase) Sale of Investments	(18,525)	(8,509)	(8,583)	(8,586)	(8,320)
Net Cash Used in Investing Activities	(23,025)	(15,989)	(16,955)	(17,958)	(18,947)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Advanced Fees Refunds	(2,736)	(2,008)	(1,815)	(1,734)	(1,666)
Borrowings on Lines of Credit	2,300	-	-	-	-
Principal Payments on Long-Term Debt	(3,695)	(4,289)	(4,475)	(4,679)	(4,896)
Principal Payments on Line of Credit	-	(2,300)	-	-	-
Initial Entrance Fees Received	-	2,791	-	-	-
Net Cash Used by Financing Activities	(4,131)	(5,806)	(6,290)	(6,413)	(6,562)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>1,301</b>	<b>266</b>	<b>275</b>	<b>285</b>	<b>295</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>7,599</b>	<b>8,900</b>	<b>9,166</b>	<b>9,441</b>	<b>9,726</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 8,900</b>	<b>\$ 9,166</b>	<b>\$ 9,441</b>	<b>\$ 9,726</b>	<b>\$ 10,021</b>
Supplemental Disclosure of Cash Flow Information:					
Cash Paid for Interest	\$ 7,272	\$ 7,075	\$ 6,891	\$ 6,678	\$ 6,465

See Summary of Significant Projection Assumptions and Accounting Policies and  
Independent Accountants' Compilation Report

**THE OBLIGATED GROUP OF EVERYAGE**

**PROJECTED COMBINED BALANCE SHEETS  
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 6 AT  
SEPTEMBER 30,  
(IN THOUSANDS)**

ASSETS	2026	2027	2028	2029	2030
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents	\$ 8,900	\$ 9,166	\$ 9,441	\$ 9,726	\$ 10,021
Accounts Receivable	7,946	8,358	8,713	9,023	9,344
Allowance for Credit Losses	(1,038)	(1,038)	(1,038)	(1,038)	(1,038)
Other Receivables	1,120	1,364	1,509	1,563	1,617
Due from Related Parties, Current	6,514	6,514	6,514	6,514	6,514
Other Current Assets	849	884	925	958	990
<b>Total Current Assets</b>	<b>24,291</b>	<b>25,248</b>	<b>26,064</b>	<b>26,746</b>	<b>27,448</b>
<b>Assets Limited as to Use</b>					
Statutory Operating Reserve	16,622	17,211	17,789	18,350	18,985
Investments	43	43	43	43	43
Trustee Deposit Accounts Required by Debt Agreement	127	127	127	127	127
Residents' Funds	83	83	83	83	83
Debt Service Reserve Fund	5,104	5,104	5,104	5,104	5,104
Bond Fund	615	611	609	598	595
<b>Total Assets Limited as to Use</b>	<b>22,594</b>	<b>23,179</b>	<b>23,755</b>	<b>24,305</b>	<b>24,937</b>
Investments	74,946	83,455	92,038	100,624	108,944
Equity Investment	1,670	1,670	1,670	1,670	1,670
Fair Value of Interest Swap Agreements	5,164	5,164	5,164	5,164	5,164
Other Noncurrent Assets	1,477	1,477	1,477	1,477	1,477
Property and Equipment, Net					
Property and Equipment	305,789	312,684	320,480	329,302	339,297
Less: Accumulated Depreciation	(153,098)	(164,759)	(175,987)	(187,364)	(198,981)
Property and Equipment, Net	152,691	147,925	144,493	141,938	140,316
Other Intangible Assets, Net	3,867	3,571	3,275	2,979	2,683
Goodwill, Net	6,728	5,906	5,084	4,262	3,440
<b>Total Assets</b>	<b>\$ 293,428</b>	<b>\$ 297,595</b>	<b>\$ 303,020</b>	<b>\$ 309,165</b>	<b>\$ 316,079</b>
<b>LIABILITIES AND NET ASSETS CURRENT</b>					
<b>LIABILITIES</b>					
Line of Credit	\$ 2,300	\$ -	\$ -	\$ -	\$ -
Current Portion of Long-Term Debt	4,289	4,475	4,679	4,896	5,110
Accounts Payable	2,888	3,086	3,355	3,471	3,594
Accrued Salaries and Related Benefits	5,668	5,880	6,101	6,315	6,536
Other Current Payables	3,333	3,333	3,333	3,333	3,333
<b>Total Current Liabilities</b>	<b>18,478</b>	<b>16,774</b>	<b>17,468</b>	<b>18,015</b>	<b>18,573</b>
<b>LONG-TERM LIABILITIES</b>					
Long-Term Debt, Net of Current Portion	166,845	162,370	157,691	152,795	147,685
Deferred Financing Costs	(3,588)	(3,376)	(3,164)	(2,952)	(2,740)
Unamortized Bond Premium	3,102	2,818	2,598	2,482	2,366
Long-Term Debt, Net of Current Portion	166,359	161,812	157,125	152,325	147,311
Refundable Entrance Fees	7,254	7,254	7,254	7,254	7,254
Deferred Revenue from Advance Fees	52,174	56,630	58,364	60,220	62,138
<b>Total Long-Term Liabilities</b>	<b>225,787</b>	<b>225,696</b>	<b>222,743</b>	<b>219,799</b>	<b>216,703</b>
<b>Total Liabilities</b>	<b>\$ 244,265</b>	<b>\$ 242,470</b>	<b>\$ 240,211</b>	<b>\$ 237,814</b>	<b>\$ 235,276</b>
<b>NET ASSETS</b>					
Net Assets Without Donor Restrictions	49,163	55,125	62,809	71,351	80,803
Net Assets With Donor Restrictions	-	-	-	-	-
<b>Total Net Assets</b>	<b>49,163</b>	<b>55,125</b>	<b>62,809</b>	<b>71,351</b>	<b>80,803</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 293,428</b>	<b>\$ 297,595</b>	<b>\$ 303,020</b>	<b>\$ 309,165</b>	<b>\$ 316,079</b>

See Summary of Significant Projection Assumptions and Accounting Policies and  
Independent Accountants' Compilation Report

## **SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES**

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### **BASIS OF PRESENTATION**

The financial projection (the “Projection”) presents to the best of the knowledge and belief of management (“Management”) of the obligated group of EveryAge (the “Obligated Group”), the expected financial position, results of operations and cash flows as of September 30, 2026, 2027, 2028, 2029 and 2030 and for each of the years then ending (the “Projection Period”) for the combined entities. All significant intra-entity activity has been eliminated upon combination.

The combined presentation has been prepared pursuant to the requirements of the North Carolina Department of Insurance relating both the Obligated Group as well as the licensed continuing care retirement communities (“CCRC”s). The following entities are the licensed continuing care retirement communities (“CCRC”s) that are members of the Obligated Group:

- EveryAge’s Home Office which provides services to both the following communities that are part of Management’s presentation, and other communities that are excluded from Management’s presentation;
- Abernethy Laurels, a licensed CCRC;
- Piedmont Crossing, a licensed CCRC; and
- Providence Place LLC, who owns and operates a licensed CCRC (Providence Place).

The following entities are also members of the Obligated Group, but not licensed CCRC’s:

- Lake Prince Center, Inc.
- Lake Prince at Home, LLC
- BellaAge Hickory, LLC
- PPRC Pavillion, LLC; and
- PPRC Hall, LLC

Management’s financial projection has been prepared for the specific purpose of presenting the projected balance sheets, statements of operations and changes in net assets, and cash flows for the Obligated Group of EveryAge. This presentation is not intended to include the consolidated projected financial statements of EveryAge, Inc. and Affiliates, which would include The EveryAge Foundation, EA Holding, and Carolina SeniorCare. Accordingly, the projection is not intended to be a presentation in conformity with U.S. generally accepted accounting principles since it excludes The EveryAge Foundation, EA Holding, and Carolina SeniorCare.

This combined presentation is suitable for the needs of the North Carolina Department of Insurance and has been presented for such use as noted below.

A projection is a presentation of prospective financial information that is subject to one or more hypothetical assumptions. Management has included assumptions that are considered to be “Hypothetical Assumptions” as defined by the American Institute of Certified Public Accountants’ Guide for Prospective Financial Information. A Hypothetical Assumption is defined as follows: “An assumption used in a financial projection or in a partial presentation of projected information to present a condition or course of action that is not necessarily expected to occur, but is consistent with the purpose of the presentation.”

## **SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES**

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Management's Hypothetical Assumption is as follows:

- Management is able to achieve the projected operating revenue inflationary rate increases and operating expense inflationary increases as described hereinafter;
- The Piedmont Crossing Project, as defined hereinafter, is financed and constructed at the amount, timing, and terms, as projected;
- The Piedmont Crossing Project is marketed at the pricing projected, fills, and operates, as projected;
- The residential units of BellaAge Hickory, LLC, are successfully marketed and occupied at the assumed occupancy levels and pricing, as reflected in the Projection; and
- BellaAge, Hickory, LLC operates, as projected.

Management's purpose for preparing this financial Projection is for the use of Management, the Board of Directors, and for inclusion in Management's Disclosure Statements in accordance with Chapter 58, Article 64 of the North Carolina General Statutes and is not intended to be and should not be used, by another other than these specified parties. The Projection reflects management's judgment as of February 19, 2026, the date of this Projection, of the expected conditions and its expected course of actions. The assumptions disclosed herein are those that Management of the Obligated Group believes are significant to the projected combined financial statements. Furthermore, even if the Hypothetical Assumptions were to occur, the projected results may not be achieved as there will usually be differences between projected and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. Management does not intend to revise this Projection to reflect changes in present circumstances or the occurrence of unanticipated events.

Unless otherwise noted, references to time periods used in this report refer to the fiscal year of the Obligated Group which ends on September 30.

## **SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES**

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### **BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Background**

##### **Obligated Group Members**

EveryAge is a not-for-profit organization that owns and operates continuing care retirement communities in Newton (“Abernethy Laurels”) and Thomasville (“Piedmont Crossing”) consisting of residential living units, assisted living units and nursing facilities providing adult care and intermediate and skilled nursing care. EveryAge was incorporated in North Carolina in 1961. EveryAge’s corporate office (the “Home Office” and collectively with Abernethy Laurels and Piedmont Crossing “EveryAge”) is located in Newton, North Carolina.

Lake Prince Center, Inc. (“Lake Prince”) is a nonprofit continuing care retirement community in Suffolk, Virginia. The facility consists of independent living units and nursing facilities providing adult care and intermediate and skilled nursing care for Lake Prince residents. Lake Prince was incorporated under the laws of North Carolina in July 1999 and has obtained a certificate to transact business in Virginia where the facility is located.

Lake Prince at Home, LLC, was incorporated on October 16, 2017 and is a wholly owned subsidiary of Lake Prince Center, Inc. It has expanded the services offered at Lake Prince and the surrounding market areas of Suffolk, Virginia.

BellaAge Hickory, LLC (“BellaAge”) is a nonprofit organization which was incorporated on December 12, 2022. BellaAge Hickory, LLC is a 95 rental unit independent living unit community that became available for occupancy April 2025. EveryAge is the sole member of BellaAge.

Providence Place, LLC (“Providence Place”) is a nonprofit organization which was incorporated on July 24, 2024. Providence Place was organized for the purpose of acquiring Providence Place, a retirement community located in High Point, North Carolina that consists of independent living units, assisted living units, and nursing facilities. The acquisition occurred on October 1, 2024. EveryAge is the sole member of Providence Place.

PPRC Pavilion, LLC (“PPRC Pavilion”) is a nonprofit organization which was incorporated on July 24, 2024. PPRC Pavilion was organized for the purpose of acquiring, owning and operating certain commercial space adjacent to Providence Place. Certain lease arrangements are in place and have remained in place after the acquisition by PPRC Pavilion. The acquisition occurred on October 1, 2024. EveryAge is the sole member of PPRC Pavilion.

PPRC Hall, LLC (“PPRC Hall”) is a nonprofit organization which was incorporated on July 24, 2024. PPRC Hall was organized for the purpose of acquiring and owning a vacant auditorium adjacent to Providence Place. During the year ended September 30, 2025, PPRC Hall is being leased by a charter school. The acquisition occurred on October 1, 2024. EveryAge is the sole member of PPRC Hall.

##### **Non Obligated Group Affiliates**

The EveryAge Foundation (the “Foundation”) is a nonprofit organization which was established for the purpose of fund development for the capital and operating support of the residential facilities operated by EveryAge, which includes fund development to support benevolent care for those residents who are unable to pay for continuing care at the residential facilities operated by EveryAge. The Foundation was incorporated under the laws of the state of North Carolina in 2000.

## SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

EA Holding is a nonprofit organization which was established for the purpose of development and investment of funds outside of the obligated group. EA Holding was incorporated under the laws of the state of North Carolina in 2021.

Carolina SeniorCare (“CSC”), a Program of All-inclusive Care for the Elderly (“PACE”), in Lexington, North Carolina, is a nonprofit organization created in 2011 by its parent organization, EveryAge. Carolina SeniorCare serves individuals who are age 55 or older, are certified by their state to need nursing home care, able to live safely in the community at the time of enrollment, live in Davidson, Rowan, Davie, Iredell, Craven, Pamlico, Jones, Carteret, Beaufort, Lenoir, or Onslow counties and either Medicare or Medicaid eligible. The program is able to provide the entire continuum of care and services to seniors with chronic care needs while maintaining their independence in their homes for as long as possible. PACE receives direct payments from Medicare and Medicaid to cover needed services. Because of the pooled financing of PACE, programs have strong incentives to focus on wellness and prevention and to decrease the hospitalization rates for the participants and the incidence of long-term institutionalization.

The Foundation, EA Holding, and CSC are not members of the Obligated Group and are not included in the Projection.

### **The Piedmont Crossing Project**

Management has projected construction of seven new independent living units (1 cottage and 6 villas) at Piedmont Crossing. Management has projected the total construction cost would approximate

\$2,300,000 and has projected paying for construction using a line of credit and using the initial entrance fees received from the new independent living units for repayment of the line of credit. Management has projected the construction would occur and be completed by September 30, 2026. The opening and fill-up of the new independent living units is projected to occur in October 2026 (fiscal year 2027) with Management projected a ninety-five percent average occupancy percentage on the new independent living units for the remainder of the Projection Period. Management has projected entering into a \$2,500,000 line of credit. Interest payments are projected to be monthly. The interest rate assumed is the Federal Prime Rate minus 0.25%. The interest rate assumed during the Projection Period is 6.50% and all interest incurred during the construction of the Piedmont Crossing Project has been capitalized. Management has projected repayment of the line of credit in November 2026.

**Table 1**  
**Piedmont Crossing Project**  
**Current Unit Mix, Size, and Fees**  
**(in 2027 Dollars)**

Unit Type	Unit Description	Number of Units	Square Footage	Monthly Fees	Fully Declining (\$)	50% Refund (\$)
Cottage	2 Bedroom	1	1,368	\$ 2,157	\$ 325,000	\$ 487,500
Villas	2 Bedroom	6	1,404	2,336	375,000	562,500
Total Units		7	1,399	\$ 2,310	\$ 367,857	\$ 551,786
Second Person				\$ 796		

Source: Management

## **SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES**

### **Summary of Significant Accounting Policies**

#### Principles of Combination

The projected combined financial statements include all members, as previously defined, of the Obligated Group. All material intercompany accounts and transactions have been eliminated in the combination.

#### Use of Estimates

The preparation of the projected combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the projected combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Cash Equivalents

The Obligated Group considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. The Obligated Group excludes from cash and cash equivalents assets limited as to use.

#### Assets Limited as to Use

Assets limited as to use primarily include the operating reserves required by State statute, assets held by trustees under indenture agreements, designated assets set aside by the Board of Directors for future capital improvements, to the extent funds are available, over which the Board retains control and may, at its discretion, subsequently use for other purposes, and resident funds. Amounts required to meet current liabilities of the Obligated Group have been classified as current assets in the balance sheets.

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in nonoperating income. Donated investments are stated at fair value at the date of the gift. Investment expenses and fees are netted with net realized gains on investments.

#### Accounts Receivable

The Obligated Group records accounts receivable at the total unpaid balance less an allowance for credit loss. The Obligated Group determines past-due status based on the billing dates and does not charge interest on overdue accounts. The Obligated Group writes off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to credit loss expense. Management estimates its allowance for credit loss based on a combination of factors, including the Obligated Group's historical loss experience and any anticipated effects related to current and future economic conditions, as well as the current payor mix or receivables.

## SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

### Property and Equipment

Property and equipment are recorded at cost, net of accumulated depreciation. Donated property and equipment are recorded at their estimated fair value on the date of receipt. Interest costs incurred on borrowed funds during the period of construction are capitalized as a component of the cost of acquiring those assets. The Obligated Group capitalizes property and equipment with an estimated useful life of greater than one year and a cost of more than \$2,000.

Depreciation is computed using the straight-line method based on the following estimated useful lives:

Land Improvements	10 to 20 Years
Buildings and Improvements	30 to 40 Years
Furniture, Fixtures, and Equipment	5 to 15 Years
Vehicles	5 Years

The Obligated Group periodically assesses the value of its long-lived assets and evaluates such assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. For assets to be held and used, impairment is determined to exist if estimated future cash flows, undiscounted and without interest charges, are less than the carrying amount. For assets to be disposed of, impairment is determined to exist if the estimated net realizable value is less than the carrying amount.

The Obligated Group reports contributions of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Contributions of long-lived assets with explicit restrictions that specify how the assets are to be used and contributions of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations about how long these assets must be maintained, the Obligated Group reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

### Business Combination

The Obligated Group accounts for business acquisitions using the acquisition method of accounting and records any identifiable definite-lived intangible assets separate from goodwill. Intangible assets are recorded at their fair value based on estimates as of the date of acquisition. Goodwill is recorded as the residual amount of the purchase price consideration less the fair value assigned to the individual identifiable assets acquired and liabilities assumed as of the date of acquisition.

### Goodwill

Goodwill is recognized as a result of a business combination when the price paid for the acquired business exceeds the fair value of its identified net assets. The Obligated group has recorded goodwill related to the acquisition of Providence Place, PPRC Pavilion, and PPRC Hall of approximately

\$8,389,000 during the year ended September 30, 2025. The Obligated Group adopted the accounting alternative for the subsequent measurement of goodwill. As a result of this election, the Obligated Group assigned a useful life of 10 years to goodwill. Goodwill is being amortized on a straight-line basis over this period. Further, in accordance with the elected accounting

## **SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES**

alternative, the Obligated Group will test goodwill for impairment at the entity level if an event occurs or circumstances change indicating that the fair value may be below its carrying amount. Management has not projected any impairment of Goodwill during the Projection Period.

### Intangible Assets

The Obligated Group's intangible assets consist primarily of trade name and a certificate of need acquired in connection with the acquisition of Providence Place, PPRC Pavilion, and PPRC Hall during the year ended September 30, 2025. These assets are amortized on a straight-line basis over their estimated useful lives of 15 years during the Projection Period.

### Deferred Costs

Deferred financing costs relating to the permanent financing of the facilities have been deferred and are being amortized over the life of the bonds.

### Resident Escrows

If a resident should move into the health care unit and vacate the residential living unit, the amount of any refund to which the resident would be entitled is set aside and held by EveryAge for use by the resident to pay for necessary health care expenses. Once a permanent move is made and the residential living unit is available for remarketing, the resident may draw against the remaining residency refund to pay health care costs. A resident who does not live in a residential living unit for a period of 180 days or more shall be deemed to have made a permanent move.

A resident drawing from the residency refund to pay for health care costs shall, in agreement with the Center Executive, determine the withdrawal amount. This amount shall not exceed \$1,500 per month.

In case of financial hardship, withdrawal of more than \$1,500 per month may be requested by the resident. The resident must submit financial information sufficient to prove financial need. Such withdrawals will be allowed upon approval by the senior management of the Obligated Group.

### Advance Deposits

The Obligated Group may collect up to 10% of the advance fees described below as a deposit on unoccupied units. Once the unit becomes occupied, these fees are transferred to deferred revenue.

### Advance Fees

Deferred revenue from advance fees represents payments made by a resident in exchange for the use and privileges of the community for life or until termination of the residency agreement.

Contracts currently offered to residents of the Obligated Group are a fully declining refund contract and a 50% refundable contract. The nonrefundable portion of these fees is amortized into income on a straight-line basis over the estimated remaining life, actuarially adjusted, of each resident. The estimated amount of advance fees that is expected to be refunded to current residents under terms of the contracts are classified as refundable advance fees. Refunds are made to residents upon re-occupancy of the unit unless the resident has chosen to transfer their remaining balance into escrow as described above. Any unrecognized deferred revenue, less any related refund, at the date of termination of the contract is recorded as income in the period the termination of the contract occurs.

## **SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES**

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### Obligation to Provide Future Services

The Obligated Group annually calculates the present value of the net cost of future services and use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from entrance fees. If the present value of the net cost of future services and use of facilities exceeds the deferred revenue from entrance fees, a liability is recorded (obligation to provide future services and use of facilities) with the corresponding charge to income.

### Revenue Recognition

Resident services revenue is reported at the amount that reflects the consideration to which the Obligated Group expects to be entitled in exchange for providing resident care. These amounts are due from residents, patients, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Obligated Group bills the residents, patients, and third-party payors several days after the services are performed. Service fees paid by residents for maintenance, meals, and other services are assessed monthly and are recognized as revenue in the period services are rendered. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Obligated Group. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Obligated Group believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to residents in the facilities receiving skilled nursing services or housing residents receiving services in the facilities. The Obligated Group considers daily services provided to residents of the skilled nursing facilities, and monthly rental for housing services as a separate performance obligation and measures this on a monthly basis, or upon move-out within the month, whichever is shorter. Nonrefundable entrance fees are considered to contain a material right associated with access to future services, which is the related performance obligation. Revenue from nonrefundable entrance fees is recognized ratably in future periods covering a resident's life expectancy using a time-based measurement similar to the output method. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to our residents and patients in a retail setting (for example, gift shop and cafeteria meals) and the Obligated Group does not believe it is required to provide additional goods or services related to that sale.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Obligated Group has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

The Obligated Group determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Obligated Group's policy, and/or implicit price concessions provided to residents. The Obligated Group determines its estimates of contractual adjustments based on contractual agreements, its policy, and historical experience. The Obligated Group determines its estimate of implicit price concessions based on its historical collection experience.

## **SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES**

Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

### **Medicare and Medicaid**

The Obligated Group's licensed nursing facilities participate in the Medicare program. This federal program is administered by the Centers for Medicare and Medicaid Services ("CMS"). On October 1, 2019, CMS finalized the Patient Driven Payment Model ("PDPM") to replace the existing Medicare Prospective Payment System ("PPS"). Under PDPM, therapy minutes are removed as the primary basis for payment and instead the underlying complexity and clinical needs of a patient is used as a basis for reimbursement. In addition, PDPM introduced variable adjustment factors that change reimbursement rates during the resident's length of stay. Annual cost reports are required to be submitted to the designated Medicare Administrative Contractor; however, they do not contain a cost settlement.

Nursing facilities licensed for participation in the Medicare and Medical Assistance programs are subject to annual licensure renewal. If it is determined that a nursing facility is not in substantial compliance with the requirements of participation, CMS may impose sanctions and penalties during the period of noncompliance. Such a payment ban would have a negative impact on the revenues of the licensed nursing facility.

Effective October 1, 2019, new PDPM HIPPS codes replaced RUG scores listed on each claim for determining reimbursement amounts. Annual Medicaid cost reports are required by the state of North Carolina, however, they are not used to settle the costs of claims. Instead, the cost reports are used in the development of price-based rates and to monitor the adequacy of the reimbursement methodology.

### **Other**

Payment agreements with certain commercial insurance carriers provide for payment using prospectively determined daily rates. Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Obligated Group's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in an implicit price concession impacting transaction price, are not expected to be significant during the Projection Period.

Generally, residents and patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Obligated Group estimates the transaction price for residents and patients with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent charges to the estimate of the transaction price are generally recorded as adjustments to resident and home and community-based services revenue in the period of the change. Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments are not expected

## **SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES**

to be significant during the Projection Period. Subsequent changes that are determined to be the result of an adverse change in the resident's or patient's ability to pay are recorded as bad debt expense.

The Obligated Group has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors: payors, service line, method of reimbursement, and timing of when revenue is recognized.

### **Entrance Fees**

The nonrefundable entrance fees are recognized as deferred revenue upon receipt of the payment under the life care contract and included in liabilities in the statement of financial position until the performance obligations are satisfied. These deferred amounts are then amortized on a straight-line basis into revenue on a monthly basis over the expectant life of the resident as the performance obligation is associated with access to future services. The refundable portion of an entrance fee is not considered part of the transaction price and as such is recorded as a liability in the statement of financial position.

### **Health Care Services**

The Obligated Group also provides assisted and nursing care to residents who are covered by government and commercial payers. The Obligated Group is paid fixed rates from government and commercial payers. These fixed rates are billed in arrears monthly when the service is provided. The monthly fees represent the estimated net realizable amounts from patients, third-party payors, and others for services rendered while in the health care unit, and includes estimated retroactive revenue adjustments due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations. Historically such adjustments for the Obligated Group have not been significant in relation to the combined financial statements as a whole.

### **Monthly Service Fees**

The life care contracts that residents select require an advanced fee and monthly fees based upon the type of space they are applying for. Resident fee revenue for recurring and routine monthly services is generally billed monthly in advance. Payment terms are usually due within 30 days. The services provided encompass social, recreational, dining along with assisted living and nursing care and these performance obligations are earned each month. Resident fee revenue for nonroutine or additional services are billed monthly in arrears and recognized when the service is provided.

### **Non Life Care Contract Communities**

BellaAge Hickory offers senior living that includes housing, utilities, and access to amenities such as 24/7 onsite staff, emergency pendants, wellness programs, recreational areas, dog park, and onsite storage. Rental revenue is recognized on a straight-line basis over the one-year lease term, which automatically renews unless terminated under specific conditions. Monthly rental fees are due on the first day of each month. Optional services like housekeeping and transportation are billed separately and recognized when provided. A non-refundable \$50 application fee is recognized upon receipt, and a one-time non-refundable \$5,000 community fee is recognized upon occupancy as it relates to initial administrative and setup activities.

## **SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES**

Providence Place offers senior living which includes housing accommodations and access to healthcare services such as independent living, skilled nursing care, assisted living, and memory care as well as amenities like wellness programs, recreational activities, and transportation. Rental revenue is recognized on a straight-line basis over the term of the resident agreements, which typically renew automatically unless terminated under specific conditions. A non-refundable application fee is recognized upon receipt, and any one-time community or admission fees are recognized upon occupancy as they relate to initial administrative and setup activities.

### **Residential/Assisted Living Revenue**

Residents that reside in residential and assisted living units are subject to a continuing monthly support service fee, which varies based on each resident's contract. The monthly fee can be adjusted from time to time by the Obligated Group according to changes in costs.

### **Benevolent Assistance**

The Obligated Group has a policy of providing benevolent assistance to qualified residents who are unable to pay. Such residents are identified based on financial information obtained from the resident and subsequent review and analysis. The normal charges for services provided are included in revenue and paid through a transfer of assets from the Benevolent Trust Fund.

### **Fair Value of Financial Instruments**

The carrying amount of cash and cash equivalents, assets limited as to use, accounts receivable, net, and other current and long-term liabilities approximates their respective fair values.

### **Income Tax Status**

The Obligated Group consists of not-for-profit organizations exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3), and the affiliated Foundation is exempt from income taxes pursuant to Internal Revenue Code Section 501(a).

It is the Obligated Group's policy to evaluate all tax positions to identify any that may be considered uncertain. All identified material tax positions are assessed and measured by a more-likely-than-not threshold to determine if the tax position is uncertain and what, if any, the effect of the uncertain tax position may have on the combined financial statements.

## SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

### MANAGEMENT'S BASIS FOR PROJECTION OF REVENUES

Revenues for the Obligated Group are primarily generated from monthly service fees for the independent living units, amortization of entrance fees, and monthly service fees or per diem charges from the assisted living and skilled nursing residents.

Revenues for the independent living units are based on the monthly service fees assumed by Management to be charged to the residents and the assumed utilization of the independent living units. Health care revenues consist of revenue generated from services provided to residents transferring from the independent living units or from residents directly admitted from outside the Obligated Group into assisted living and nursing units.

#### **Facility Utilization**

Management has projected the following average occupancies at Abernethy Laurels, Piedmont Crossing, Providence Place, Lake Prince, and BellaAge will be as follows throughout the Projection Period:

**Table 2**  
**Abernethy Laurels**  
**Utilization of Independent Living, Assisted Living, and Skilled Nursing Units**  
**For the Years Ending September 30,**

EveryAge - Abernethy Laurels	2026	2027	2028	2029	2030
<b>Average Occupied Units:</b>					
Independent Living	171	171	171	171	171
Assisted Living	16	16	16	16	16
Skilled Nursing	158	158	158	158	158
<b>Available Units:</b>					
Independent Living	187	187	187	187	187
Assisted Living	18	18	18	18	18
Skilled Nursing	174	174	174	174	174
Average Independent Living Occupancy Percentage	91%	91%	91%	91%	91%
Average Assisted Living Occupancy Percentage	89%	89%	89%	89%	89%
Average Skilled Nursing Occupancy Percentage	91%	91%	91%	91%	91%

Source: Management

**Table 3 Piedmont Crossing**  
**Utilization of Independent Living, Assisted Living, and Skilled Nursing Units**  
**For the Years Ending September 30,**

EveryAge - Piedmont Crossing	2026	2027	2028	2029	2030
<b>Average Occupied Units:</b>					
Independent Living	157	164	164	164	164
Assisted Living	8	8	8	8	8
Skilled Nursing	83	83	83	83	83
<b>Available Units:</b>					
Independent Living	169	176	176	176	176
Assisted Living	20	20	20	20	20
Skilled Nursing	104	104	104	104	104
Average Independent Living Occupancy Percentage	93%	93%	93%	93%	93%
Average Assisted Living Occupancy Percentage	40%	40%	40%	40%	40%
Average Skilled Nursing Occupancy Percentage	80%	80%	80%	80%	80%

Source: Management

**SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES**

**Table 4  
Providence Place  
Utilization of Independent Living, Assisted Living, and Skilled Nursing Units  
For the Years Ending September 30,**

EveryAge - Providence Place	2026	2027	2028	2029	2030
Average Occupied Units:					
Independent Living	152	152	152	152	152
Assisted Living	64	64	64	64	64
Skilled Nursing	119	119	119	119	119
Available Units:					
Independent Living	158	158	158	158	158
Assisted Living	90	90	90	90	90
Skilled Nursing	129	129	129	129	129
Average Independent Living Occupancy Percentage	96%	96%	96%	96%	96%
Average Assisted Living Occupancy Percentage	71%	71%	71%	71%	71%
Average Skilled Nursing Occupancy Percentage	92%	92%	92%	92%	92%

Source: Management

**Table 5  
Lake Prince  
Utilization of Independent Living, Assisted Living, and Skilled Nursing Units  
For the Years Ending September 30,**

EveryAge - Lake Prince	2026	2027	2028	2029	2030
Average Occupied Units:					
Independent Living	179	179	179	179	179
Assisted Living	43	43	43	43	43
Skilled Nursing	29	29	29	29	29
Available Units:					
Independent Living	192	192	192	192	192
Assisted Living	52	52	52	52	52
Skilled Nursing	40	40	40	40	40
Average Independent Living Occupancy Percentage	93%	93%	93%	93%	93%
Average Assisted Living Occupancy Percentage	83%	83%	83%	83%	83%
Average Skilled Nursing Occupancy Percentage	73%	73%	73%	73%	73%

Source: Management

**Table 6  
BellaAge  
Utilization of Independent Living, Assisted Living, and Skilled Nursing Units  
For the Years Ending September 30,**

EveryAge - Bella Age	2026	2027	2028	2029	2030
Average Occupied Units:					
Independent Living	27	64	86	86	86
Available Units:					
Independent Living	95	95	95	95	95
Average Independent Living Occupancy Percentage	28%	67%	91%	91%	91%

Source: Management

The following table summarizes the move-in assumptions for the Independent Living Units at BellaAge during the Projection Period.

**SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES**

**Table 7  
BellaAge  
Fill-Up Schedule**

<b>Fiscal Year / Month</b>	<b>Net Move Ins</b>	<b>Cumulative Occupied</b>	<b>Cumulative Occupancy</b>
<b>2026</b>			
October	15.0	15.0	15.8%
November	1.0	16.0	16.8%
December	3.0	19.0	20.0%
January	2.0	21.0	22.1%
February	-	21.0	22.1%
March	3.0	24.0	25.3%
April	2.0	26.0	27.4%
May	4.0	30.0	31.6%
June	4.0	34.0	35.8%
July	3.0	37.0	38.9%
August	3.0	40.0	42.1%
September	4.0	44.0	46.3%
<b>2027</b>			
October	3.0	47.0	49.5%
November	3.0	50.0	52.6%
December	3.0	53.0	55.8%
January	3.0	56.0	58.9%
February	3.0	59.0	62.1%
March	4.0	63.0	66.3%
April	3.0	66.0	69.5%
May	3.0	69.0	72.6%
June	2.0	71.0	74.7%
July	2.0	73.0	76.8%
August	3.0	76.0	80.0%
September	4.0	80.0	84.2%
<b>2028</b>			
October	2.0	82.0	86.3%
November	2.0	84.0	88.4%
December	2.0	86.0	90.5%
Thereafter		86.0	90.5%

Source: Management

**Health Care**

Health care revenue includes revenue from residents residing in the nursing facility. Health care revenue and the payor mix is based upon historical experience for the Obligated Group. Health care revenues are assumed to increase 3.5 percent annually throughout the Projection Period. The Projection does not assume any third-party payor settlements throughout the Projected Period.

## **SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES**

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### **Pavilion/Assisted Living**

Pavilion/Assisted living rents are based on historical experience of the Obligated Group. These rents are assumed to increase 3.5 percent annually throughout the Projection Period.

### **Residential Living**

Residential living rents are based on historical experience of the Obligated Group. These rents are assumed to increase 3.5 percent annually throughout the Projection Period.

### **Amortization of Advance Fees**

Advance fees and resident deposit amortization revenue is based on the expected turnover in units at the Obligated Group's apartment complexes for the elderly. The expected turnover during the Projection Period is consistent with the Obligated Group's historical experience.

### **Home Care Revenue**

Home Care revenue is based upon historical experience of the Obligated Group as well as Management's projected increases in utilization of Home Health, Home Care, and Hospice services during the Projection Period. These revenues are also assumed to increase 3.5 percent annually throughout the Projection Period.

### **Rental Income**

Rental Income is based upon Management's projected increase in utilization at BellaAge and rental lease income from PPRC Pavillion and PPRC Hall. In addition to the projected increase in occupancy, Management has also projected these revenues to increase 3.5 percent annually throughout the Projection Period.

### **Management Fee Income**

Management fee revenue reflects Management's projected revenues from the Home Office's management activities outside of the Obligated Group. Intercompany management fees between the Home Office and the entities that comprise the Obligated Group have been eliminated in Management's combined projections.

### **Outside Services**

Outside Services are based on historical experience of the Obligated Group. These services are assumed to increase 3.5 percent annually throughout the Projection Period.

### **Other Operating Revenue**

Management has projected other operating revenues based upon historical operating experience as well as inflationary increases of 3.5 percent annually throughout the Projection Period. Included in other operating revenues are building lease revenues, additional resident meals, beauty and barber services, rental revenues, and other miscellaneous operating revenues.

**SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES**

The following tables summarize the type, number, approximate square footage, monthly fees, and entrance fees for Abernethy Laurels, Piedmont Crossing, Providence Place, Lake Prince, and BellaAge as of October 1, 2025.

**Table 8  
Abernethy Laurels  
Current Unit Mix, Size, and Fees as of October 1, 2025**

Unit Type	Number of Units/Beds	Square Footage	Monthly Fees	Fully Declining (\$)	50% Refund (\$)
<b>Independent Living</b>					
<b>Apartments</b>					
Pavilion					
Studio A	18	240	\$6,418		
Studio B	4	240	\$6,935		
Efficiency Apartment	13	400	\$3,771	\$40,500	\$60,750
Efficiency Deluxe Apartment	2	410	\$4,192	\$40,500	\$60,750
One-Bedroom Apartment	17	500	\$4,868	\$55,500	\$83,250
One Bedroom Deluxe	4	805	\$5,094	\$83,500	\$125,250
Village					
One Bedroom Apartment	10	800-900	\$1,949	\$125,000-\$139,500	\$187,500-\$209,250
Two Bedroom Apartment	31	1,100	\$2,101	\$134,500-\$161,500	\$201,750-\$242,250
<b>Total Apartments</b>	<b>99</b>	<b>666</b>	<b>\$3,923</b>	<b>\$115,862</b>	<b>\$173,793</b>
<b>Villas/Cottages</b>					
Cottage	26	1,341 - 2,916	\$2,450	\$219,500-\$362,000	\$329,250-\$543,000
Villa	62	960 - 2,724	\$2,246	\$148,500-\$303,000	\$222,750-\$454,500
<b>Total Cottages and Villas</b>	<b>88</b>	<b>1,524</b>	<b>\$2,306</b>	<b>\$247,960</b>	<b>\$371,940</b>
<b>Total Independent Living</b>	<b>187</b>	<b>1,062</b>	<b>\$3,059</b>	<b>\$163,738</b>	<b>\$245,606</b>
Second Person Fee - Pavilion			\$1,396		
Second Person Fee - Village			\$859		
<b>Assisted Living</b>					
	<b>Number</b>	<b>Sq. Feet</b>	<b>Monthly Fees</b>	<b>Daily Fee</b>	
Private	18	240	\$6,570	\$216	
<b>Total Assisted Living</b>	<b>18</b>	<b>240</b>	<b>\$6,570</b>	<b>\$216</b>	
<b>Nursing</b>					
	<b>Number</b>	<b>Sq. Feet</b>		<b>Daily Fee</b>	
Private	98	247 - 260		\$371-\$466	
Semi-private	76	224 - 256		\$334	
<b>Total Nursing</b>	<b>174</b>	<b>248</b>		<b>\$365</b>	
<b>Total Units</b>	<b>379</b>				

Source: Management

**SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES**

**Table 9  
Piedmont Crossing  
Current Unit Mix, Size, and Fees as of October 1, 2025**

Unit Type	Number of Units/Beds	Square Footage	Monthly Fees	Fully Declining (\$)	50% Refund (\$)
<b>Independent Living</b>					
<b>Apartments</b>					
<b>Pavilion</b>					
Studio	10	500	\$2,961	\$58,500	\$87,750
One Bedroom	26	640	\$3,564	\$74,500	\$111,750
Two Bedroom	8	950	\$4,035	\$91,500	\$137,250
<b>Gallery Apartments</b>					
One Bedroom Corner	4	650	\$2,562	\$80,500	\$120,750
One Bedroom	8	675	\$2,662	\$80,500	\$120,750
Two Bedroom	23	975	\$2,866	\$115,500	\$173,250
<b>Veranda B</b>					
One Bedroom	4	800	\$1,917	\$91,000	\$136,500
Two Bedroom	24	1,100	\$2,043	\$126,000	\$189,000
<b>Total Apartments</b>	<b>107</b>	<b>834</b>	<b>\$2,885</b>	<b>\$95,930</b>	<b>\$143,895</b>
<b>Villas/Cottages/Patio Homes</b>					
<b>Village</b>					
Patio Homes	20	780 - 1,152	\$1,969-\$2,120	\$104,000-\$144,000	\$156,000-\$216,000
Villas	24	1,288 - 1,478	\$2,075	\$212,000 to \$308,500	\$318,000 to \$462,750
Cottages	18	1,339 - 1,622	\$2,247	\$243,500 to \$336,000	\$365,250 to \$504,000
<b>Total Patio Homes/Villas/Cottages</b>	<b>62</b>	<b>1,308</b>	<b>\$2,128</b>	<b>\$220,040</b>	<b>\$333,060</b>
<b>Total Independent Living</b>	<b>169</b>	<b>1,006</b>	<b>\$2,607</b>	<b>\$142,195</b>	<b>\$213,393</b>
Second Person Fee - Pavilion			\$1,063		
Second Person Fee - Village			\$780-\$1,026		
<b>Assisted Living</b>					
	<b>Number</b>	<b>Sq. Feet</b>	<b>Monthly Fees</b>	<b>Daily Fee</b>	
Private	14	350	\$6,692	\$227	
Semi-Private	6	350	\$4,988	\$169	
<b>Total Assisted Living</b>	<b>20</b>	<b>350</b>	<b>\$6,376</b>	<b>\$208</b>	
<b>Nursing</b>					
	<b>Number</b>	<b>Sq. Feet</b>		<b>Daily Fee</b>	
Private	96	280		\$344-\$454	
Semi-private	8	280		\$326	
<b>Total Nursing</b>	<b>104</b>	<b>280</b>		<b>\$364</b>	
<b>Total Units</b>	<b>293</b>				

Source: Management

**SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES**

**Table 10  
Providence Place  
Current Unit Mix, Size, and Fees as of October 1, 2025**

<b>Unit Type</b>	<b>Number of Units/Beds</b>	<b>Square Footage</b>	<b>Monthly Fees</b>
<b>Independent Living</b>			
<b>    Apartments</b>			
<b>Village 1</b>			
Studio	1	314	\$1,024
One Bedroom - One Bath	35	442-717	\$1,086-\$1,939
Two Bedroom - One Bath	30	579-643	\$1,531-\$1,728
Two Bedroom - Two Bath	19	875-1,147	\$2,048-\$2,725
<b>Village 2</b>			
One Bedroom - One Bath	14	442-582	\$1,095-\$1,731
Two Bedroom - One Bath	20	643-708	\$1,744-\$1,931
Two Bedroom - Two Bath	35	875-1,215	\$2,068-\$2,912
<b>Total Apartments</b>	<b>154</b>	<b>727</b>	<b>\$1,830</b>
<b>Villas (Cluster Homes)</b>			
Two Bedroom - Two Bath	4	1,365-1,402	\$2,525-\$2,594
Three Bedroom - Two Bath	2	1,725	\$3,019
<b>Total Villas</b>	<b>6</b>	<b>1,497</b>	<b>\$2,713</b>
<b>Total Independent Living</b>	<b>160</b>	<b>756</b>	<b>\$1,863</b>
<b>Second Person Fee - Independent Living</b>			<b>\$250</b>
<b>Assisted Living-Westchester Harbour</b>			
<b>    Assisted Living</b>	<b>Number</b>	<b>Sq. Feet</b>	<b>Monthly Fees</b>
Private	22	350	\$6,103
Semi-Private	36	350	\$4,822
<b>    Memory Care</b>			
Private	8	350	\$7,023
Semi-Private	24	350	\$6,200
<b>Total Assisted Living</b>	<b>90</b>	<b>350</b>	<b>\$5,698</b>
<b>Nursing-Westchester Manor</b>	<b>Number</b>	<b>Sq. Feet</b>	<b>Daily fee</b>
<b>    Nursing</b>			
Private	76	234	\$304
Semi-Private	31	380	\$338
<b>    Memory Care</b>			
Private	16	234	\$314
Semi-Private	6	380	\$349
<b>Total Nursing</b>	<b>129</b>	<b>338</b>	<b>\$315</b>
<b>Total Units</b>	<b>379</b>		

Source: Management

For the Providence Place site, the assisted living facility is licensed for 90 beds, but currently operates as an 80-unit program due to the combination of 10 units to private units.

**SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES**

**Table 11  
Lake Prince  
Current Unit Mix, Size, and Fees as of October 1, 2025**

Unit Type	Number of Units/Beds	Square Footage	Monthly Fees	Fully Declining (\$)	50% Refund (\$)
<b>Independent Living Apartments</b>					
Studio	4	425	\$1,692	\$70,500 to \$88,500	\$105,750 to \$132,750
One Bedroom - One Bath	18	660	\$2,737	\$80,000 to \$133,000	\$120,000 to \$199,500
One Bedroom - Bay	4	700	\$2,737	\$96,500 to \$141,500	\$144,750 to \$212,250
One Bedroom - Grand	4	803	\$2,857	\$144,500 to \$160,000	\$216,750 to \$240,000
One Bedroom/Living/Dining	5	965	\$3,012	\$169,500 to \$193,000	\$254,250 to \$289,500
Two Bedroom/Den/Two Baths	27	965	\$3,012	\$141,500 to \$186,500	\$212,250 to \$279,750
Two Bedroom/Bay	8	1,000	\$3,017	\$150,500 to \$195,500	\$225,750 to \$293,250
Two Bedroom/Two Baths	12	1,075	\$3,017	\$172,000 to \$205,500	\$258,000 to \$308,250
Two Bedroom Deluxe	2	1,107	\$3,017	\$202,500	\$303,750
Two Bedroom Contemporary	4	1,158	\$3,137	\$195,500 to \$229,000	\$293,250 to \$343,500
Two Bedroom/Study	4	1,256	\$3,137	\$211,000 to \$242,000	\$316,500 to \$363,000
<b>Total Apartments</b>	<b>92</b>	<b>905</b>	<b>\$2,894</b>	<b>\$159,848</b>	<b>\$239,772</b>
<b>Villas / Cottages</b>					
Villas	42	1,350-1,931	\$2,417	\$257,500 to \$528,500	\$386,250 to \$792,750
Cottage	58	1,520-1,931	\$2,807	\$324,000 to \$496,500	\$486,000 to \$744,750
<b>Total Cottages and Villas</b>	<b>100</b>	<b>1,524</b>	<b>\$2,643</b>	<b>\$359,680</b>	<b>\$539,520</b>
<b>Total Independent Living</b>	<b>192</b>	<b>1,227</b>	<b>\$2,763</b>	<b>\$263,927</b>	<b>\$395,871</b>
Second Person Fee - Apartments			\$1,015		
Second Person Fee - Cottage			\$886		
<b>Assisted Living</b>					
	<b>Number</b>	<b>Sq. Feet</b>	<b>Monthly Fees</b>	<b>Daily Fee</b>	
Studio	32	300	\$6,144	\$202	
One Bedroom	4	300	\$8,395	\$276	
Memory Care (studio)	16	300	\$8,486	\$279	
<b>Total Assisted Living</b>	<b>52</b>	<b>300</b>	<b>\$6,760</b>	<b>\$231</b>	
<b>Nursing</b>					
	<b>Number</b>	<b>Sq. Feet</b>		<b>Daily Fee</b>	
Private	4	300		\$364	
Semi-private	36	300		\$306	
<b>Total Nursing</b>	<b>40</b>	<b>300</b>		<b>\$312</b>	
<b>Total Units</b>	<b>284</b>				

Source: Management

**Table 12  
BellaAge  
Current Unit Mix, Size, and Fees as of October 1, 2025**

Unit Type	Number of Units	Square Footage	Monthly Fees
<b>Independent Living</b>			
One Bedroom/One Bath	13	855	\$2,138-\$2,289
One Bedroom/One Bath/Balcony	24	872-1,112	\$2,311-\$3,089
One Bedroom/One Bath/Balcony/Den	7	956-1,008	\$2,486-\$2,673
Two Bedroom/Two Bath/Balcony	51	1,174-1,440	\$3,052-\$3,960
<b>Total Independent Living Units</b>	<b>95</b>	<b>1,097</b>	<b>\$2,899</b>

Source: Management

## SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

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### **Assumed Independent Living and Enhanced Living Turnover**

The assumed turnover for the Independent Living Units is due to death, withdrawal, or transfer to assisted living, memory care or skilled nursing care, and double occupancy of the Independent Living Units has been based, in part, on historical experience of the Obligated Group.

Refunds of entrance fees are generated upon termination of the Residency Agreement and withdrawal from the Obligated Group, subject to the re-occupancy of the vacated Independent Living Units. Entrance fees may be generated from Independent Living Unit turning over without a corresponding refund because the resident has not withdrawn from the Obligated Group, but has permanently transferred to assisted living, memory care, or nursing accommodations. The assumed number of refunds on the Independent Living Units is provided by Management.

The following table presents the assumed attrition entrance fees received and the total entrance fee refunds.

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**Table 13**  
**Entrance Fee Receipts and Total Entrance Fee Refunds (In Thousands)**

	2026	2027	2028	2029	2030
<b>Independent Living Units:</b>					
Entrance Fee Receipts from Initial Fill	\$ -	\$ 2,791	\$ -	\$ -	\$ -
Entrance Fee Receipts from Unit Turnover	13,712	12,065	12,235	12,580	12,888
Entrance Fees Refunded from Unit Turnover	(2,736)	(2,008)	(1,815)	(1,734)	(1,666)
Entrance Fees Received, Net of Refunds	\$ 10,976	\$ 12,848	\$ 10,420	\$ 10,846	\$ 11,222

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Source: Management

Notes:

The Entrance fee refunds for the Independent Living Units are based on the experience of Management.

### **Investment Income**

Investment income is projected based on available investment balances earning investment income at a realized rate of 4.0 percent per year and cash and cash equivalents earning a realized rate of 0.5 percent per year during the Projection Period.

**MANAGEMENT'S BASIS FOR PROJECTION OF EXPENSES AND OTHER ITEMS****Operating Expenses**

Operating expenses are estimated by Management based on its historical experience and expectations for the Projection Period. Staff salaries and benefits are based on prevailing local salary and wage rates and are assumed to increase 3.5 percent annually throughout the Projection Period. The costs of employee fringe benefits are assumed to approximate 21.7 percent of salaries and wages for the Projection Period. Other non-salary operating expenses are assumed to include ongoing marketing costs, raw food costs, utilities, supplies, maintenance and security contracts, building and general liability insurance, legal and accounting fees, and other miscellaneous expenses and are assumed to increase 3.5 percent annually throughout the Projection Period.

The Home Office charges a management fee to the facilities to cover related party management costs. Management fee income and expense have been eliminated in combination except for management fees related to entities that are not part of the combined presentation.

**Intercompany Accounts**

Accounts due to affiliates and due from affiliates have been adjusted throughout the Projection Period as a result of projected activity of operations and to maintain a minimum operating cash balance and to account for the operating reserve requirements of those communities subject to an operating reserve.

**Commitments and Contingencies**

Management does not assume that there will be any claims on the Obligated Group for the Projection Period relating to its self-insurance for professional and general liability coverage or workers' compensation plan in excess of its annual historical insurance expenses.

**Current Assets and Current Liabilities****Cash and Cash Equivalents**

Cash and cash equivalents for the Projection Period is projected to maintain a minimum operating cash balance based upon recent historical experience of each of the Obligated Group.

**Accounts Receivable, Net**

Accounts receivable, net is projected based upon historical levels throughout the Projection Period that approximate the historical days of operating revenues for each of the respective Obligated Group.

**Other Current Assets**

Other current assets are projected based on historic levels throughout the Projection Period.

## SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

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### Accounts Payable

Accounts payable is projected based upon historical levels throughout the Projection Period that approximate the historical days of operating expenses, net of depreciation, for each of the respective Obligated Group.

### Accrued Salaries and Related Benefits

Accrued salaries and related benefits is projected based upon historical levels throughout the Projection Period that approximate the historical days of operating expenses, net of depreciation, for each of the respective Obligated Group.

### **Assets Limited as to Use**

#### **Statutory Operating Reserve**

Statutory Operating Reserve – North Carolina Statutory Operating Reserve – Section 58-64-33 of the General Statutes of North Carolina, as amended, requires that all continuing care facilities maintain operating reserves equal to 50 percent of the total operating costs (as defined in Section 58-64-33) for the 12-month period related to the calculation. Once a continuing care facility achieves a 12-month daily average independent living unit occupancy rate of ninety percent (90% or higher) a provide shall only be required to maintain an operating reserve in an amount calculated using the table below, unless otherwise instructed by the Commission.

<u>Independent Living Unit Occupancy Rate:</u>	<u>Operating Reserve Percentage Requirement</u>
90% or above	25.00%
86% to 89.9%	31.25%
83% to 85.9%	37.50%
80% to 82.9%	43.75%
Below 80%	50.00%

Such operating reserves may only be released upon approval of the North Carolina Commissioner of Insurance. Management has projected, based on its projected occupancies, meeting the 25 percent operating reserve requirement for all years of the Projection Period.

The following reflects the statutory operating reserve requirements, as projected by Management, for Abernethy Laurels, Piedmont Crossing, and Providence Place.

## SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

**Table 14**  
**Abernethy Laurels**  
**Projected Statutory Operating Reserve**  
**Calculation For the Years Ending September 30,**  
**(In Thousands)**

	2026	2027	2028	2029	2030
<b>EveryAge Abernethy Laurels - Statutory Operating Reserve Calculation (Expenses in Thousands):</b>					
Total Operating Expenses	\$ 32,970	\$ 34,025	\$ 34,770	\$ 35,620	\$ 36,441
Include:					
Bond Principal Payments	388	389	448	485	624
Exclude:					
Depreciation	(3,553)	(3,792)	(3,545)	(3,376)	(3,141)
Amortization of Bond Issuance Costs	(22)	(22)	(22)	(22)	(22)
Interest Set Aside in Debt Service Reserve Fund	(1,245)	(1,295)	(1,338)	(1,403)	(1,366)
Principal Set Aside in Debt Service Reserve Fund	(388)	(389)	(448)	(485)	(624)
Total Operating Costs	\$ 28,150	\$ 28,916	\$ 29,865	\$ 30,819	\$ 31,912
Required Reserve	25%	25%	25%	25%	25%
Required Operating Reserve	\$ 7,038	\$ 7,229	\$ 7,466	\$ 7,705	\$ 7,978
<b>Average Available Units:</b>					
Independent Living Units	187	187	187	187	187
Total Available Units	187	187	187	187	187
<b>Average Occupied Units for the Year Ending September 30:</b>					
Independent Living Units	171	171	171	171	171
Total Occupied Units	171	171	171	171	171
Average Occupancy for the Year Ending September 30:	91.4%	91.4%	91.4%	91.4%	91.4%

Source: Management

**Table 15**  
**Piedmont Crossing**  
**Projected Statutory Operating Reserve**  
**Calculation For the Years Ending September 30,**  
**(In Thousands)**

	2026	2027	2028	2029	2030
<b>Piedmont Crossing - Statutory Operating Reserve Calculation (Expenses in Thousands):</b>					
Total Operating Expenses	\$ 20,328	\$ 20,703	\$ 21,468	\$ 22,323	\$ 23,182
Include:					
Bond Principal Payments	152	151	177	195	261
Include (Exclude):					
Depreciation	(1,872)	(1,713)	(1,827)	(2,014)	(2,182)
Amortization of Bond Issuance Costs	(11)	(11)	(11)	(11)	(11)
Interest Set Aside in Debt Service Reserve Fund	(205)	(206)	(180)	(213)	(147)
Principal Set Aside in Debt Service Reserve Fund	(152)	(151)	(177)	(195)	(261)
Total Operating Costs	\$ 18,240	\$ 18,773	\$ 19,450	\$ 20,085	\$ 20,842
Required Reserve	25%	25%	25%	25%	25%
Required Operating Reserve	\$ 4,560	\$ 4,693	\$ 4,863	\$ 5,021	\$ 5,211
<b>Average Available Units:</b>					
Independent Living Units	169	176	176	176	176
Total Available Units	169	176	176	176	176
<b>Average Occupied Units for the Year Ending September 30:</b>					
Independent Living Units	157	164	164	164	164
Total Occupied Units	157	164	164	164	164
Average Occupancy for the Year Ending September 30:	92.9%	93.2%	93.2%	93.2%	93.2%

Source: Management

## SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

**Table 16**  
**Providence**  
**Place**  
**Projected Statutory Operating Reserve**  
**Calculation For the Years Ending September 30,**  
**(In Thousands)**

	2026	2027	2028	2029	2030
<b>Providence Place - Statutory Operating Reserve Calculation (Expenses in Thousands):</b>					
Total Operating Expenses	\$ 23,925	\$ 24,848	\$ 25,654	\$ 26,542	\$ 27,528
Include:					
Bond Principal Payments	605	630	658	686	718
Exclude:					
Depreciation and Amortization of Intangible Assets and Goodwill	(2,249)	(2,088)	(2,188)	(2,344)	(2,574)
Amortization of Bond Issuance Costs	(40)	(40)	(40)	(40)	(40)
Interest Set Aside in Debt Service Reserve Fund	(1,539)	(1,565)	(1,588)	(1,662)	(1,732)
Principal Set Aside in Debt Service Reserve Fund	(605)	(630)	(658)	(686)	(718)
Total Operating Costs	\$ 20,097	\$ 21,155	\$ 21,838	\$ 22,496	\$ 23,182
Required Reserve	25%	25%	25%	25%	25%
Required Operating Reserve	\$ 5,024	\$ 5,289	\$ 5,460	\$ 5,624	\$ 5,796
<b>Average Available Units:</b>					
Independent Living Units	158	158	158	158	158
Total Available Units	158	158	158	158	158
<b>Average Occupied Units for the Year Ending September 30:</b>					
Independent Living Units	152	152	152	152	152
Total Occupied Units	152	152	152	152	152
Average Occupancy for the Year Ending September 30:	96.20%	96.20%	96.20%	96.20%	96.20%

Source: Management

### **Investments**

The Obligated Group are beneficiaries of certain investment funds. Management has not projected any change in the investments during the Projection Period.

### **Trustee Deposits Accounts Required by Debt Agreement**

Represents funds related to those 10% reservation deposits received by the Obligated Group, that are escrowed, for the independent living units

### **Resident Funds**

Cash held on deposit by the Obligated Group for community residents.

### **Debt Service Reserve Funds**

The Obligated Group is required to maintain debt service reserve funds for certain of its debt equal to the maximum annual debt service requirement for the various series of bonds that require a debt service reserve fund.

### **Bond Fund**

Represents monthly advance payments of bond principal and interest to be made by the Obligated Group to the bond trustee related to the existing indebtedness. The funds held under bond trust agreements are planned to be used by the bond trustee to make the principal payments and the interest payments to the owners of existing indebtedness when due

## SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

### Derivatives

To reduce the impact of changes in interest rates on its variable rate bonds payable, the Obligated Group has entered into four interest rate swap agreements for the 2021B-D bonds. Under the agreements, interest is payable at a fixed rate of 2.39-2.62% based on the outstanding balance of the bank qualified loans payable, which is effective through October 1, 2036. The annual gain or loss on the fair value of the swap agreements is reported as revenue or expense in the combined statements of operations and changes in net assets. The interest rate swap agreements had notional principal amount totaling \$47,245,000 and a fair value of approximately \$5,240,000 on September 30, 2025.

In May 2023, the Obligated Group entered into an additional interest rate swap agreement for the Series 2023A Bonds. Under the agreement, interest is payable at a fixed rate of 4.21% based on the outstanding balance of the bank qualified loan payable and has a termination date of May 1, 2030. The annual gain or loss on the fair value of the swap agreement is reported as revenue or expense in the combined statements of operations and changes in net assets. The interest rate swap agreement had a notional principal amount of \$31,960,000 and a fair value of approximately (\$168,000) on September 30, 2025.

In September 2024, the Obligated Group entered into an additional interest rate swap agreement for the Series 2024 Bonds. Under the agreement, interest is payable at a fixed rate of 5.45% based on the outstanding balance of the bank qualified loan payable and has a termination date of October 1, 2034. The annual gain or loss on the fair value of the swap agreement is reported as revenue or expense in the combined statements of operations and changes in net assets. The interest rate swap agreement had a notional principal amount of \$18,115,000 and a fair value of approximately \$91,000 on September 30, 2025.

The fair value of the interest rate swap agreement was derived from proprietary models as of a given date, supplied by the swap advisor. The valuation is calculated on a midmarket basis and does not include bid/offered spread that would be reflected in an actual price quotation. This model relies on certain assumptions regarding past, present, and future market conditions.

Management does not project unrealized gains or losses from the valuation of swap agreements.

### Property and Equipment

Property and equipment, net of accumulated depreciation, has been projected based on the estimated costs of constructing the Piedmont Crossing Project, and other routine property and equipment additions, reduced by estimated annual depreciation. The following table reflects the Piedmont Crossing Project related costs, capitalized interest, and other routine capital additions.

**Table 17**  
**Projected Property and Equipment Additions**  
**For the Years Ending September 30,**  
**(In Thousands)**

	2026	2027	2028	2029	2030
Project Costs	\$ 2,300	\$ -	\$ -	\$ -	\$ -
Capitalized Interest, Net of Interest Earning, during the Project Construction	62	-	-	-	-
Routine Capital Additions	5,889	6,895	7,796	8,822	9,995
Total Additions	\$ 8,251	\$ 6,895	\$ 7,796	\$ 8,822	\$ 9,995

Source: Management

## SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

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### **Long Term Debt**

During the Projection Period, the Obligated Group's long-term debt is planned to be comprised of the Series 2016 Bonds, Series 2021A Bonds, Series 2022B Bonds, Series 2022 Direct Bank Loan, Series 2023B Bonds, Series 2023 Direct Bank Loan, Series 2024A Bonds, Series 2024B Bonds and the Series 2024 Taxable Loan.

**Series 2016 Bonds:** During 2017 fiscal year, the Obligated Group entered into a financing agreement with the Economic Development Authority of the City of Suffolk (the "Authority"), under which the Authority issued tax-exempt Series 2016 revenue bonds of \$18,940,000. The bonds were issued to refund existing bonds for the Lake Prince Center.

**Series 2021A Bonds:** During the 2022 fiscal year, the Obligated Group entered into a refinancing agreement with the North Carolina Medical Care Commission, under which the Commission issued tax-exempt Series 2021A revenue bonds of \$22,205,000. The Series 2021A Bonds are due 2041 through 2051, bearing interest of 3.15% to 4.29%.

**Series 2022B Bonds:** During the 2023 fiscal year, the Obligated Group converted their \$4,240,000 2021B Taxable Bonds originally financed with a commercial lender in 2022 to Series 2022B Tax-Exempt Bonds. The Series 2022B Bonds are due 2025-2037, bearing interest of 5.37%.

**Series 2023A Bonds:** During the 2023 fiscal year, the Obligated Group entered into a \$31,960,000 bank loan financing agreement with a commercial lender. The loan was used to finance the costs of the BellaAge project and pay certain expenses incurred in connection with the authorization and issuance of the bonds. The Series 2023A Bonds are due 2025-2053, bearing interest of 3.32%.

**Series 2023B Bonds:** During the 2023 fiscal year, the Obligated Group converted their \$31,310,000 Series 2021C Taxable Bonds originally financed with a commercial lender in 2022 to Series 2023B Tax-Exempt Bonds. The 2023B Bonds are due 2025-2046, bearing interest of 5.37%.

**Series 2024A Bonds:** During the 2024 fiscal year, the Obligated Group converted their \$17,835,000 2021D Taxable Bonds originally financed with a commercial lender in 2022 to Series 2024A Tax-Exempt Bonds. The Series 2024A Bonds are due 2025-2037, bearing interest of 6.8%.

**Series 2024B Bonds:** On October 1, 2024, the Obligated Group entered into a financing agreement with the North Carolina Medical Care Commission, under which the Commission issued tax-exempt Series 2024B revenue bonds of \$25,310,000. The bonds were issued for the purpose of assisting EveryAge in financing a portion of the purchase price and other costs associated with acquiring substantially all of the assets used in the business of owning and operating the skilled nursing and assisted living portions of Providence Place. The Series 2024B Bonds are due 2034-2054, bearing interest of 4.0% to 4.7%.

**Series 2024 Bonds:** On October 1, 2024, the Obligated Group entered into a taxable loan agreement with a commercial lender. The loan was issued for the purpose of assisting EveryAge in financing the remaining portion remaining portion of the purchase price and other costs associated with acquiring substantially all of the assets used in the business of owning and operating the independent living portion of a retirement community, a commercial office and

**SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES**

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retail building, and the vacant auditorium portion of the purchase along with paying certain expenses incurred in connection with the issuance of the 2024 Taxable Loan and incurrence of the 2024B Bonds. The Series 2024B Bonds are due 2034-2054, bearing interest of 5.5%.

## SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

Management has projected maturity of the outstanding debt as follows.

**Table 18**  
**Projected Maturity of Outstanding Debt**  
**(In Thousands)**

Fiscal Year Ending September 30,	Series 2016	Series 2021A	Series 2022B	Series 2022 -	Series 2023B	Series 2023A	Series 2024A	Series 2024B	Series 2024 -	Total
	Bonds	Bonds	Bonds	Direct Bank Loan	Bonds	Direct Bank Loan	Bonds	Bonds	Taxable Loan	
2026	\$ 2,120	\$ -	\$ 325	\$ 75	\$ 105	\$ 200	\$ 110	\$ 430	\$ 330	\$ 3,695
2027	2,240	-	315	80	110	635	115	445	349	4,289
2028	2,240	-	395	115	115	665	115	465	365	4,475
2029	2,350	-	445	90	115	690	120	480	389	4,679
2030	2,285	-	645	90	115	725	125	500	411	4,896
2031	2,305	-	15	130	120	755	830	520	435	5,110
2032	-	295	115	490	126	790	2,540	540	457	5,353
2033	-	315	120	510	126	825	2,605	565	486	5,552
2034	-	330	120	535	130	860	2,670	585	514	5,744
2035	-	340	130	550	135	895	2,740	610	543	5,943
Thereafter	-	20,925	260	10,842	25,488	23,497	5,705	19,540	18,836	125,093
Total	\$ 13,540	\$ 22,205	\$ 2,885	\$ 13,507	\$ 26,685	\$ 30,537	\$ 17,675	\$ 24,680	\$ 23,115	\$ 174,829

Source: Management

Management has projected the following allocations of the existing indebtedness to the following members of the Obligated Group:

**Table 19**  
**Projected Allocations of Outstanding Debt**  
**to the Obligated Group Members**

Debt Allocation	Series 2016	Series 2021A	Series 2022B	Series 2022 -	Series 2023B	Series 2023A	Series 2024A	Series 2024B	Series 2024 -
	Bonds	Bonds	Bonds	Direct Bank Loan	Bonds	Direct Bank Loan	Bonds	Bonds	Taxable Loan
Abernathy Laurels	0.0%	82.8%	68.0%	0.0%	87.6%	0.0%	68.0%	0.0%	0.0%
Piedmont Crossing	0.0%	17.2%	32.0%	0.0%	12.4%	0.0%	32.0%	0.0%	0.0%
Lake Prince Center, Inc.	100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
BellaAge	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
Providence Place	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	53.0%
PPRC Pavilion	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	26.0%
PPRC Hall	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	21.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Management

Supplemental Information

**MANAGEMENTS BASIS FOR THE PROJECTION OF SUPPLEMENTAL OTHER ITEMS**

**Supplemental Information**

The information provided in this section provides Management’s key forecast assumptions relating to Abernethy Laurels, Piedmont Crossing, Providence Place, LLC and Home Office and has been prepared pursuant to the requirements of North Carolina General Statutes, Chapter 58, Article 64 and excludes the activities of those entities that are not operating as a licensed continuing care retirement community. The assumptions disclosed herein for this supplementary disclosure (the “Supplemental Disclosure”) are for a period covered by the Projection Period and are the assumptions which Management believes are significant to the financial projection included in the Supplemental Disclosure. However, the projected results may not be achieved as there will usually be differences between the projected and actual results because the events and circumstances frequently do not occur as expected, and those differences may be material.

Management’s supplemental projection has been prepared for the specific purpose of presenting the supplemental projected statements of operations and changes in net assets, statements of cash flows and balance sheets for Abernethy Laurels, Piedmont Crossing, Providence Place, LLC, and Home Office. This presentation is not intended to include the consolidated projected financial statements of EveryAge and Affiliates which would include all members of the Obligated Group as well as The EveryAge Foundation, EA Holding, and Carolina SeniorCare. Accordingly, the supplemental projection is not intended to be a presentation in conformity with U. S. generally accepted accounting principles since it excludes the aforementioned entities.

The disclosures in the Supplemental Disclosure add specific disclosures related to Management’s supplemental projection (the “Supplemental Projection”) included in this Supplemental Disclosure. Other key assumptions have been presented in Management’s Summary of Significant Forecast Assumptions and Accounting Policies as disclosed previously and also apply to the Supplemental Projection.

**ABERNETHY LAURELS  
PROJECTED BALANCE SHEETS**

**ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 5  
AT SEPTEMBER 30,  
(IN THOUSANDS)**

	2026	2027	2028	2029	2030
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents	\$ 2	\$ 2	\$ 2	\$ 2	2
Accounts Receivable	2,260	2,339	2,420	2,505	2,593
Allowance for Expected Credit Losses	(341)	(341)	(341)	(341)	(341)
Other Receivables	348	360	372	385	399
Due from Related Parties, Current	34,743	38,707	42,665	46,667	50,598
Other Current Assets	228	235	243	252	260
<b>Total Current Assets</b>	<b>37,240</b>	<b>41,302</b>	<b>45,361</b>	<b>49,470</b>	<b>53,511</b>
Assets Limited as to Use					
Residents' Funds	32	32	32	32	32
<b>Total Assets Limited as to Use</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>
Fair Value of Interest Swap Agreements	4,220	4,220	4,220	4,220	4,220
Property and Equipment, Net					
Property and Equipment	100,708	102,455	104,377	106,491	108,816
Less: Accumulated Depreciation	(58,056)	(61,848)	(65,393)	(68,769)	(71,910)
<b>Property and Equipment, Net</b>	<b>42,652</b>	<b>40,607</b>	<b>38,984</b>	<b>37,722</b>	<b>36,906</b>
<b>Total Assets</b>	<b>\$ 84,144</b>	<b>\$ 86,161</b>	<b>\$ 88,597</b>	<b>\$ 91,444</b>	<b>\$ 94,669</b>
<b>LIABILITIES AND NET ASSETS CURRENT</b>					
<b>LIABILITIES</b>					
Current Portion of Long-Term Debt	\$ 389	\$ 448	\$ 485	\$ 624	\$ 680
Accounts Payable	684	705	729	755	781
Accrued Salaries and Related Benefits	1,596	1,644	1,701	1,761	1,822
Other Current Payables	629	629	629	629	629
<b>Total Current Liabilities</b>	<b>3,298</b>	<b>3,426</b>	<b>3,544</b>	<b>3,769</b>	<b>3,912</b>
<b>LONG-TERM LIABILITIES</b>					
Long-Term Debt, Net of Current Portion	54,973	54,525	54,040	53,416	52,736
Deferred Financing Costs	(762)	(740)	(718)	(696)	(674)
Unamortized Bond Premium	1,840	1,776	1,712	1,648	1,584
<b>Long-Term Debt, Net of Current Portion</b>	<b>56,051</b>	<b>55,561</b>	<b>55,034</b>	<b>54,368</b>	<b>53,646</b>
Refundable Entrance Fees	3,064	3,064	3,064	3,064	3,064
Deferred Revenue from Advance Fees	14,366	14,928	15,455	15,985	16,517
<b>Total Long-Term Liabilities</b>	<b>73,481</b>	<b>73,553</b>	<b>73,553</b>	<b>73,417</b>	<b>73,227</b>
<b>Total Liabilities</b>	<b>\$ 76,779</b>	<b>\$ 76,979</b>	<b>\$ 77,097</b>	<b>\$ 77,186</b>	<b>\$ 77,139</b>
<b>NET ASSETS</b>					
Net Assets Without Donor Restrictions	7,365	9,182	11,500	14,258	17,530
Net Assets With Donor Restrictions	-	-	-	-	-
<b>Total Net Assets</b>	<b>7,365</b>	<b>9,182</b>	<b>11,500</b>	<b>14,258</b>	<b>17,530</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 84,144</b>	<b>\$ 86,161</b>	<b>\$ 88,597</b>	<b>\$ 91,444</b>	<b>\$ 94,669</b>

**ABERNETHY LAURELS**

**PROJECTED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS  
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 5**

**FOR THE YEARS ENDING SEPTEMBER 30,  
(IN THOUSANDS)**

	2026	2027	2028	2029	2030
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>					
Health Care	\$ 21,803	\$ 22,566	\$ 23,356	\$ 24,173	\$ 25,019
Pavillion/Assisted Living	1,325	1,371	1,419	1,469	1,520
Residential Living	6,851	7,091	7,339	7,596	7,862
Amortization of Advance Fees	2,684	2,778	2,875	2,976	3,080
Home Care	1,520	1,573	1,628	1,685	1,744
Other Operating Revenue	222	230	238	246	255
<b>Total Revenue, Gains, and Other Support</b>	<b>34,405</b>	<b>35,609</b>	<b>36,855</b>	<b>38,145</b>	<b>39,480</b>
<b>EXPENSES</b>					
Health Services					
Health Care	9,103	9,422	9,752	10,093	10,446
Medical Records	88	91	94	97	100
Personnel and Employee Benefits	5,074	5,252	5,436	5,626	5,823
Laundry	190	197	204	211	218
Social Services	206	213	220	228	236
Activities	348	360	373	386	400
Spiritual Life	76	79	82	85	88
Housekeeping	897	928	960	994	1,029
Plant Maintenance	2,515	2,603	2,694	2,788	2,886
Pavillion/Assisted Living	726	751	777	804	832
Clinic	93	96	99	102	106
Resident Services	60	62	64	66	68
Transportation	119	123	127	131	136
Dietary	2,817	2,916	3,018	3,124	3,233
Wellness Center	164	170	176	182	188
Home Care	939	972	1,006	1,041	1,077
General and Administrative:					
Administrative	702	727	752	778	805
Marketing	395	409	423	438	453
Staff Development	126	130	135	140	145
Management Fees	2,203	2,134	2,209	2,286	2,366
Depreciation	3,553	3,792	3,545	3,376	3,141
Interest Expense	1,647	1,638	1,630	1,616	1,602
Interest - Amortization of Issuance Costs	22	22	22	22	22
Insurance	541	560	580	600	621
Bad Debts	126	130	135	140	145
Other Operating Expenses	240	248	257	266	275
<b>Total Operating Expenses</b>	<b>32,970</b>	<b>34,025</b>	<b>34,770</b>	<b>35,620</b>	<b>36,441</b>
<b>Operating Income</b>	<b>1,435</b>	<b>1,584</b>	<b>2,085</b>	<b>2,525</b>	<b>3,039</b>
Nonoperating Income					
Contribution Revenue	125	125	125	125	125
Other Nonoperating Revenue (Expense)	108	108	108	108	108
<b>Net Nonoperating Income (Expense)</b>	<b>233</b>	<b>233</b>	<b>233</b>	<b>233</b>	<b>233</b>
<b>Excess of Revenues Over Expenses and Change in Net Assets Without Donor Restrictions</b>	<b>1,668</b>	<b>1,817</b>	<b>2,318</b>	<b>2,758</b>	<b>3,272</b>
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>					
Contributions	-	-	-	-	-
<b>Change in Net Assets With Donor Restrictions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Net Assets</b>	<b>1,668</b>	<b>1,817</b>	<b>2,318</b>	<b>2,758</b>	<b>3,272</b>
<b>Net Assets, Beginning of Year</b>	<b>5,697</b>	<b>7,365</b>	<b>9,182</b>	<b>11,500</b>	<b>14,258</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 7,365</b>	<b>\$ 9,182</b>	<b>\$ 11,500</b>	<b>\$ 14,258</b>	<b>\$ 17,530</b>

**ABERNETHY LAURELS PROJECTED  
STATEMENTS OF CASH FLOWS  
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 5  
FOR THE YEARS ENDING SEPTEMBER 30,  
(IN THOUSANDS)**

	2026	2027	2028	2029	2030
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Change in Net Assets	\$ 1,668	\$ 1,817	\$ 2,318	\$ 2,758	\$ 3,272
Adjustments to Reconcile Change in Net Assets to Net Cash Flows					
From Operating Activities:					
Depreciation	3,553	3,792	3,545	3,376	3,141
Amortization of Deferred Issue Costs	22	22	22	22	22
Amortization of Bond Premium, Net	(64)	(64)	(64)	(64)	(64)
Amortization of Advance Fees	(2,684)	(2,778)	(2,875)	(2,976)	(3,080)
Advance Fees Received	4,095	4,103	4,106	4,207	4,290
Accounts Receivable	135	(79)	(81)	(85)	(88)
Other Receivables	(226)	(12)	(12)	(13)	(14)
Other Current Assets	4	(7)	(8)	(9)	(8)
Increase (Decrease) in Current Liabilities:					
Accounts Payable	(43)	21	24	26	26
Accrued Salaries and Related Benefits	(34)	48	57	60	61
Net Cash Provided by Operating Activities	6,426	6,863	7,032	7,302	7,558
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchases of Property and Equipment	(1,588)	(1,747)	(1,922)	(2,114)	(2,325)
Change in Due to Affiliates	(3,307)	(3,964)	(3,958)	(4,002)	(3,931)
Net Cash Used in Investing Activities	(4,895)	(5,711)	(5,880)	(6,116)	(6,256)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Advanced Fees Refunds	(1,143)	(763)	(704)	(701)	(678)
Principal Payments on Long-Term Debt	(388)	(389)	(448)	(485)	(624)
Net Cash Used by Financing Activities	(1,531)	(1,152)	(1,152)	(1,186)	(1,302)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 2</b>				
Supplemental Disclosure of Cash Flow Information:					
Cash Paid for Interest	\$ 1,711	\$ 1,702	\$ 1,694	\$ 1,680	\$ 1,666

**PIEDMONT CROSSING  
PROJECTED BALANCE SHEETS**

**ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 5  
AT SEPTEMBER 30,  
(IN THOUSANDS)**

	2026	2027	2028	2029	2030
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents	\$ 174	\$ 174	\$ 174	\$ 174	\$ 174
Accounts Receivable	1,352	1,415	1,465	1,516	1,569
Allowance for Expected Credit Losses	(154)	(154)	(154)	(154)	(154)
Other Receivables	135	157	163	168	174
Due from Related Parties, Current	-	-	-	-	-
Other Current Assets	159	164	170	176	182
<b>Total Current Assets</b>	<b>1,666</b>	<b>1,756</b>	<b>1,818</b>	<b>1,880</b>	<b>1,945</b>
Assets Limited as to Use					
Residents' Funds	6	6	6	6	6
Total Assets Limited as to Use	6	6	6	6	6
Fair Value of Interest Swap Agreements	1,021	1,021	1,021	1,021	1,021
Property and Equipment, Net					
Property and Equipment	50,760	52,678	54,980	57,742	61,056
Less: Accumulated Depreciation	(36,127)	(37,840)	(39,667)	(41,681)	(43,863)
Property and Equipment, Net	14,633	14,838	15,313	16,061	17,193
<b>Total Assets</b>	<b>\$ 17,326</b>	<b>\$ 17,621</b>	<b>\$ 18,158</b>	<b>\$ 18,968</b>	<b>\$ 20,165</b>
<b>LIABILITIES AND NET ASSETS CURRENT</b>					
<b>LIABILITIES</b>					
Line of Credit	\$ 2,300	\$ -	\$ -	\$ -	\$ -
Current Portion of Long-Term Debt	151	177	195	261	285
Accounts Payable	531	547	566	586	607
Accrued Salaries and Related Benefits	965	995	1,029	1,065	1,103
Other Current Payables	740	740	740	740	740
Due to Affiliates	6,485	4,840	4,003	3,497	3,490
<b>Total Current Liabilities</b>	<b>11,172</b>	<b>7,299</b>	<b>6,533</b>	<b>6,149</b>	<b>6,225</b>
<b>LONG-TERM LIABILITIES</b>					
Long-Term Debt, Net of Current Portion	13,397	13,220	13,025	12,764	12,479
Deferred Financing Costs	(181)	(170)	(159)	(148)	(137)
Unamortized Bond Premium	372	352	332	312	292
Long-Term Debt, Net of Current Portion	13,588	13,402	13,198	12,928	12,634
Refundable Entrance Fees	2,164	2,164	2,164	2,164	2,164
Deferred Revenue from Advance Fees	11,192	15,155	16,297	17,487	18,697
<b>Total Long-Term Liabilities</b>	<b>26,944</b>	<b>30,721</b>	<b>31,659</b>	<b>32,579</b>	<b>33,495</b>
<b>Total Liabilities</b>	<b>38,116</b>	<b>38,020</b>	<b>38,192</b>	<b>38,728</b>	<b>39,720</b>
<b>NET ASSETS</b>					
Net Assets Without Donor Restrictions	(20,790)	(20,399)	(20,034)	(19,760)	(19,555)
<b>Total Net Assets</b>	<b>(20,790)</b>	<b>(20,399)</b>	<b>(20,034)</b>	<b>(19,760)</b>	<b>(19,555)</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 17,326</b>	<b>\$ 17,621</b>	<b>\$ 18,158</b>	<b>\$ 18,968</b>	<b>\$ 20,165</b>

**PIEDMONT CROSSING**

**PROJECTED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS  
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 5**

**FOR THE YEARS ENDING SEPTEMBER 30,  
(IN THOUSANDS)**

	2026	2027	2028	2029	2030
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>					
Health Care	\$ 11,449	\$ 11,850	\$ 12,265	\$ 12,694	\$ 13,138
Pavillion/Assisted Living	637	659	682	706	731
Residential Living	5,408	5,814	6,018	6,229	6,447
Amortization of Advance Fees	1,840	1,904	1,971	2,040	2,111
Home Care	701	726	751	777	804
Other Operating Revenue	83	86	89	92	95
<b>Total Revenue, Gains, and Other Support</b>	<b>20,118</b>	<b>21,039</b>	<b>21,776</b>	<b>22,538</b>	<b>23,326</b>
<b>EXPENSES</b>					
Health Services					
Health Care	5,906	6,113	6,327	6,548	6,777
Medical Records	52	54	56	58	60
Personnel and Employee Benefits	3,135	3,248	3,363	3,481	3,603
Laundry	143	148	153	158	164
Social Services	141	146	151	156	161
Activities	124	130	134	139	144
Spiritual Life	77	80	83	86	89
Housekeeping	504	526	545	564	584
Plant Maintenance	1,864	1,933	2,002	2,072	2,144
Pavillion/Assisted Living	237	245	254	263	272
Clinic	22	23	24	25	26
Resident Services	165	171	177	183	189
Transportation	61	63	65	67	69
Dietary	1,989	2,085	2,158	2,234	2,312
Beauty Shop	25	26	27	28	29
Home Care	631	653	676	700	725
General and Administrative:					
Administrative	586	607	628	650	673
Marketing	466	482	499	516	534
Staff Development	32	33	34	35	36
Management Fees	1,313	1,244	1,287	1,332	1,379
Depreciation	1,872	1,713	1,827	2,014	2,182
Interest Expense	409	386	383	378	372
Interest - Amortization of Issuance Costs	11	11	11	11	11
Insurance	355	367	380	393	407
Bad Debts	73	76	79	82	85
Other Operating Expenses	135	140	145	150	155
<b>Total Operating Expenses</b>	<b>20,328</b>	<b>20,703</b>	<b>21,468</b>	<b>22,323</b>	<b>23,182</b>
<b>Operating Income (Loss)</b>	<b>(210)</b>	<b>336</b>	<b>308</b>	<b>215</b>	<b>144</b>
Nonoperating Income					
Other Nonoperating Revenue (Expense)	52	54	56	58	60
Investment/Interest Income	-	1	1	1	1
<b>Net Nonoperating Income (Expense)</b>	<b>52</b>	<b>55</b>	<b>57</b>	<b>59</b>	<b>61</b>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>					
<b>Excess (Deficit) of Revenues Over (Under) Expenses and Change in Net Assets Without Donor Restrictions</b>	<b>(158)</b>	<b>391</b>	<b>365</b>	<b>274</b>	<b>205</b>
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>					
Contributions	-	-	-	-	-
<b>Change in Net Assets With Donor Restrictions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Net Assets</b>	<b>(158)</b>	<b>391</b>	<b>365</b>	<b>274</b>	<b>205</b>
<b>Net Assets, Beginning of Year</b>	<b>(20,632)</b>	<b>(20,790)</b>	<b>(20,399)</b>	<b>(20,034)</b>	<b>(19,760)</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ (20,790)</b>	<b>\$ (20,399)</b>	<b>\$ (20,034)</b>	<b>\$ (19,760)</b>	<b>\$ (19,555)</b>

**PIEDMONT CROSSING**  
**PROJECTED STATEMENTS OF CASH FLOWS**  
**ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 6**  
**FOR THE YEARS ENDING SEPTEMBER 30,**  
**(IN THOUSANDS)**

	2026	2027	2028	2029	2030
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Change in Net Assets	\$ (158)	\$ 391	\$ 365	\$ 274	\$ 205
Adjustments to Reconcile Change in Net Assets to Net Cash Flows					
From Operating Activities:					
Depreciation	1,872	1,713	1,827	2,014	2,182
Amortization of Deferred Issue Costs	11	11	11	11	11
Amortization of Bond Premium, Net	(20)	(20)	(20)	(20)	(20)
Amortization of Advance Fees	(1,840)	(1,904)	(1,971)	(2,040)	(2,111)
Advance Fees Received	3,902	3,731	3,730	3,789	3,881
(Increase) Decrease in Current Assets:					
Accounts Receivable	(30)	(63)	(50)	(51)	(53)
Other Receivables	(60)	(22)	(6)	(5)	(6)
Other Current Assets	2	(5)	(6)	(6)	(6)
Increase (Decrease) in Current Liabilities:					
Accounts Payable	(219)	16	19	20	21
Accrued Salaries and Related Benefits	57	30	34	36	38
<b>Net Cash Provided by Operating Activities</b>	<b>3,517</b>	<b>3,878</b>	<b>3,933</b>	<b>4,022</b>	<b>4,142</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchases of Property and Equipment	(3,745)	(1,918)	(2,302)	(2,762)	(3,314)
Change in Due to Affiliates	(1,178)	(1,645)	(837)	(506)	(7)
<b>Net Cash Used in Investing Activities</b>	<b>(4,923)</b>	<b>(3,563)</b>	<b>(3,139)</b>	<b>(3,268)</b>	<b>(3,321)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Advanced Fees Refunds	(742)	(655)	(617)	(559)	(560)
Borrowings on Lines of Credit	2,300	-	-	-	-
Principal Payments on Long-Term Debt	(152)	(151)	(177)	(195)	(261)
Principal Payments on Line of Credit	-	(2,300)	-	-	-
Initial Entrance Fees Received	-	2,791	-	-	-
<b>Net Cash Used by Financing Activities</b>	<b>1,406</b>	<b>(315)</b>	<b>(794)</b>	<b>(754)</b>	<b>(821)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>174</b>	<b>174</b>	<b>174</b>	<b>174</b>	<b>174</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 174</b>				
Supplemental Disclosure of Cash Flow Information:					
Cash Paid for Interest	\$ 429	\$ 406	\$ 403	\$ 398	\$ 392

**PROVIDENCE PLACE LLC**  
**PROJECTED BALANCE SHEETS**  
**ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 6 AT**  
**SEPTEMBER 30,**

(IN THOUSANDS)

ASSETS	2026	2027	2028	2029	2030
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents	\$ 994	\$ 994	\$ 994	\$ 994	\$ 994
Accounts Receivable	2,537	2,631	2,728	2,828	2,933
Allowance for Expected Credit Losses	(400)	(400)	(400)	(400)	(400)
Other Receivables	134	138	144	149	154
Due from Related Parties, Current	(5,018)	(4,905)	(4,693)	(4,456)	(4,225)
Other Current Assets	109	115	119	123	127
<b>Total Current Assets</b>	<b>(1,644)</b>	<b>(1,427)</b>	<b>(1,108)</b>	<b>(762)</b>	<b>(417)</b>
<b>Assets Limited as to Use</b>					
Statutory Operating Reserve	5,024	5,289	5,460	5,624	5,796
Trustee Deposit Accounts Required by Debt Agreement	49	49	49	49	49
Residents' Funds	14	14	14	14	14
Debt Service Reserve Fund	2,306	2,306	2,306	2,306	2,306
Bond Fund	94	96	98	101	104
<b>Total Assets Limited as to Use</b>	<b>7,487</b>	<b>7,754</b>	<b>7,927</b>	<b>8,094</b>	<b>8,269</b>
Fair Value of Interest Swap Agreements	48	48	48	48	48
<b>Property and Equipment, Net</b>					
Property and Equipment	23,407	25,175	27,120	29,260	31,614
Less: Accumulated Depreciation	(2,059)	(3,042)	(4,125)	(5,364)	(6,833)
<b>Property and Equipment, Net</b>	<b>21,348</b>	<b>22,133</b>	<b>22,995</b>	<b>23,896</b>	<b>24,781</b>
Other Intangible Assets, Net	3,724	3,441	3,158	2,875	2,592
Goodwill, Net	6,728	5,906	5,084	4,262	3,440
<b>Total Assets</b>	<b>\$ 37,691</b>	<b>\$ 37,855</b>	<b>\$ 38,104</b>	<b>\$ 38,413</b>	<b>\$ 38,713</b>
<b>LIABILITIES AND NET ASSETS CURRENT</b>					
<b>LIABILITIES</b>					
Current Portion of Long-Term Debt	\$ 630	\$ 658	\$ 686	\$ 718	\$ 751
Accounts Payable	380	401	415	430	445
Accrued Salaries and Related Benefits	705	745	771	798	826
Other Current Payables	490	490	490	490	490
<b>Total Current Liabilities</b>	<b>2,205</b>	<b>2,294</b>	<b>2,362</b>	<b>2,436</b>	<b>2,512</b>
<b>LONG-TERM LIABILITIES</b>					
Long-Term Debt, Net of Current Portion	35,696	35,038	34,352	33,634	32,883
Deferred Financing Costs	(1,133)	(1,093)	(1,053)	(1,013)	(973)
Unamortized Bond Premium	618	586	554	522	490
<b>Long-Term Debt, Net of Current Portion</b>	<b>35,181</b>	<b>34,531</b>	<b>33,853</b>	<b>33,143</b>	<b>32,400</b>
<b>Total Long-Term Liabilities</b>	<b>35,181</b>	<b>34,531</b>	<b>33,853</b>	<b>33,143</b>	<b>32,400</b>
<b>Total Liabilities</b>	<b>37,386</b>	<b>36,825</b>	<b>36,215</b>	<b>35,579</b>	<b>34,912</b>
<b>NET ASSETS</b>					
Net Assets Without Donor Restrictions	305	1,030	1,889	2,834	3,801
Net Assets With Donor Restrictions	-	-	-	-	-
<b>Total Net Assets</b>	<b>305</b>	<b>1,030</b>	<b>1,889</b>	<b>2,834</b>	<b>3,801</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 37,691</b>	<b>\$ 37,855</b>	<b>\$ 38,104</b>	<b>\$ 38,413</b>	<b>\$ 38,713</b>

See Independent Accountants' Compilation Report

**PROVIDENCE PLACE**  
**PROJECTED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS**  
**ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 6**  
**FOR THE YEARS ENDING SEPTEMBER 30,**  
**(IN THOUSANDS)**

	2026	2027	2028	2029	2030
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>					
Health Care	16,600	17,181	17,782	18,404	19,048
Pavillion/Assisted Living	4,790	4,958	5,132	5,312	5,498
Residential Living	2,970	3,119	3,275	3,439	3,611
Other Operating Revenue	12	12	12	12	12
<b>Total Revenue, Gains, and Other Support</b>	<b>24,372</b>	<b>25,270</b>	<b>26,201</b>	<b>27,167</b>	<b>28,169</b>
<b>EXPENSES</b>					
Health Services					
Health Care	7,189	7,441	7,701	7,971	8,250
Medical Records	42	43	45	47	49
Personnel and Employee Benefits	3,131	3,241	3,354	3,471	3,592
Laundry	273	283	293	303	314
Social Services	115	119	123	127	131
Activities	204	211	218	226	234
Spiritual Life	68	70	72	75	78
Housekeeping	594	615	637	659	682
Plant Maintenance	1,670	1,728	1,788	1,851	1,916
Residential Living	2	2	2	2	2
Pavillion/Assisted Living	2,047	2,119	2,193	2,270	2,349
Resident Services	61	63	65	67	69
Transportation	7	7	7	7	7
Dietary	1,699	1,758	1,820	1,884	1,950
General and Administrative:					
Administrative	582	602	623	645	668
Marketing	231	239	247	256	265
Staff Development	33	34	35	36	37
Management Fees	1,097	1,643	1,703	1,766	1,831
Depreciation	1,144	983	1,083	1,239	1,469
Amortization	1,105	1,105	1,105	1,105	1,105
Real Estate Taxes	85	-	-	-	-
Interest Expense	1,829	1,802	1,775	1,744	1,713
Interest - Amortization of Issuance Costs	40	40	40	40	40
Insurance	342	354	366	379	392
Bad Debts	97	100	104	108	112
Other Operating Expenses	238	246	255	264	273
<b>Total Operating Expenses</b>	<b>23,925</b>	<b>24,848</b>	<b>25,654</b>	<b>26,542</b>	<b>27,528</b>
<b>Operating Income (Loss)</b>	<b>447</b>	<b>422</b>	<b>547</b>	<b>625</b>	<b>641</b>
Nonoperating Income					
Investment/Interest Income	300	303	312	320	326
<b>Net Nonoperating Income (Expense)</b>	<b>300</b>	<b>303</b>	<b>312</b>	<b>320</b>	<b>326</b>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>					
<b>Excess of Revenues Over Expenses and Change in Net Assets Without Donor Restrictions</b>	<b>747</b>	<b>725</b>	<b>859</b>	<b>945</b>	<b>967</b>
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>					
Contributions	-	-	-	-	-
<b>Change in Net Assets With Donor Restrictions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Net Assets</b>	<b>747</b>	<b>725</b>	<b>859</b>	<b>945</b>	<b>967</b>
<b>Net Assets, Beginning of Year</b>	<b>(442)</b>	<b>305</b>	<b>1,030</b>	<b>1,889</b>	<b>2,834</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 305</b>	<b>\$ 1,030</b>	<b>\$ 1,889</b>	<b>\$ 2,834</b>	<b>\$ 3,801</b>

**PROVIDENCE PLACE PROJECTED  
STATEMENTS OF CASH FLOWS  
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 6  
FOR THE YEARS ENDING SEPTEMBER 30,  
(IN THOUSANDS)**

	2026	2027	2028	2029	2030
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Change in Net Assets	\$ 747	\$ 725	\$ 859	\$ 945	\$ 967
Adjustments to Reconcile Change in Net Assets to Net Cash Flows					
From Operating Activities:					
Depreciation	1,144	983	1,083	1,239	1,469
Amortization of Goodwill and Other Intangible Assets	1,105	1,105	1,105	1,105	1,105
Amortization of Deferred Issue Costs	40	40	40	40	40
Amortization of Bond Premium, Net	(32)	(32)	(32)	(32)	(32)
(Increase) Decrease in Current Assets:					
Accounts Receivable	7,068	(94)	(97)	(100)	(105)
Other Receivables	(28)	(4)	(6)	(5)	(5)
Other Current Assets	3	(6)	(4)	(4)	(4)
Increase (Decrease) in Current Liabilities:					
Accounts Payable	(11)	21	14	15	15
Accrued Salaries and Related Benefits	(34)	40	26	27	28
Net Cash Provided by Operating Activities	10,002	2,778	2,988	3,230	3,478
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Change in Assets Limited as to Use	86	(267)	(173)	(167)	(175)
Purchases of Property and Equipment	(1,607)	(1,768)	(1,945)	(2,140)	(2,354)
Change in Due to Affiliates	(7,876)	(113)	(212)	(237)	(231)
Net Cash Used in Investing Activities	(9,397)	(2,148)	(2,330)	(2,544)	(2,760)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Principal Payments on Long-Term Debt	(605)	(630)	(658)	(686)	(718)
Net Cash Used by Financing Activities	(605)	(630)	(658)	(686)	(718)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	-	-	-	-	-
<b>Cash and Cash Equivalents, Beginning of Year</b>	994	994	994	994	994
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 994</b>				
Supplemental Disclosure of Cash Flow Information:					
Cash Paid for Interest	\$ 1,861	\$ 1,834	\$ 1,807	\$ 1,776	\$ 1,745

**HOME OFFICE  
PROJECTED BALANCE SHEETS  
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 6  
AT SEPTEMBER 30,  
(IN THOUSANDS)**

	2026	2027	2028	2029	2030
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents	\$ 7,611	\$ 7,877	\$ 8,152	\$ 8,437	\$ 8,732
Other Receivables	34	35	36	38	39
Other Current Assets	198	205	213	220	228
<b>Total Current Assets</b>	<b>7,843</b>	<b>8,117</b>	<b>8,401</b>	<b>8,695</b>	<b>8,999</b>
Assets Limited as to Use					
Statutory Operating Reserve	11,598	11,922	12,329	12,726	13,189
Trustee Deposit Accounts Required by Debt Agreement	78	78	78	78	78
Debt Service Reserve Fund	1,446	1,446	1,446	1,446	1,446
<b>Total Assets Limited as to Use</b>	<b>13,122</b>	<b>13,446</b>	<b>13,853</b>	<b>14,250</b>	<b>14,713</b>
Investments	74,946	83,455	92,038	100,624	108,944
Equity Investment	1,670	1,670	1,670	1,670	1,670
Other Noncurrent Assets	1,477	1,477	1,477	1,477	1,477
Property and Equipment, Net					
Property and Equipment	12,143	12,560	13,019	13,524	14,080
Less: Accumulated Depreciation	(4,830)	(5,426)	(6,066)	(6,754)	(7,496)
<b>Property and Equipment, Net</b>	<b>7,313</b>	<b>7,134</b>	<b>6,953</b>	<b>6,770</b>	<b>6,584</b>
<b>Total Assets</b>	<b>\$ 106,371</b>	<b>\$ 115,299</b>	<b>\$ 124,392</b>	<b>\$ 133,486</b>	<b>\$ 142,387</b>
<b>LIABILITIES AND NET ASSETS CURRENT</b>					
<b>LIABILITIES</b>					
Current Portion of Long-Term Debt	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	471	488	505	522	541
Accrued Salaries and Related Benefits	1,538	1,591	1,647	1,705	1,764
Due to Affiliates	22,224	28,272	34,482	40,693	46,713
<b>Total Current Liabilities</b>	<b>24,233</b>	<b>30,351</b>	<b>36,634</b>	<b>42,920</b>	<b>49,018</b>
<b>Total Liabilities</b>	<b>\$ 24,233</b>	<b>\$ 30,351</b>	<b>\$ 36,634</b>	<b>\$ 42,920</b>	<b>\$ 49,018</b>
<b>NET ASSETS</b>					
Net Assets Without Donor Restrictions	82,138	84,948	87,758	90,566	93,369
Net Assets With Donor Restrictions	-	-	-	-	-
<b>Total Net Assets</b>	<b>82,138</b>	<b>84,948</b>	<b>87,758</b>	<b>90,566</b>	<b>93,369</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 106,371</b>	<b>\$ 115,299</b>	<b>\$ 124,392</b>	<b>\$ 133,486</b>	<b>\$ 142,387</b>

## HOME OFFICE

PROJECTED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS  
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 6FOR THE YEARS ENDING SEPTEMBER 30,  
(IN THOUSANDS)

	2026	2027	2028	2029	2030
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>					
Management Fee Income	\$ 8,781	\$ 9,088	\$ 9,406	\$ 9,735	\$ 10,076
Other Operating Revenue	1,033	1,069	1,106	1,145	1,185
<b>Total Revenue, Gains, and Other Support</b>	<b>9,814</b>	<b>10,157</b>	<b>10,512</b>	<b>10,880</b>	<b>11,261</b>
<b>EXPENSES</b>					
Health Services					
Personnel and Employee Benefits	2,626	2,718	2,813	2,911	3,013
Day Care	320	331	343	355	367
General and Administrative:					
Administrative	5,889	6,095	6,308	6,529	6,758
Depreciation	537	596	640	688	742
Real Estate Taxes	8	8	8	8	8
Insurance	174	180	186	193	200
Other Operating Expenses	36	37	38	39	40
<b>Total Operating Expenses</b>	<b>9,590</b>	<b>9,965</b>	<b>10,336</b>	<b>10,723</b>	<b>11,128</b>
<b>Operating Gain</b>	<b>224</b>	<b>192</b>	<b>176</b>	<b>157</b>	<b>133</b>
Nonoperating Income					
Contribution Expense	(209)	(209)	(209)	(209)	(209)
Other Nonoperating Revenue (Expense)	3	3	3	3	3
Investment/Interest Income	2,978	2,824	2,840	2,857	2,876
<b>Net Nonoperating Income (Expense)</b>	<b>2,772</b>	<b>2,618</b>	<b>2,634</b>	<b>2,651</b>	<b>2,670</b>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>					
<b>Excess of Revenues Over Expenses and Change in Net Assets Without Donor Restrictions</b>	<b>2,996</b>	<b>2,810</b>	<b>2,810</b>	<b>2,808</b>	<b>2,803</b>
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>					
Contributions	-	-	-	-	-
<b>Change in Net Assets With Donor Restrictions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Net Assets</b>	<b>2,996</b>	<b>2,810</b>	<b>2,810</b>	<b>2,808</b>	<b>2,803</b>
<b>Net Assets, Beginning of Year</b>	<b>79,142</b>	<b>82,138</b>	<b>84,948</b>	<b>87,758</b>	<b>90,566</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 82,138</b>	<b>\$ 84,948</b>	<b>\$ 87,758</b>	<b>\$ 90,566</b>	<b>\$ 93,369</b>

**HOME OFFICE**  
**PROJECTED STATEMENTS OF CASH FLOWS**  
**ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 6**  
**FOR THE YEARS ENDING SEPTEMBER 30, (IN**  
**THOUSANDS)**

	2026	2027	2028	2029	2030
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Change in Net Assets	\$ 2,996	\$ 2,810	\$ 2,810	\$ 2,808	\$ 2,803
Adjustments to Reconcile Change in Net Assets to Net Cash Flows					
From Operating Activities:					
Depreciation	537	596	640	688	742
(Increase) Decrease in Current Assets:					
Other Receivables	7	(1)	(1)	(2)	(1)
Other Current Assets	(106)	(7)	(8)	(7)	(8)
Increase (Decrease) in Current Liabilities:					
Accounts Payable	4	17	17	17	19
Accrued Salaries and Related Benefits	(39)	53	56	58	59
Other Current Payables	(30)	-	-	-	-
Net Cash Provided by Operating Activities	3,369	3,468	3,514	3,562	3,614
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Change in Assets Limited as to Use	3,922	(324)	(407)	(397)	(463)
Purchases of Property and Equipment	(379)	(417)	(459)	(505)	(556)
Change in Due to Affiliates	12,914	6,048	6,210	6,211	6,020
Purchase of Investments	(18,525)	(8,509)	(8,583)	(8,586)	(8,320)
Net Cash Used in Investing Activities	(2,068)	(3,202)	(3,239)	(3,277)	(3,319)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Net Cash Provided by Financing Activities	-	-	-	-	-
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>1,301</b>	<b>266</b>	<b>275</b>	<b>285</b>	<b>295</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>6,310</b>	<b>7,611</b>	<b>7,877</b>	<b>8,152</b>	<b>8,437</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 7,611</b>	<b>\$ 7,877</b>	<b>\$ 8,152</b>	<b>\$ 8,437</b>	<b>\$ 8,732</b>
Supplemental Disclosure of Cash Flow Information:					
Cash Paid for Interest	\$ -	\$ -	\$ -	\$ -	\$ -

**@Global**

INDEPENDENT NETWORK MEMBER

CLA (CliftonlaronAllen **LLP**) is a network member of CLA Global. See [CLAGlobal.com/disclaimer](http://CLAGlobal.com/disclaimer). Investment advisory services are offered through CliftonlaronAllen Wealth Advisors, **LLC**, an SEC-registered investment advisor.

## Appendix C— Statement of Actuarial Opinion

Statement of Actuarial Opinion is not applicable for this reporting period. Please refer to Section 36 (Actuarial Opinion and Balance) for additional information.

## Appendix D— Representative Contract(s)

**Residential Living Unit: Fully Declining**

Residential Living Residency Agreement  
**Between**

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*(Resident)*

And

EveryAge, d.b.a., Abernethy Laurels  
100 Leonard Avenue, Newton, NC 28658

**ABERNETHY LAURELS**  
**EveryAge**  
100 Leonard Avenue, Newton, NC 28658

Residential Living Residency Agreement

**1. Basic Requirements and Terms for Cancellation**

(a) This Residency Agreement is made this \_\_\_ day of \_\_\_\_\_, 20\_\_\_ by and between \_\_\_\_\_ hereinafter referred to as the “*Resident*” and EveryAge, a not-for-profit Corporation chartered by the State of North Carolina, hereinafter referred to as the “*Corporation.*” The Corporation is chartered to carry on ministry among aging persons within the bounds of the Southern Conference of the United Church of Christ. This Residency Agreement is made between the Corporation and the Resident for occupancy of a \_\_\_\_\_ numbered \_\_\_\_\_, hereinafter referred to as the “*Residential Living Unit,*” located at Abernethy Laurels, hereinafter referred to as the “*Community.*” This Residency Agreement is made binding with payment by the Resident a Residency Fee in the amount of \$ \_\_\_\_\_, and a Monthly Fee.

(b) Cancellation Prior to Occupancy Due to Death, Illness, or Incapacity.

If this Residency Agreement is entered into prior to occupancy of the Residential Living Unit and the Resident dies before occupying the Residential Living Unit, or if, on account of illness, injury, or incapacity, the Resident would be precluded from occupying the Residential Living Unit, this Residency Agreement is automatically cancelled, and the Resident or legal representative of the Resident shall receive a refund of all money or property transferred to the Corporation:

- (i) less periodic fees specified in this Residency Agreement and applicable only to the period a living unit was actually occupied by a resident;
- (ii) less any nonstandard costs specifically incurred by the Corporation at the request of the Resident and described in this Agreement or any Agreement addendum signed by the resident;
- (iii) nonrefundable fees, if set out in this Agreement;
- (iv) a reasonable service charge, if set out in the Agreement, not to exceed the greater of three thousand dollars (\$3,000) or two percent (2%) of the entrance fee; and

- (v) any refund due the Resident for cancellation of this Residency Agreement under these circumstances will be made within forty-five (45) days after receipt by the Corporation of a written notice of the Resident's death, illness, injury, or incapacity.
- (c) Right to Rescind/Cancellation by the Resident Within Thirty (30) Days of Contract Execution. Notwithstanding any other provision of this Residency Agreement, the Resident may rescind this Residency Agreement within thirty (30) days following the execution of this Residency Agreement (or the receipt of a disclosure statement, if later). The Resident is not required to move into the unit before the expiration of the 30-day period. In this event, any money paid will be refunded in full, other than:
- (i) A non-refundable application fee, in the amount specified in the applicable ancillary fee schedule;
  - (ii) the Monthly Fee applicable to the period a Residential Living Unit was occupied by the Resident;
  - (iii) any damage caused to the Residential Living Unit during occupancy or in moving;
  - (iv) any nonstandard costs specifically incurred by the Corporation at the request of the Resident; and
  - (v) any refund due the Resident under this thirty (30) day provision will be made within forty-five (45) days after receipt by the Corporation of a written notice of cancellation from the Resident. Resident shall pay any amounts due to Corporation within thirty (30) days of receipt of such bill.
- (d) Cancellation by the Resident Between the Thirtieth (30<sup>th</sup>) and Ninetieth (90<sup>th</sup>) Day of Occupancy.

During the first ninety (90) days of occupancy, the Resident will have the right to terminate this Residency Agreement by serving the Corporation with written notice of such termination. During the ninety (90) day period, the Corporation also has the right to terminate this Residency Agreement based on its judgment regarding the Resident's ability to adjust to this lifestyle. Any money paid will be refunded in full, other than:

- (i) the Monthly Fee applicable to the period the Residential Living Unit was occupied by the Resident;
- (ii) a ten percent (10%) reduction in the initial Residency Fee paid;
- (iii) cost for repair of any damage caused to the Residential Living Unit during occupancy or in moving;

- (iv) any nonstandard costs specifically incurred by the Corporation at the request of the Resident; and
- (v) any refund due the Resident for termination during this period will be made within thirty (30) days after the date that the last Residential Living Unit to have been occupied by the Resident has been vacated and made available for marketing.

(e) Cancellation by the Resident After Ninety (90) Days of Occupancy.

After the ninety (90) day period, this Residency Agreement may be terminated by the Resident at any time by serving the Corporation a sixty (60) day advance written notice of such termination. For termination by the Resident under this paragraph (e), the Resident's rights to a refund and the account of any such refund, will be described in Section 3 of this Residency Agreement, below.

(f) Terminations by the Corporation.

The Corporation may terminate this Residency Agreement at any time if:

- (i) there has been any material misrepresentation or omission made by the Resident on the Application Form;
- (ii) if there is misconduct on the part of the Resident that threatens the well-being of the Resident, that of the Resident's neighbors, or employees of the Corporation.

(g) Responsibilities of the Resident Upon Cancellation or Termination.

At the effective date of termination of this Residency Agreement, the Resident shall vacate the Residential Living Unit and shall leave it in good condition except for reasonable wear and tear. Damage due to smoking or having household pets, if approved, will not be considered as reasonable wear and tear. The Resident shall be liable to the Corporation for any costs incurred in restoring the Residential Living Unit to good condition and repair any damage beyond reasonable wear and tear.

(h) Joint Occupancy of Residential Living Unit.

If another individual ("Other Resident") signs a separate Residency Agreement to share occupancy of the same Residential Living Unit with the Resident, in the event of the death of the Other Resident, or the removal of the Other Resident from the Residential Living Unit on a permanent basis for any reason, the remaining Resident will continue to enjoy all rights, privileges, and obligations of this Residency Agreement. Any refund of the Residency Fee due under either of said Residency Agreements will not be computed until the termination of both Residency Agreements due to death or otherwise, and any refund due under either Residency

Agreement will be paid to the Resident or Other Resident who is the last to terminate their Residency Agreement within the time period described in paragraph 3(g) of this Residency Agreement.

(i) Effect of Termination.

Upon termination of this Residency Agreement and upon complying with the provisions of this Residency Agreement, the Corporation shall have no further obligation to the Resident or their heirs, executors, administrators, or assigns.

## **2. Changes In Occupancy**

- (a) Should the Resident choose to marry, and the new spouse is not a resident of the Community, the spouse will be required to submit an application for admission. The spouse would complete the regular admission process including the payment of all fees, which may include but not be limited to the upgraded and readjusted Residency Fee and Monthly Fee. If denied, the couple will then have sixty (60) days to make other living arrangements. If the couple must make other living arrangements, any monies to be returned will be paid to the individual who was a contracted resident of the Community. This refund will be paid within thirty (30) days after the date that the last Residential Living Unit to have been occupied by the Resident has been vacated and made available for remarketing.
- (b) Should the Resident choose to marry another resident and the two choose to occupy a single Residential Living Unit, any fees to be returned to the person vacating their Residential Living Unit will be set aside and held by the Corporation for use by that Resident to pay for necessary healthcare expenses should that Resident need nursing care.
- (c) After the Resident has occupied a Residential Living Unit, should the Resident desire to have another individual move in with them (including a new spouse), the new individual shall complete the normal admission process including the payment of all fees. If the application for admission is approved, either the original Residency Agreement shall be amended, or new Residency Agreements shall be executed which specify the new fees and terms established by the Corporation.
- (d) Should a couple occupying a Residential Living Unit choose to no longer share a single living unit, one of the Residents may remain in the occupied unit with that Resident becoming solely entitled to any refund which may be later due under the Residency Agreement, and that Resident will continue to enjoy all rights, privileges, and obligations of said Residency Agreement. A separate and new Residency Agreement must be executed for the Other Resident moving out of the Residential

Living Unit and into another Residential Living Unit. Should the Other Resident vacating the Residential Living Unit choose to leave the Community and find other living opportunities, the Other Resident is not entitled to any refund and the Corporation shall have no further obligations to the Other Resident or their heirs, executors, administrators, or assigns.

### **3. Residency**

- (a) The Corporation agrees the Resident may occupy the Residential Living Unit described above, subject to the conditions of this Residency Agreement.
- (b) Upon termination of this Residency Agreement by either party, or upon the death of the Resident, after a new Residency Agreement has been executed by another party for the last Residential Living Unit to have been occupied by the Resident, and all fees due have been paid in full, the Resident or the Resident's estate will be entitled to a refund of the Residency Fee as described in this Section 3. The amount of the refund shall be based upon the length of time that has elapsed from the date the Residency Agreement was signed to the effective date of termination as follows:
  - (i) Refunds of Residency Fee for termination of this Residency Agreement within the first thirty (30) days of occupancy are covered by Section 1(c) of this Residency Agreement.
  - (ii) Refunds of the Residency Fee for termination of this Residency Agreement between the thirtieth (30<sup>th</sup>) and ninetieth (90<sup>th</sup>) day of occupancy are covered by Section 1(d) of this Residency Agreement.
  - (iii) In cases of termination of this Residency Agreement occurring on or after day 91, the total portion of the residency fee which remains refundable is reduced to 90% of the original fee. From Day 91 through the end of the 36<sup>th</sup> month of occupancy, the refundable portion of the original residency fee will be reduced by 2.73% per month for each month of occupancy through month thirty-six (36).
  - (iv) In cases of termination of this Residency Agreement occurring after the thirty-sixth (36<sup>th</sup>) month of occupancy, the Resident will not be entitled to any refund of the Residency Fee.
  - (v) During the life of the Resident at the Community, the refund shall not be assigned to another party without an amendment to the Residency Agreement executed by the Resident and the Corporation.
- (c) If the Resident, because of changes in circumstances, chooses to move into a different Residential Living Unit where a lesser Residency Fee is required, the Resident may do so but without a refund. If the Resident should choose to move into

a different Residential Living Unit where a larger Residency Fee is required, the Resident will pay the difference between the Residency Fee and additional fees based on the amount the Resident paid upon admission and the current Residency Fee for the new Residential Living Unit to be occupied.

- (d) When the Resident in a single-occupant unit makes a permanent transfer to a licensed health care or adult care room (“licensed room”), the Residency Fee stops amortizing. The amortization date is determined by calculating the length of time that has elapsed from the date the Residency Agreement was signed to the effective date the unit was made available for remarketing and the keys were turned into the marketing office.
  - (i) If the Resident occupies the Residential Living Unit for less than ninety (90) days and then moves permanently into a licensed room, the Corporation will retain ten percent (10%) of the Residency Fee. The remainder of the Residency Fee will be set aside for use by the Resident for healthcare expenses.
  - (ii) If the Resident moves into a licensed room after ninety (90) days, but before the Residency Fee amortizes to zero, the amount of the refund shall be based upon the amortization schedule defined in Section 3 of the Residency Agreement.
- (e) If the Resident should move into a licensed room and vacate the Residential Living Unit, regardless of the length of residence in the Residential Living Unit, this Residency Agreement will remain in effect.
- (f) If two persons sign a Residency Agreement for the same Residential Living Unit and one of them should need to move into a licensed room on a permanent basis, the Resident remaining in the Residential Living Unit will continue to enjoy all the rights, privileges, and obligations of this Residency Agreement. The prevailing cost of the room, board, and other necessary or requested services for the person moving into a licensed room shall be paid from that person's available assets including assets transferred by the Resident to a revocable trust or to any trust in which the Resident is a beneficiary. The person remaining in the Residential Living Unit becomes solely entitled to any refund of the Residency Fee that may later be due under this Residency Agreement.
- (g) After the first ninety (90) days of occupancy of the Residential Living Unit, any refund due the Resident under this Residency Agreement will be made only when the last Residential Living Unit to have been occupied by the Resident is covered by a new

Residency Agreement with another person or persons and all new fees have been paid in full.

#### 4. Monthly Fee

- (a) There is a monthly fee to be paid by the Resident at the beginning of each month that helps underwrite administrative/programmatic costs and a variety of support services. This fee is referred to as a Monthly Fee. This fee provides the Resident with services including the following:
- (i) Outside maintenance and inside routine maintenance of the Residential Living Unit as described in the Resident Handbook.
  - (ii) Twelve (12) noncumulative nurse visits per year, if needed. (See Paragraph 7(e) for clarification.)
  - (iii) Emergency call system to Nursing Station on 24-hour basis plus night security services.
  - (iv) The option to purchase meals singly or through a monthly fee.
  - (v) Access to social, cultural, and recreational programming and transportation of the Community. A minimum charge will be made for certain activities and items. The Resident will be informed of all charges.
  - (vi) Access to a variety of types of support services. A minimum charge will be made for these services. The Resident will be informed of all charges.
  - (vii) Other as herein listed: \_\_\_\_\_
- (b) Additional services may be purchased by the Resident. The list of additional services which may be purchased, and the applicable cost of each to the Resident, are provided on the Fee Schedule that is published annually and attached as an addendum to this agreement.
- (c) The current Monthly Fee is as follows: \$\_\_\_\_\_. The Corporation may adjust the Monthly Fee and fee schedule from time-to-time to reflect changes in costs. The Corporation will provide the Resident with not less than 30 days written notice of the effective date of any changes in the Monthly Fee and/or fee schedule and such change in the Monthly Fee and fee schedule are incorporated into this Agreement as an amendment thereto, without the necessity of consent of the Resident. Resident agrees to pay the adjusted Fees beginning on the effective date of such changes on a regular basis in accordance with the term of this Agreement. Although Monthly Fees and fee schedule may be adjusted at any time, such adjustments have been historically made and noticed in September with an effective date of October 1.

- (d) The Corporation will furnish a monthly statement to the Resident for the Monthly Fee and all chargeable items incurred by the Resident.
- (e) The Resident's Monthly Fee and charges for additional services shall be paid on or before the tenth (10th) day of each month, except that the first Monthly Fee is due on the occupancy date. Payments not received by the due date will result in an assessment of the late fee listed in the Fee Schedule that is published annually and attached as an addendum to this agreement.
- (f) If, after a period of sixty (60) days, the Resident has not paid applicable fees and charges, the Corporation may terminate this Residency Agreement.
- (g) If the Resident plans to be absent from the Residential Living Unit for an extended period, the Resident may apply for a meal credit based on the meal plan for which the Resident is entitled.
- (h) The Monthly Fee is charged as long as the Resident and/or the Resident's possessions are occupying the unit.

## **5. Financial Requirements**

- (a) The Resident must have assets and income which will be sufficient under foreseeable circumstances to pay the financial obligations under this Agreement and to meet their ordinary living expenses. The Resident shall be required at specific times to present the Corporation with an updated confidential financial statement.
- (b) The Resident or Resident's current and/or future representatives (i.e., power of attorney, executor, etc.) will abide by any and all financial arrangements made with the Corporation for the purpose of securing the Resident's ability to pay any and all charges for residing at the Community. The Resident agrees not to make any gift or other transfer of assets for the purpose of evading the Resident's obligations under this Agreement if such gift or transfer would render the Resident unable to meet their financial obligations under this Agreement. Gifts or transfers of assets in this manner, which result in the Resident's inability to meet the Resident's financial obligations in accordance with this Agreement, would entitle the Corporation to terminate this Agreement, and the Resident or Resident's representative, as applicable, would be liable for any unpaid amounts to the Corporation.
- (c) If requested by the Corporation, the Resident will apply for any or all federal, state, and local benefits for which the Resident may be eligible or entitled; and if requested by the Corporation, the Resident will apply any or all such benefits toward the cost of the Resident's care at the Community. These benefits may include, but would not be limited to: Medicare, prescription, and Veteran benefits.

- (d) The Corporation will carry fire and extended coverage insurance on the Residential Living Unit. The Resident will be responsible for insurance on contents and personal liability.
- (e) The Corporation will make a copy of its North Carolina Disclosure Statement available to the Resident that includes information regarding the financial status of the Corporation.
- (f) In the event it is necessary for the Corporation to take action for the purpose of enforcing this Residency Agreement or the collecting of any sums of money due under this Residency Agreement, the Corporation shall be entitled to recover routine attorney's fees, out-of-pocket expenses, and court costs.
- (g) In the event that the Corporation is assessed sales or use tax on Monthly and/or Daily Fees and/or fees for other services, the Resident will be responsible for all such taxes.

## **6. Health Insurance**

- (a) The Resident will maintain eligible Medicare Coverage and one supplemental insurance policy or equivalent insurance coverage, which adequately covers hospital, medical and skilled nursing deductibles and copayments required of the primary insurance plan.
- (b) If the Resident has chosen to participate in a managed care insurance program as an alternative to Medicare Part A, Medicare Part B, or other healthcare programs, and supplemental insurance coverage, when healthcare services are provided at the Community, the following restrictions apply:
  - (i) If the Corporation is an approved participating provider with the Resident's managed care program, the Corporation agrees to be reimbursed at the rate negotiated with the Resident's managed care program.
  - (ii) If the Corporation is not an approved participating provider with the Resident's managed care program and the Resident chooses to receive healthcare services at a managed care participating provider, then the Resident agrees that the Resident must relocate for as long as necessary for those services to be provided and be responsible for all costs. In addition, while receiving healthcare services at the managed care participating provider, the Resident agrees that unless this Agreement is terminated, the Resident will continue to pay all fees for the Resident's

living accommodation at the Community, unless the Resident's living accommodation has been surrendered to the Community.

- (iii) If the Corporation is not a participating provider in the Resident's managed care program and a negotiated rate is not agreed upon by the Corporation, and the Resident would still like to receive healthcare services at the Community, then the Resident will be responsible for the full amount of applicable fees and any charges not paid by the Resident's insurance carrier.
- (c) Both the primary and supplemental health insurance policies must recognize the Corporation as a healthcare provider; or the Resident will assume the financial responsibility for services provided that otherwise would not be covered.
- (d) The Resident will be responsible for ensuring that the health insurance coverage does not lapse and, upon request, will provide the Corporation with evidence of such coverage. Should the health insurance coverage lapse, the Corporation may require the Resident to reapply for suitable coverage.
- (e) If the Resident is unable to obtain adequate new coverage, the Corporation will bill the Resident for any costs related to medical or other healthcare services that would have otherwise been covered by the health insurance coverage policy.
- (f) The Corporation reserves the right and sole discretion to eliminate and/or change its participation in all insurance plans.

## **7. Health Needs**

- (a) The Resident will provide the Community with appropriate medical records thirty (30) days prior to occupancy and will, within sixty (60) days after taking occupancy, have a medical examination by a private physician or the Community's Medical Director. In matters of health, the Community's Medical Director will recommend to the administrative staff continued occupancy of a suitable Residential Living Unit. The administrative staff would make a final decision on occupancy of said Residential Living Unit after consultation with the Resident, the Resident's physician, and/or the Resident's Power-of-Attorney/Resident Representative.
- (b) When the Resident's health condition changes, an assessment team is assigned to evaluate the Resident utilizing the Corporation's Level of Living Guidelines, a copy of which is available to all residents. A formal appeal process is available to the Resident if the assessment team recommends changes to the Resident's living accommodations and/or level of living status with which the Resident disagrees.

- (c) If at any time the Medical Director, in consultation with the administrative staff, determines the Resident is no longer able to function in a Residential Living Unit or needs care beyond the scope of the Corporation, the Resident will abide by that decision.
- (d) If the Resident becomes unable to care for their business and financial affairs, the Corporation reserves the right, because of its financial and moral involvement, to institute action for the determination of the Resident's competence and, if necessary, facilitate the appointment of a guardian to fulfill the terms of this Residency Agreement, unless such needed arrangements have already been made.
- (e) The Resident is provided with twelve (12) nurse visits per year as part of the Monthly Fee. Nurse visits are noncumulative. The administrative staff, in consultation with the Resident's physician, shall determine the need for such routine services. A routine charge will be made to the Resident for nurse visits in excess of twelve (12) visits per year.
- (f) If the Resident should need Adult Care Services or Nursing Services, such services will be made available by the Corporation at fees current at such time as said services are needed and according to available space.

## **8. Resident Obligations**

- (a) The Resident will make provisions in a Last Will and Testament thirty (30) days prior to occupancy for the final disposition of all furniture and possessions located at the Community, for burial and payment of funeral expenses, and for the appointment of an executor, provided the Resident does not already have a Will that would accomplish these purposes. The Resident agrees to complete an instruction form that will contain pertinent data related to the above matters and will keep this recorded information current while in residency. It is the responsibility of the Resident to deliver this up-to-date information to the Administrative Office.
- (b) The Resident shall, within thirty (30) days prior to occupancy, legally designate a person as Power-of-Attorney/Resident Representative. The name, address, and telephone number of this person, along with a copy of the documentation of this designation, will be filed with the Corporation.
- (c) The rights and privileges of the Resident under this Residency Agreement to living accommodations, facilities, and services are personal to the Resident and cannot be transferred or assigned by act of the Resident, or by any proceedings at law, or otherwise.

- (d) The Resident agrees to reimburse the Corporation for any loss or damage suffered by the Corporation resulting from their misconduct, negligence or any damage beyond normal wear and tear.
- (e) The Resident will maintain their living accommodations in a clean, safe, and orderly condition.
- (f) The Resident shall assist the Corporation in application for and utilization of all appropriate support funds to which the Resident may be entitled and agrees to execute reasonable and necessary documents for this purpose.
- (g) The Resident agrees to follow and abide by administrative policies that are designed for the comfort, safety, and security of all Residents. The Resident will be furnished a copy of the current Resident Handbook. The Resident Handbook includes administrative policies and procedures that are part of this Residency Agreement by reference and will be amended by the Corporation from time to time.
- (h) Rights of the Resident under this Residency Agreement are the rights and privileges herein expressly granted and do not include any proprietary interest in the properties or assets of the Corporation or any membership in the Corporation.
- (i) The Corporation shall not be responsible for the loss of any property belonging to the Resident due to theft, mysterious disappearance, fire, or any other cause, it being understood that the Resident will have the responsibility of providing any desired insurance protection covering any such loss. Ten (10) days after the death of the Resident or termination of this Residency Agreement, the Corporation shall have the right to remove all property from the Resident's Residential Living Unit and to store and charge for the storage of such property if the Resident or the Resident's estate has not disposed of same. With prior written approval from the Executive Director, additional time may be provided to remove property due to extenuating circumstances.
- (j) The Corporation assumes no responsibility for any injury or illness resulting from misconduct or negligence of or by the Resident.
- (k) The Corporation shall not be liable or responsible for any expenses incurred or obligations of any nature contracted by the Resident.

## **9. Financial Assistance**

- (a) In connection with its charitable mission, the EveryAge Foundation, hereinafter referred to as the "*Foundation*" was established to help fulfill the Corporation's desire that a Resident would not need to leave the Community solely due to the lack

of funds. Any disposition of the Resident's assets in any way other than for care and services at the Community or related living/medical expenses to the extent that Resident cannot adequately provide for the Resident's expenses or care, will disqualify the Resident for financial assistance from the Foundation and entitle the Corporation to terminate the Resident's right to reside at the Community.

In the event that a Resident presents facts which in the opinion of the Foundation justify special financial consideration, the Foundation will give careful consideration to subsidizing in whole or in part the fees and charges payable by the Resident hereunder so long as such subsidy can be made without impairing the ability of the Foundation to attain its objectives while operating on a sound financial basis.

In the event that the Foundation may subsidize in whole or in part the fees and charges payable by the Resident hereunder, the Resident will be required to execute a separate Financial (Benevolence) Assistance Agreement with the Foundation.

In the event that the Foundation continues to provide the services to the Resident under the terms of said Financial (Benevolence) Assistance Agreement despite the Resident's financial inability to continue to pay the fees or charges payable under the terms of this Agreement, the Corporation shall be entitled to require the Resident to move to a smaller or less costly living accommodation.

Any determination by the Foundation with regard to the granting or continuation of financial assistance shall be within the sole discretion of the Foundation, under a separate agreement.

- (b) When a Resident leaves the Community either through death or relocation, if said Resident's fees have been subsidized wholly or partly by the Foundation, the Resident or Resident's estate, if any, will be liable to the Foundation for the full amount of the subsidy the Resident received for the entire time of residency. This provision will apply whether or not the Resident is residing at the Community at the time of death. This Agreement will operate as a lifetime assignment, transfer, and conveyance to the Foundation of the amount of the Resident's property that is necessary to cover such liability. Any amount due the Foundation under this provision may be deducted from any refund payable by the Corporation to the Resident or to the Resident's estate, with said funds to be used to reimburse the Foundation.
- (c) The Foundation has established funds which will be used to assist Residents who would otherwise not be able to live at the Community. These funds may be used for the purpose of providing financial assistance, but no Resident shall have any claim to or expectation of receiving or continuing to receive any such assistance.

- (d) The resources of the Foundation to provide financial assistance are limited, and the Corporation reserves the right to terminate the residency of any Resident who cannot pay the full cost of Corporation's fees and charges, and other costs in connection with such Resident's stay at the Community.

#### **10. Residency Agreement Concerns**

- (a) This Residency Agreement constitutes the entire Contract by and between the Corporation and the Resident. The Corporation is not liable in any manner by any statements, representations, or promises made by persons representing or purporting to represent the Corporation, unless such statements, representations, or promises are set forth in this Residency Agreement or in a subsequent Residency Agreement signed by the parties.
- (b) Notwithstanding any other provisions of this Residency Agreement, the Corporation shall have the right to alter the living accommodations of the Resident to meet the requirement of law, or regulation of the Fire Department, Department of Public Health, or other duly constituted authorities or agencies.
- (c) Except as set forth herein, this Residency Agreement shall bind and inure to the benefit of the successors and assigns of the Corporation and the heirs, executors, and administrators, and assigns of the Resident.
- (d) No breach of the Corporation's obligations under this Agreement and no liability of injury to the Resident or Resident's property shall result from an interruption of, or failure to provide, contracted services due to an act of God or other cause beyond the control of the Corporation, specifically including (without limitation) strikes or other forms of labor disturbances, government regulations and/or embargoes, shortages of labor or materials, fire, flood, earthquakes, inclement weather or acts of the Resident. The Corporation shall make reasonable efforts to continue to provide the usual services in such event.
- (e) The Corporation shall not cancel this Agreement with the Resident without good cause. Good cause shall be limited to: proof that the Resident is a danger to himself/herself or others; nonpayment of the Monthly Fee; repeated conduct by the Resident that interferes with other residents' enjoyment of the Community; persistent refusal to comply with the Corporation's written policies and procedures; a material misrepresentation made intentionally or recklessly by the Resident in their application for residency, or related materials, regarding information which if accurately provided, would have resulted in either a failure of the Resident to qualify for residency or a material increase in the cost of providing to the Resident the care and services provided under this Agreement; or a material breach of the terms and

conditions of this Agreement by the Resident. A written notice of intent to cancel this Agreement by the Corporation will be provided to the Resident. Where applicable, an opportunity will be given to cure, within a thirty (30) day period, whatever conduct is alleged to warrant the cancellation of this Agreement.

## **11. Other Considerations**

- (a) This Residency Agreement supersedes any previous agreements between said parties.
- (b) The Resident has been given, as an Addendum to this Residency Agreement, a current copy of the Resident Handbook. The Resident understands that these documents will change from time to time but that they are the procedural documents for those occupying Residential Living Units at the Community.
- (c) The Resident shall not transfer or voluntarily reduce substantially their assets, as related on their application for occupancy of a Residential Living Unit at EveryAge, without notification to the Corporation.
- (d) Should the Resident become financially unable to pay the Monthly Fee, the per diem Health Center Fee, or any other fees charged by the Community, the administrative staff of the Corporation will assist the Resident in applying for funds needed to meet the charges for care.
- (e) The Resident shall apply for any and all federal, state, and local grants and benefits for which the Resident may be entitled or eligible, and to apply any and all such grants and benefits toward the cost of the Resident's care at the Community. The Resident's failure to do so will result in termination of this Residency Agreement by the Corporation and release of its obligations hereunder.
- (f) All items in the aforementioned Residency Agreement are binding as of the date signed.

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]*

The undersigned representative of EveryAge and the undersigned Resident do hereby certify that on this date a current Disclosure Statement dated \_\_\_\_\_ and a current copy of the Resident Handbook have been presented to the Resident(s) and that the Monthly Fee has been explained to the Resident(s). Prior to execution of this Residency Agreement, the Resident(s) had the opportunity to obtain the assistance of counsel in reviewing its terms.

NOTICE

Because the authority to enter into continuing care contracts granted by the North Carolina Department of Insurance is neither a guarantee of performance by the provider nor an endorsement of any continuing care contract provision, prospective residents must carefully consider the risks, benefits, and costs before signing a continuing care contract and are strongly encouraged to seek financial and legal advice before doing so.

The parties hereby execute this Residency Agreement:

**EveryAge**

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Authorized Community Representative/Title

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Resident

**Residency Agreement Addendum**  
Pavilion Support Services

This Addendum amends the Residency Agreement dated \_\_\_\_\_, by and between \_\_\_\_\_, hereinafter referred to as Resident, and EveryAge, d/b/a Abernethy Laurels, a not-for-profit corporation chartered under the laws of the State of North Carolina, hereinafter referred to as Corporation. This Addendum is made this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

The following are services rendered as a part of the stated Monthly Fee paid by Residents of Pavilion Residential Living Units in addition to those services listed in the Residency Agreement:

- (a) Three (3) meals a day are available, replacing the option to purchase meals singly or through a monthly rate. Charges may apply for special selections, delivery or catering.
- (b) All utilities are included (except for one-time telephone installation charge).
- (c) Weekly housekeeping and linen service.
- (d) Access to Catered Living services at an additional charge.
- (e) Other as herein listed: \_\_\_\_\_

The parties hereby execute this Residency Agreement Addendum:

The parties hereby execute this Residency Agreement Addendum:

The parties hereby execute this Residency Agreement Addendum:

\_\_\_\_\_ By: \_\_\_\_\_  
Date Resident

**EveryAge**

\_\_\_\_\_ By: \_\_\_\_\_  
Date Authorized Community Representative/Title

\_\_\_\_\_ By: \_\_\_\_\_  
Date Executive Director/Administrator

**Residency Agreement Addendum**  
For Use When Two Persons Sign Residency Agreements  
For the Same Residential Living Unit

This Addendum amends the Residency Agreement dated \_\_\_\_\_, by and between \_\_\_\_\_, hereinafter referred to as Resident, and EveryAge, d/b/a Abernethy Laurels, a not-for-profit corporation chartered under the laws of the State of North Carolina, hereinafter referred to as Corporation. This Addendum is made this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

Resident has signed an Agreement to occupy a Residential Living Unit; another person (“Other Resident”) has signed an agreement (“Other Agreement”) to occupy the same Residential Living Unit; Resident and Other Resident intend to share occupancy of the Residential Living Unit.

In the event of either termination of the Agreement by Resident or Resident’s death prior to termination of the Other Resident’s residency under the Other Agreement, Resident hereby acknowledges and agrees that any refund of a portion of the Residency Fee that may be due to Resident or Resident’s estate under the Agreement shall not be paid; rather any such refund shall be computed based upon the time the Other Resident terminates his or her comparable agreement or upon the Other Resident’s death, and shall be paid to Other Resident or Other Resident’s estate pursuant to the terms of the Other Agreement on the same terms and conditions as refund of any portion of the Residency Fee provided under the Other Agreement;

Provided, however, no refund shall be made to Resident or to Other Resident or to either of their estates to the extent that Resident makes a permanent move to the health center, and, because of hardship, a portion of Resident’s projected Residency Fee refund is used for needed healthcare of Resident pursuant to the terms of the Agreement.

The parties hereby execute this Residency Agreement Addendum:

**EveryAge**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Authorized Center Representative/Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Resident

EveryAge d/b/a Abernethy Laurels  
**The Health Center**  
 North and South Manor  
 Fee Schedule as of October 1, 2025

**Activities**

Fees for workshops, trips, programs, and classes will be established according to costs related to the activity.

**Private Care Services**

Personal Laundry Service (*per month*) .....\$ 110.00

**Clerical Services**

Administrative Services (Per ½ hour) .....\$ 28.00  
 NSF Check Charge..... 50.00  
 Late Payment Fee ..... 50.00  
 Duplication beyond 5 pages (per copy) ..... .50  
 Facsimile Fee (per page/\$20 max/trans) ..... 7.00

**Salon Services**

Shampoo and set.....\$ 25.00  
 Color ..... 70.00  
 Permanent..... 80.00  
 Haircuts ..... 25.00  
 (Other services available at posted prices)

**Key Duplication** (*each*).....\$ 15.00

**Meals**

Guest Breakfast .....\$ 12.00  
 Guest Lunch or Dinner ..... 12.00  
 Child's Plate (under 10 years) ..... 10.00  
 Catering Services..... Quote Upon Request  
 Village Bistro..... Posted Prices

**Medical**

Oxygen (Monthly) ..... \$ 200.00  
 Air Mattress (Monthly) ..... 350.00  
 Bariatric Mattress (Monthly) ..... 450.00  
 C-PAP (Monthly)..... 150.00  
 Bi-PAP (Monthly) ..... 300.00  
 Nebulizer Monthly..... 100.00  
 EKG ..... 60.00  
 Glucose Monitoring 1X per day ..... 9.50  
 Glucose Monitoring 2X per day ..... 19.00  
 Glucose Monitoring 3X per day ..... 28.50  
 Glucose Monitoring 4X per day ..... 30.00  
 Bladder Scan ..... 30.00

(*Other services available at posted prices*)

**Nursing Services** (*Incontinence Program Per Day*)

Small.....\$ 14.50  
 Medium ..... 16.50  
 Large ..... 17.50  
 X-Large ..... 19.50  
 XX-Large ..... 21.50  
 Bariatric ..... 25.00

(*Non-routine nursing supplies, charged per unit*)

**Telephone**

Installation Fee .....\$ 60.00  
 Monthly Fee .....\$ 25.00

**Transportation**

(Scheduled round trip, per person [medical])  
 Newton/Conover ..... 45.00  
 Catawba/Maiden ..... 50.00  
 Hickory Metro/Denver/Lincolnton ..... 65.00  
 Statesville/Huntersville/Gastonia/Morganton ..... 125.00  
 Charlotte Metro/Winston-Salem/GSO ..... 200.00  
 Research Triangle Park/Asheville/Durham ..... 250.00

*Negotiated trips beyond above are charged a mileage fee, plus driver fee*

Weekdays (per ½ Hour) ..... 30.00  
 Weekends/Holidays (per ½ Hour) ..... 41.00  
 Mileage fee per mile Car..... 2.50  
 Mileage fee per mile Bus ..... 3.50

**Guest Rooms** (*per night/per room*)

Twin Oaks Studio .....\$ 100.00  
 Dogwood One-Bedroom ..... 115.00

**Use Of Common Space**

Residents may use common spaces for private gatherings by making reservations with administration. There is a fee for larger spaces.  
 Set up and clean up  
 Per staff person, per ½ hour ..... \$40.00

**Private Care Services**

See Laurels At Home Fee Schedule

**Daily Room Fee**

Peace & Noble Courts (Private Suite)..... 371.00  
 Peace & Noble Courts (Companion Suite) ..... 334.00  
 Friendship/Faith/Hope Courts (Private Suite) ..... 377.00  
 Grace Court (Private Suite)..... 466.00  
 Harmony and Unity Courts (Private Suite)..... 371.00

**Filing Long Term Care Insurance**

Initial Set-Up Fee ..... 125.00  
 Monthly ..... 50.00

**Note:** Arrangements for special services not listed may be made by contacting administration. Fees subject to change with an advance notice.

\*A 3% fee will be applied for credit card charges for approved services.

EveryAge d/b/a Abernethy Laurels  
**Adult Care Home**  
 Fee Schedule as of October 1, 2025

**Activities**

Fees for workshops, trips, programs, and classes will be established according to costs related to the activity.

**Clerical** (per ½ hour, plus supplies)

Administrative Services.....	\$ 28.00
NSF Check Charge.....	50.00
Late Payment Fee .....	50.00
Duplication beyond 5 pages (per copy) .....	0.50
Fax Fee (per page, \$20 max per transmission) .....	7.00
Long-term Care Insurance	
Initial set up fee .....	125.00
Monthly filing fee.....	50.00

**Salon Services**

Shampoo and set.....	\$ 25.00
Color .....	70.00
Permanent .....	80.00
Haircut .....	25.00
Pedicure .....	45.00
Manicure .....	25.00

(Other services available at posted prices)

**Key Duplication** (each).....\$ 15.00

**Dining Services**

Promenade Dining Room	
Guest Breakfast .....	\$ 12.00
Guest Lunch or Dinner .....	12.00
Child's Plate (under 10 years) .....	10.00
Special Event Meals/Bufetts .....	Posted Price
Catering Services.....	Quote upon request
Village Bistro (a la cart) .....	Posted Price

**Telephone**

Installation .....	\$ 60.00
Monthly fee.....	25.00

**Guest Rooms** (per Night)

Twin Oaks Studio .....	\$ 100.00
Dogwood One Bedroom .....	115.00

**Use Of Common Space**

Residents may use common spaces for private gatherings by making reservations with administration. There is a fee for larger spaces.

Set-up and Clean-up.....	\$40.00
(Per staff person, per ½ hour)	

**Replacement Pendant Fee**..... \$200.00

**Medical** (plus cost of supplies)

Air Mattress (per mo.).....	\$ 350.00
Bariatric Mattress (per mo.).....	\$450.00
Bladder Scan .....	30.00
Blood Draws .....	30.00

C-PAP (Monthly) .....	150.00
Bi-PAP (Monthly) .....	300.00
Injections (Other than Flu / Pneumonia) .....	25.00
Catheter Care .....	25.00
Dressing Change (Simple) .....	27.00
Dressing Change (Complex).....	37.00
Ear Irrigation .....	35.00
Oxygen (Monthly).....	200.00
Urinalysis Specimen Collection .....	20.00

**Incontinence Program** (Per Day)

Small.....	\$ 14.50
Medium .....	16.50
Large .....	17.50
X-Large.....	19.50
XX-Large .....	21.50
Bariatric .....	25.00

(Non-routine nursing supplies, charged per unit)

**Transportation** (Round-Trip, per person)

Newton/Conover .....	\$ 45.00
Catawba/Maiden .....	50.00
Hickory Metro/Denver/Lincolnton .....	65.00
Statesville/Huntersville/Gastonia/Morganton .....	125.00
Charlotte Metro/Winston-Salem/GSO .....	200.00
RTP/ASV/Durham .....	250.00

**Shuttles**

Charlotte (CLT) Airport (one way).....	\$ 125.00
Greensboro (GSO) Airport (one way).....	175.00
Concord (JQF) Executive Airport (one way).....	100.00
Negotiated trips beyond above are charged a mileage fee, plus driver fee	
Weekdays (per ½ Hour) .....	\$ 30.00
Weekends/Holidays (per ½ Hour).....	41.00
Mileage fee per mile Car.....	2.50
Mileage fee per mile Bus .....	3.50
Leisure Trips .....	Posted Price

**Daily Respite Rate**..... \$229.00

**Daily Room Fee**

Adult Care Home Private Suite .....	\$ 216.00
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**Note:** Arrangements for special services not listed may be made by contacting administration. Fees subject to change with an advance notice.

\*A 3% fee will be applied for credit card charges for approved services

EveryAge d/b/a Abernethy Laurels  
**The Pavilion**  
 Fee Schedule as of October 1, 2025

**Activities**

Fees for workshops, trips, programs, and classes will be established according to costs related to the activity.

**Catered Services**

*(per ½ Hour / per staff person, with ½ Hour minimum)*

Housekeeping ..... \$ 23.00  
 Maintenance ..... 35.00  
 Personal Laundry Service (per month)..... 100.00  
 Escort to Dining (per month)..... 250.00

**Clerical** *(per ½ hour, plus supplies)*

Administrative Services.....\$ 28.00  
 NSF Check Charge ..... 50.00  
 Late Payment Fee ..... 50.00  
 Duplication beyond 5 pages *(per copy)*..... 0.50  
 Fax *(per page, \$20 max per transmission)* ..... 7.00

**Salon Services**

Shampoo and set .....\$ 25.00  
 Color ..... 70.00  
 Permanent ..... 80.00  
 Haircuts ..... 25.00  
 Pedicure ..... 45.00  
 Manicure..... 25.00  
*(Other services Available at Posted Prices)*

**Key Duplication** *(each)*.....\$ 15.00

**P.O.S. Card Replacement** *(each)* ..... \$15.00

**Dining Services** *(Promenade Dining Room)*

Guest Breakfast..... \$ 12.00  
 Guest Lunch or Dinner ..... 12.00  
 Child's Plate (under 10 years) ..... 10.00  
 Special Event Meals/Bufferet ..... *Posted Price*  
 Catering Services ..... *Quote Upon Request*  
 Village Bistro *(a la cart)* ..... *Posted Price*  
*\*Meal Swap Program (20 per mon. non transferable & no carry over)*

**Guest Rooms** *(per night)*

Twin Oaks Studio .....\$ 100.00  
 Dogwood One Bedroom..... 115.00

**Telephone**

Installation..... 60.00  
 Monthly Fee (Studio A and B Units) ..... 25.00

**Pendant Replacement Fee** ..... \$200.00

**ALEXA**

Purchase and Installation (one-time fee) .....40.00  
 Monthly Fee..... 10.00

**Core Fitness and Spa**

Membership included in Monthly Fees.

Massage..... *Posted Price*

**Medical** *(see "Laurels At Home" Fee Schedule)*

Infirmary.....200.00

**Transportation** *(Schedule round trips, medical)*

On Campus *\*subject to availability/ (per household/R/T)* ..... \$5.00  
 Newton/Conover .....45.00  
 Catawba/Maiden .....50.00  
 Hickory Metro/Denver/Lincolnton .....65.00  
 Statesville/Huntersville/Gastonia/Morganton ..... 125.00  
 Charlotte Metro/Winston-Salem/GSO ..... 200.00  
 RTP/ASV/Durham ..... 250.00

**Shuttles**

Charlotte (CLT) Airport (one way)..... \$ 125.00  
 Greensboro (GSO)Airport (one way) ..... 175.00  
 Concord (JQF) Executive Airport (one way) .. 100.00  
 Grocery Shopping (per person/round trip).....25.00  
 Round Trip to Food Lion ..... 10.00

*Negotiated trips beyond above are charged a mileage fee, plus driver fee*

Weekdays (per ½ Hour).....30.00  
 Weekends/Holidays (per ½ Hour) .....41.00  
 Mileage fee per mile Car ..... 2.50  
 Mileage fee per mile Bus..... 3.50  
 Leisure Trips ..... *Posted Price*  
 Annual Bus Pass/Per Person/Local Travel . \$185.00

**Use Of Common Space**

Residents may use common spaces for private gatherings by making reservations with administration. There is a fee for larger spaces.

Set up and clean up  
 Per staff person, per ½ hour ..... \$ 40.00

**Note:** Arrangement for special services not listed may be made by contacting administration. Fees subject to change will an advance notice.

**\*a 3% fee** will be applied for credit card charges for approved services

## The Village

Fee Schedule as of October 1, 2025

**Activities:** Fees for workshops, trips, programs, and classes will be established according to costs related to the activity.

### **Maintenance**

(per ½ Hour / per staff person, with ½ Hour minimum)

Maintenance Services .....\$35.00

### **Housekeeping**

(per ½ Hour / per staff person, with ½ Hour minimum)

Housekeeping Services.....\$23.00

### **Landscaping**

(per ½ Hour / per staff person, with ½ Hour minimum)

Landscaping Services .....\$27.00

### **Clerical (per ½ hour)**

Administrative services .....\$28.00

NSF Check Fee ..... 50.00

Late Payment Fee ..... 50.00

Duplication beyond 5 pages (per page) ..... 0.50

Fax Fee (per page, \$20 max per transmission) ..... 7.00

**Non refundable applicaton fee 0.00**

### **Salon Services**

Shampoo and set .....\$25.00

Color ..... 70.00

Permanent ..... 80.00

Haircuts..... 25.00

Pedicure ..... 45.00

Manicure..... 25.00

(Other services Available at Posted Prices)

**Key Duplication (each).....\$15.00**

**P.O.S. Card Replacement (each).....\$15.00**

### **Dining Services (Promenade Dining Room)**

Breakfast .....\$12.00

Lunch or Dinner..... 12.00

Child's Plate (under 10 years) ..... 10.00

Special Event Meals/Buffer ..... Posted Price

Catering Services ..... Quote Upon Request

Meal Delivery (on Campus) .....Included

### **Laurel Woods' Meal Packages\***

(Noncumulative and \*Excludes Special Event Meals):

10 Meals per Month ..... \$ 108.00

20 Meals per Month .....216.00

30 Meals per Month .....270.00

[Meal Delivery (per delivery)] on campus .....Included

Village Bistro (a la cart) ..... Posted Price

Special Event Meals/Bufferets:..... Posted Price

Catering Services ..... Quote Upon Request

### **Medical (see "Laurels At Home" Fee Schedule)**

Infirmary Room Charge (per day) .....200.00

### **Guest Rooms (per night)**

Twin Oaks Studio ..... \$ 100.00

Dogwood One Bedroom..... 115.00

### **Transportation (Schedule round trips, per person/medical)**

On Campus Transport..... \$ 5.00

Newton/Conover ..... 45.00

Catawba/Maiden..... 50.00

Hickory Metro/Denver/Lincolnton..... 65.00

Statesville/Huntersville/Gastonia/Morganton .... 125.00

Charlotte Metro/Winston-Salem/GSO .....200.00

RTP/ASV/Durham.....250.00

### **Shuttles**

Charlotte (CLT) Airport (one way) ..... \$ 125.00

Greensboro (GSO) Airport (one way) ..... 175.00

Concord (JQF) Executive Airport (one way) ..... 100.00

Grocery Shopping (per person, round trip)..... 25.00

Round Trip to Food Lion ..... 10.00

Negotiated trips beyond above are charged a mileage fee, plus driver fee

Weekdays (per ½ Hour) ..... \$ 30.00

Weekends/Holidays (per ½ Hour) ..... 41.00

Mileage fee per mile Car ..... 2.50

Mileage fee per mile Bus ..... 3.50

Annual Bus Pass (per person, local travel)..... 185.00

Leisure Trips..... Posted Price

### **Core Fitness and Spa**

Membership included in Monthly Fees.

Massage ..... Posted Price

**Pendant Replacement Charge ..... \$ 200.00**

### **ALEXA**

Purchase and Installation (one-time fee)..... \$ 40.00

Monthly Fee ..... 10.00

### **Use of Common Space**

Residents may use common spaces for private gatherings by making reservations with administration. There is a fee for larger spaces.

Set up and clean up

Per staff person, per ½ hour ..... \$ 40.00

**Note:** Arrangements for special services not listed may be made by contacting administration. Fees subject to change with an advance notice.

\*A 3% fee will be applied for credit card charges for approved services

EveryAge d/b/a Abernethy Laurels  
**Laurels At Home**  
 (Licensed Home Care Agency)  
 Fee Schedule as of October 1, 2025

**Home Care**

Home Care Aide:	
(per Hour, 1 Hour minimum) .....	\$32.00
Weekends/Holidays (per Hour, 1 Hour minimum)	35.00
Companion/Personal Assistant:	
(per Hour, 2 Hour minimum) .....	29.00
Weekends/Holidays (per Hour, 2 Hour minimum)	33.00
Licensed Nurse Visit (per ½ hour, ½ Hour min.)	
.....	48.00
Weekends/Holidays (per Hour, ½ Hour minimum)	53.00
Home Care Enrollment Fee .....	100.00
Dietician Consultant (per Hour).....	65.00
Premium Charge for *Short Notice.....	Daily Fee x 2
Premium Charge for Over Scheduled Time.....	Daily Fee x 2
*Less than 24 Hrs. advance notice of service request	

Medication Assistance/Reminders (per Month)	
1 time per day .....	\$ 116.00
2 times per day .....	152.00
3 times per day .....	203.00
4 times per day .....	250.00
Medication Box Pre-Pour (per Week) .....	60.00

**Medical (plus cost of supplies)**

Bladder scan .....	\$ 30.00
Blood Draws .....	30.00
Blood Pressure.....	10.00
Catheter Insertion or Removal .....	42.00
Dressing Change (Simple) .....	27.00
Dressing Change (Complex) .....	37.00
Ear Irrigation .....	35.00
EKG .....	60.00
Glucose Test.....	9.50
Injections (Other than Flu/Pneumonia) .	25.00
Pacemaker Check.....	42.00
Pulse Ox .....	25.00
Urinalysis Specimen Collection.....	20.00
Weights .....	5.00
Nebulizer rental per day .....	5.00

(Other services available at negotiated fees)

**Escort to Dine** (per month)..... 250.00

**Infirmery** (per day)..... 200.00

**Long-term Care Insurance**

Initial Processing Fee .....	\$ 125.00
Monthly filing fee.....	50.00
Late Payment fee.....	50.00

**Other Services**

Bathing .....	\$ 30.00
Specialty Equipment Assistance .....	20.00
Pet Walk/Sitting (per ½ Hour, ½ Hour minimum)	18.50

Non-resident Respite Care available on the campus; charge per day based upon level of living. See Admissions Counselor for more details.

Respite care in-home available based on services provided.

Services based on availability. Some services not available off campus.

Services off-campus will include an additional charge of \$2.50 per mileage at an EveryAge approved mileage rate accrued from Abernethy Laurels to participant location, roundtrip.

**Note:** Minimum Enrollment of Four weeks required – unless otherwise approved by administrative management.

**Note:** Arrangements for special services not listed may be made by contacting administration. Fees subject to change with an advance notice.

\*A 3% fee will be applied for credit card charges for approved services

## **Appendix E – Examination Report**

Not Applicable



## Appendix F— Statutory Ratio and Supporting Definitions

**Adjusted Net Operating Margin Ratio.** *“A profitability ratio that measures the margin generated from the core operations of a provider and net cash proceeds from entrance fees. The quotient shall be calculated by dividing the sum of resident operating income and net proceeds from entrance fees by the sum of resident revenue and net cash proceeds from entrance fees.”* (G.S. 58-64A-145(1))

**Annual Debt Service.** *“The current year's capitalized interest cost plus interest expense and scheduled principal payments, excluding any balloon principal payment amounts and any portion of the annual debt service that has been or will be funded by debt for the payment of debt service.”* (G.S. 58-64A-5(7))

**Average Daily Cash Operating Expenses.** *“The total expenses of a provider incurred in the conduct of the provider's business over a defined period of time, divided by the number of days in that period. For purposes of this definition, ‘total expenses’ includes interest expense, but excludes depreciation expense, amortization expense, realized or unrealized nonoperating losses or expenses, bad debt expense, and other noncash expenses.”* (G.S. 58-64A-145(2))

**Capital Expenditures as a Percentage of Depreciation Ratio.** *“A capital structure ratio that indicates the level of capital reinvestment by a provider. The quotient shall be computed by dividing total purchases of property, plant, and equipment by total depreciation expense.”* (G.S. 58-64A-145(3))

**Cushion Ratio.** *“A liquidity ratio that measures a provider's ability to pay its annual debt service using its unrestricted cash and investments. The quotient shall be computed by dividing unrestricted cash and investments by annual debt service.”* (G.S. 58-64A-145(4))

**Days Cash on Hand Ratio.** *“A liquidity ratio that measures the number of days of cash operating expenses a provider could cover using its existing unrestricted cash and investments. The quotient shall be computed by dividing unrestricted cash and investments by average daily cash operating expenses.”* (G.S. 58-64A-145(5))

**Debt Service Coverage Ratio.** *“A capital structure ratio that measures a provider's ability to pay annual debt service with cash flow from net cash revenues and net entrance fee receipts. The quotient shall be calculated by dividing the sum of total excess of revenues over or under expenses plus interest expense, depreciation expense, amortization expense, other noncash operating losses or expenses, and net cash proceeds from entrance fees, minus entrance fee amortization, entrance fee refunds contractually past due, and other noncash operating gains or revenues divided by annual debt service. Entrance fees received from the initial residents of independent living units at a continuing care retirement community that have been financed in whole or in part with the proceeds of indebtedness shall be excluded*

*from the net proceeds from entrance fees up to an amount equal to the aggregate of the principal amount of the indebtedness.” (G.S. 58-64A-5(17))*

**Net Cash Proceeds from Entrance Fees.** *“Total entrance fees received less entrance fees refunded, and less initial entrance fees received for new independent living units.” (G.S. 58-64A-5(30))*

**Net Operating Margin Ratio.** *“A profitability ratio that measures the margin generated from the core operations of a provider. The quotient shall be calculated by dividing resident operating income by resident revenue.” (G.S. 58-64A-145(7))*

**Operating Ratio.** *“A profitability ratio that measures whether current year cash operating revenues are sufficient to cover current year cash operating expenses without the inclusion of cash from entrance fee receipts. The quotient shall be computed by dividing total operating expenses, excluding depreciation expense and amortization expense, by total operating revenues, excluding amortization of entrance fees and other deferred revenue.” (G.S. 58-64A-145(8))*

**Prospective Financial Statements.** *“Financial forecasts or financial projections, including the summaries of significant assumptions and accounting policies prepared by an independent certified public accountant.” (G.S. 58-64A-5(38))*

**Resident Expense.** *“Total operating expenses excluding interest expense, depreciation expense, amortization expense, and income taxes.” (G.S. 58-64A-145(10))*

**Resident Revenue.** *“Total operating revenue excluding interest and dividend income, entrance fee amortization, and contributions.” (G.S. 58-64A-145(11))*

**Unrestricted Cash and Investments.** *“The sum of the provider's unrestricted cash, cash equivalents and investments, and any provider restricted funds that are available to pay debt or to pay operating expenses. For purposes of this definition, the assets serving as the operating reserve required by G.S. 58-64A-245 shall be considered unrestricted.” (G.S. 58-64A-145(12))*

**Unrestricted Cash and Investments to Long-Term Debt Ratio.** *“A capital structure ratio that (i) measures a provider's position in available cash and marketable securities in relation to its long-term debt and (ii) measures a provider's ability to withstand annual fluctuations in cash. The quotient shall be calculated by dividing unrestricted cash and investments by total long-term debt, less the current portion of long-term debt.” (G.S. 58-64A-145(13))*

**Source:** N.C. Gen. Stat. §§ 58-64A-5 and 58-64A-145 (Session Law 2025-58). Subsequent amendments, if enacted, supersede the text reproduced herein.