DISCLOSURE STATEMENT

Dated: February 27, 2025

Name of Community:	**Brookridge Retirement Community**, a division of Baptist Retirement Homes of North Carolina, Incorporated, dba ThriveMore
Located at:	1199 Hayes Forest Drive Winston-Salem, North Carolina 27106
Telephone Number:	(336) 759-1044

In accordance with Chapter 58, Article 64, of the North Carolina General Statues of the State of North Carolina:

- **This Disclosure Statement may be delivered until revised, but not after February 27, 2026;**

- **Delivery of the Disclosure Statement to a contracting party before execution of a contract for continuing care is required;**

- **This Disclosure Statement has not been reviewed or approved by any government agency or representative to insure accuracy or completeness of the information set out.**

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DISCLOSURE STATEMENT of

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
dba THRIVEMORE

I. ORGANIZATION INTRODUCTION AND INFORMATION

A. The name of this corporation is Baptist Retirement Homes of North Carolina, Incorporated, dba ThriveMore. The business address of the organization is:

PO Box 11024
Winston-Salem, North Carolina 27116-1024

ThriveMore is a not-for-profit corporation incorporated under the laws of the State of North Carolina.

In winter 2022, Baptist Retirement Homes of North Carolina engaged with a marketing firm to review our name and brand. This was part of the strategic planning for the organization, which included leadership, board members and residents. The new brand was announced in November of 2022 - ThriveMore. Faith. Family. Fulfillment. The idea of the new brand is to show the growth and positive impact the organization is making on older adults living in our communities and the team members we employ, as well as honoring the history.

B. ThriveMore has a historical relationship with the Baptist State Convention of North Carolina. ThriveMore is a separate and distinct corporate entity from the Baptist State Convention of North Carolina. The Baptist State Convention of North Carolina is not responsible for the financial or contractual obligations of the ThriveMore. ThriveMore is exempt from the payment of federal income tax under Section 501(c) (3) of the Internal Revenue Code.

C. ThriveMore is an active member in LeadingAge and LeadingAge NC participating in both local and national conferences, leadership academy training and awards recognizing outstanding colleagues.

D. The names and business addresses of the Trustees and Officers and management staff of the corporation are set forth below. No person has an equitable or beneficial interest in the corporation.

E. In Fall 2023 the ThriveMore Board of Trustees authorized the sale of Western North Carolina Baptist Home in Asheville, NC and the acquisition of Ardenwoods Retirement Community in Arden, NC. The sale of Western North Carolina Baptist Home closed in September 2023 and the purchase of Ardenwoods Retirement Community was completed in October 2023.

Board of Trustees

The Trustees and Officers of ThriveMore have the following experience in the operation and management of ThriveMore:

Trustees:

Trustee	Has served as a Trustee since
Sobeida Adolphus	2022
Perry Bailey	2018
Janet Blanford	2022
Dr. Tamara Caple	2024
Dr. Jo Cleveland	2024
H. Powell Dew	2024
Phillip Feagan	1990
Sammy Gianopoulus	2023
Audrey Johnson	2025
Betty Lynne Johnson	2019
Clarence Lambe	2006
Rhonda Lowe	2020
Charles D. Mast	2010
Sarah Mayo	2022
Ralph Morgan	2000
Nidra Ricks	2023
Wanda Rose	2020
Nathan Scovens	2023
Mike Taylor	2007
Bob Watson	2017

Officers:

Betty Lynne Johnson has been a member of the Board of Trustees for 5 years and is serving her first term as Chair of the Board.

Mike Taylor has been a member of the Board of Trustees for 17 years and is serving his second term as Vice Chair of the Board.

Charles D. Mast has been a member of the Board of Trustees for 14 years and is serving his first term as Immediate Past Chair of the Board.

Janet Blanford has been a member of the Board of Trustees for 4 years and is serving her second term as Corporate Secretary.

Sarah Mayo has been a member of the Board of Trustees for 4 years and is serving her second term as Treasurer.

The Management Staff have the following experience in the operation and management of ThriveMore:

Management Staff:

Reed A. VanderSlik has served as President and CEO since September 2019
Jessica P. McCollum has served as Chief Operating Officer since July 2020
Jennifer R. Bartscht has served as Chief Marketing Officer since February 2021
Michael J. Brady has served as Chief Financial Officer since February 2024
Carmen Canales has served as Chief Human Resources Officer since July 2024
Kevin Cook has served as Director of Development since September 2024

Reed VanderSlik joined ThriveMore in September of 2019, serving as the President and Chief Executive Officer. Prior to assuming this position, he worked for 30 years in business leadership roles, with 20 years in senior living. His credentials include a CMA and an MBA.

Jessica P. McCollum was promoted to Chief Operating Officer for ThriveMore in July of 2020. She was hired as Brookridge Retirement Community's Administrator in August 2019. She has over 11 years experience in the healthcare industry and has a Masters Degree in Healthcare Administration.

Jennifer Bartscht has over 20 years of sales and marketing experience in the senior living industry. She joined ThriveMore in February of 2021 as the Chief Marketing Officer. She has a Bachelor of Science degree and a Masters degree in Education and Science.

Michael J. Brady joined ThriveMore in February of 2024, serving as the Chief Financial Officer. Prior to assuming this position, he has held leadership roles in senior living since the early 1990s. He is a licensed CPA in Maryland and has his BA in Administration from St. Bonaventure University in St. Bonaventure, NY.

Carmen Canales joined ThriveMore in July of 2024, serving as the Chief Human Resources Officer. Prior to assuming this role, she was the senior human resources executive at organizations in the legal, higher education and healthcare industries, and a human capital and inclusion consultant and speaker. She is bilingual, holds a Master of Labor and Industrial Relations degree from Michigan State University, and is a SHRM-Senior Certified Professional.

Kevin Cook joined ThriveMore in September of 2024, serving as Director of Development. Prior to joining the organization, he served in various fundraising roles at DFTD, Davidson College, College of Wooster in OH, and Hamilton College in Clinton, NY. He is a graduate of The Maxwell School of Syracuse, NY with a Master of Public Administration, and Davidson College with a Bachelor of Science degree in Biology.

Unless otherwise set forth above, the Trustees, Officers and Management Staff of ThriveMore are not known to have other business experience in the operation or management of similar facilities.

Perry Bailey, Director of Premier Client Solutions of First Citizens Bank is employed by a financial institution with which ThriveMore transacts business. (The "bank" provides commercial banking and investment services to the organization). The Trustee mentioned above is not involved in the provision of those services to the ThriveMore organization. Due to the changing nature of the services provided by those institutions, it is not possible to estimate how much those services cost the organization on an annual basis. Janet Blanford, Director of Sales, FSI is employed by a company we receive our office supplies from. She is not ThriveMore's Account Manager. None of the other individuals named as Trustees, Officers or Management Staff above are currently providing nor in the foreseeable future shall provide goods, leases or services to the organization or the residents of the organization, of an aggregate value of five hundred dollars ($500) or more except for services rendered in their respective capacity as a Trustee or Officer or Management Staff member of the corporation. None of the Trustees, Officers or Management Staff named above has ownership in any professional service, association, trust, partnership or corporation in which this person has, or which has in this person, a ten percent (10%) or greater interest and which it is presently intended shall currently or in the future provide goods, leases, or services to the facility, of an aggregate value of five hundred dollars ($500) or more within any year, including a description of the goods, leases, or services and the probable or anticipated cost thereof to the facility, provider, or residents or a statement that the cost cannot presently be estimated.

None of the individuals named as Trustees, Officers or Management Staff above have been convicted of a felony or pleaded nolo contendere to a felony charge, nor been held liable or enjoined in a civil action by final judgment which involved fraud, embezzlement, fraudulent conversion, or misappropriation of property; or is subject to a currently effective injunctive or restrictive court order, or within the past five years, had any state or federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department related to the business activity of health care, including actions affecting a license to operate a foster care facility, nursing home, retirement home, home for the aged or facility.

ThriveMore presently operates the following existing facilities:

Brookridge Retirement Community, Winston-Salem, North Carolina
Total Occupancy as of September 30, 2024 – 92%

Brookridge Retirement Community (Brookridge Health Care Center)
77-bed nursing care center
Occupancy as of September 30, 2024 – 91%

Brookridge Retirement Community (Adult Care Home Residence)
26 adult care home residences
10 memory-enhanced residences
Occupancy as of September 30, 2024 – 86%

Brookridge Retirement Community (Independent Living Residences)
132 independent living residences
Occupancy as of September 30, 2024 – 94%

The Gardens of Taylor Glen Retirement Community, Concord, North Carolina
Total Occupancy as of September 30, 2024 – 92%

The Gardens of Taylor Glen Retirement Community (Gardens of Taylor Glen Health Care Center)
24-bed nursing care center
Occupancy as of September 30, 2024 – 54%

The Gardens of Taylor Glen Retirement Community (Adult Care Home Residences)
12 adult care home residences / 12 memory-enhanced residences
Occupancy as of September 30, 2024 – 96%

The Gardens of Taylor Glen Retirement Community (Independent Living Apartments)
130 independent living apartments
Occupancy as of September 30, 2024 – 98%

Ardenwoods Retirement Community, Arden, North Carolina
Total Occupancy as of September 30, 2024 – 97%

Ardenwoods Independent Living
96 independent living apartments
Occupancy as of September 30, 2024 – 98%

Ardenwoods Assistant Living – Heather Glen
47 adult care home residences / assisted living
Occupancy as of September 30, 2024 – 96%

The Taylor House, Albemarle, North Carolina
30 adult care home residences
Occupancy as of September 30, 2024 –71%

ThriveMore At Home, Raleigh, North Carolina
15 members

II. FACILITY INTRODUCTION AND INFORMATION

The Brookridge Retirement Community is a continuing care retirement community located on a 44-acre tract of land on Bethabara Road in northwest Winston-Salem. It consists of 132 independent living apartments (48 detached residences, 84 congregate residences) and 113 health care beds (26 adult care residences, 10 memory-enhanced residences, and 77 intermediate and skilled nursing care beds). It also contains the following support facilities: administrative offices, a bank, a chapel, a multi-purpose room, arts and crafts rooms, a library, a guestroom, physical therapy rooms, recreation areas, a swimming pool and exercise area, dining rooms, a café, beauty/barber shops, a convenience store, a mail area, parlors, a kitchen, and service areas for environmental services, maintenance and laundry. Construction began in October 1987, and the project was completed in the summer of 1989. In 1997, construction began on five two-bedroom deluxe apartments, and this project was completed in the summer of 1998. Construction was completed in September 1999 on an indoor swimming pool and exercise area. A special residence for Older Adults with dementia was opened in October 2001. A café dining option was opened for operation in September 2006 for independent living residents. In 2010, the Prince Center main entry area was renovated. In fall of 2022, renovations of all common spaces in the independent living building were completed. Areas for refresh included dining room, auditorium, sky lights, cafe', lobby and library. ThriveMore continues to update all apartments and garden homes to new standards, which include solid surface countertops, new cabinets and updated floorplans.

The Gardens of Taylor Glen Retirement Community is a continuing care retirement community that is located on a 124 plus-acre tract of land located in southwest Concord. It includes 130 independent living apartments, 12 adult care home residences, 12 memory-enhanced residences, and 24 nursing care beds. It also incorporates administrative offices, a bank, a chapel, a multi-purpose room, a swimming pool, an exercise area, arts and crafts rooms, a wood-working shop, a library, a guest cottage, physical therapy rooms, recreation/social areas to include a lake and walking paths, dining areas, beauty/barber shops, a mail area, a convenience store, parlors, a café, a kitchen, a training area for health care employees, and several areas for environmental services, maintenance, and laundry. Construction began in September 2001, and the Community was opened for residency in November 2002. Winter of 2024 Taylor Glen held a ground breaking ceremony for 50 new independent cottage and villa apartments as well as a Green House Memory Care Center. In addition to this expansion, common spaces were also refreshed.

Ardenwoods Retirement Community is nestled on 48 serene acres in the heart of the beautiful Blue Ridge Mountains offering contemporary senior living and stunning views in a peaceful, natural setting. It includes 96 one, two and three bedroom Independent Living apartments. Also located on the Ardenwoods campus is Heather Glen Assisted Living. Heather Glen has 48 apartment-style assistant living accommodations with services that include around the clock care. Fall of 2024 will see an update/refresh of common space and apartment buildings.

The Taylor House is a 30-bed Adult Care Home Residence located on a 3-acre tract of land on Palmer Street in Albemarle, North Carolina. It was opened for service to its first resident in 1953.

Care provided at The Taylor House Community is currently confined to the custodial level of care (Adult Care Home). No Continuing Care Agreements involving independent living residences are currently provided for residents at these Communities. Continuing care contracts, involving independent living, are provided only for those residents entering independent living apartments at the Brookridge Retirement Community, The Gardens of Taylor Glen Retirement Community and Ardenwoods. The contracts for independent living apartments and adult care home and nursing care beds at the Brookridge Retirement Community are attached as Attachments IV through VI.

In addition to Brookridge, ThriveMore owns and operates The Gardens of Taylor Glen in Concord, NC and Ardenwoods Retirement Community in Arden NC, which are the only other communities in its system that offers continuing care contracts. Communities are operational divisions of ThriveMore, not separate legal entities and, therefore, have no officers or Trustees of their own.

III. <u>POLICIES – ADMISSION</u>

A. Independent Living

1. In order for an individual to be accepted as a RESIDENT of a ThriveMore community, the individual must be a minimum of sixty-two (62) years of age and in reasonable health sufficient to be capable of maintaining an independent living arrangement as determined by ThriveMore. After the acceptance of a RESIDENT, but prior to occupancy, if ThriveMore should determine that the RESIDENT has become incapable of independent living, the Agreement shall be canceled. After occupancy, the RESIDENT'S right to occupy an independent living residence shall terminate upon ThriveMore's determination that the RESIDENT is no longer capable of independent living. When it is determined by the ThriveMore organization that a RESIDENT can no longer live safely in an independent living environment and his/her right to occupy an independent living apartment has been terminated, he/she can elect to leave the community and if his/her occupancy

has lasted for less than twenty four (24) months, receive a partial refund of the “fee” paid by him/her to the organization at the time of admission. The RESIDENT can also, if he/she elects this option, enter the organization’s health care center at the health care center’s current rates if ThriveMore concludes that the health care center can provide the level of services the RESIDENT’S condition requires. If the RESIDENT elects the above mentioned option, he/she will not be required to pay an entrance fee for admission to the health care center nor will he/she receive a partial refund of the “fee” paid to the organization at the time of admission.

2. In general, the individual must pay the admission fees and be capable of paying the reasonable periodic fees as determined by ThriveMore in order to be accepted as a RESIDENT. The RESIDENT agrees to prudently conserve and maintain current and future income and assets in order to provide for payment of services to be provided by ThriveMore under this Agreement or otherwise. Upon verification satisfactory to ThriveMore that RESIDENT has complied with this obligation and that RESIDENT’S income and assets are no longer sufficient to pay for services required, ThriveMore will endeavor to provide assistance to RESIDENT by prudent use of finite funds available to it for such purposes. ThriveMore has no legal obligation to provide such assistance and is unable to represent or guarantee with certainty that such assistance will be available to RESIDENT. In any event, such assistance as may be available will be provided only after RESIDENT has applied for and taken all necessary steps to qualify for any public benefit program, or private funds or programs through which benefits may be available for payment of services required by RESIDENT.

ThriveMore offers three (3) options for entrance fee payments to the residents. The RESIDENT may choose between a Traditional Payment Program, a Fifty-Percent Refund Program, and a Ninety-Percent Refund Program. The Traditional program provides for a twenty-four (24) month amortization of the RESIDENT’S entrance fee (after twenty-four (24) months, there is no remaining equity). The Fifty-Percent Refund Program provides for a fifty-percent refund of the entrance fee paid at admission and the Ninety-Percent Refund Program provides for a ninety percent refund of the entrance fee paid at admission. The Fifty-Percent Refund Program is offered to RESIDENTS at the Brookridge Retirement Community at a cost of 1.4 times the Traditional Program entrance fees. The Ninety-Percent Refund Program is offered to RESIDENTS at the Brookridge Retirement Community at a cost of 1.8 times the Traditional Program entrance fees.

ThriveMore at its discretion may offer a Promissory Note for a term period not to exceed 12 months.

3. If a RESIDENT marries or adds a non-resident to their home while at the Community, the non-resident must apply for residency to live in an apartment unit with the RESIDENT. Such permission is conditioned upon the non-resident ability and willingness to pay an entrance fee equal to the difference between the “single” and “double” entrance fee rate, and he/she must also be capable of paying the difference between the “single” and “double” monthly fee. The non-resident spouse must also agree to prudently conserve and maintain his/her current and future financial assets in order to provide for payment of services to be provided by ThriveMore . The non-resident must also be willing to submit medical information demonstrating his/her ability to live independently as determined by ThriveMore. Lastly, admission of a non-resident is conditioned on the execution of a new Apartment Residency Agreement. Until such an Agreement is reached, the new spouse has no rights or privileges under the existing “Agreement” with the RESIDENT and cannot reside in his/her apartment. If a RESIDENT of ThriveMore marries or adds a ThriveMore RESIDENT they may occupy two separate apartments/garden homes or choose to relinquish one of the apartments.,. If the RESIDENT relinquishing his/her apartment has lived in that unit for less than 24 months, ThriveMore will refund to the RESIDENT an amount equal to the amortized remaining value of the entrance fee paid by the RESIDENT. The refund will be made upon the re-occupancy of the unit and receipt and unrestricted use of the entrance fee from the successor resident. The new double occupant will be expected to pay the double occupant monthly rate.

4. The RESIDENT must agree to prudently conserve and maintain current and future income and assets in order to provide for the payment of services. Upon verification that the RESIDENT has complied with this obligation and that the RESIDENT’S income and assets are no longer sufficient to pay for the services required, ThriveMore will endeavor to provide financial assistance to the RESIDENT pursuant to the Apartment Residence Agreement. ThriveMore has no legal obligation to provide such assistance and does not represent or guarantee that such assistance will be provided to a RESIDENT.

5. The following paragraphs provide a description of the refund provisions for rescinded or cancelled contracts:

The RESIDENT may rescind the contract by giving written notice to ThriveMore within thirty (30) days following the later of the execution of the contract or the receipt of a disclosure statement that meets the requirements of this section. The RESIDENT is not required to move into the facility during the thirty (30) day automatic rescission period. If such action is taken, the RESIDENT shall receive a full refund of any entrance fees paid within sixty (60) days following the receipt of the written notice. The RESIDENT to whom the contract pertains is not required to move into the community before the expiration of the thirty (30) day period. After the initial (30) day period following the payment of the full entrance fee but prior to occupancy, the RESIDENT may cancel the Agreement by giving thirty (30) days written notice to the Homes and receive a refund of the entrance fees paid less four percent (4%). The refund will be paid within sixty (60) days following receipt of the written notice. Should a RESIDENT die before occupying an independent living unit in the facility, or if, on account of illness, injury, or incapacity, a RESIDENT would be precluded from occupying an independent living unit in the facility under the terms of the contract for continuing care, the contract is automatically cancelled and the RESIDENT is entitled to a full refund of the Entrance fee paid. During the first 24 months of occupancy, the RESIDENT may cancel his/her "Agreement" with the organization by giving thirty (30) days written notice to ThriveMore. ThriveMore will refund to the RESIDENT all amounts paid to the organization as an entrance fee less four percent (4%) of the "fee" for each month of occupancy, or part thereof, which will be retained by the organization. The RESIDENT will receive his/her entrance fee "refund" when RESIDENT'S unit has been occupied by another RESIDENT or within two (2) years of his/her termination of their Agreement, whichever event occurs sooner. If the RESIDENT who purchased the Traditional Payment Program cancels the Agreement after twenty-four (24) months of occupancy, there shall be no refund of the entrance fee. The RESIDENT who purchased the Fifty-Percent Refund Program has a fifty percent refund option for life and the Resident who purchased the Ninety-Percent Refund Program has a ninety percent refund option for life. ThriveMore may cancel the Apartment Residence Agreement prior to or following occupancy by the RESIDENT, upon determining that the RESIDENT has either become incapable of independent living or has failed to comply with the obligations assumed pursuant to the Agreement. In the event of such cancellation, the RESIDENT shall receive a full refund if cancellation occurs prior to occupancy; a partial refund if cancellation occurs during the first twenty-four (24) months of occupancy; and, no refund if cancellation occurs thereafter.

If RESIDENT voluntarily terminates this Agreement, the applicable refund will be made at the earlier of two (2) years after ThriveMore is notified of termination or such time as ThriveMore has obtained an executed Residence and Services Agreement and has received full payment and unrestricted use of the Entrance Fee for the Apartment. ThriveMore shall make reasonable efforts to secure a RESIDENT for the Apartment as is feasible.

If a RESIDENT dies within twenty-four (24) months of occupancy, a refund of the unamortized entrance fee will be made to the estate of the RESIDENT. The refund will be made upon re-occupancy of the unit and the receipt and unrestricted use of the entrance fee proceeds from the successor RESIDENT. No refund is made if death occurs after the first twenty-four (24) months of occupancy. If a RESIDENT who purchased the Fifty Percent Refund Program dies, a refund of fifty percent of the entrance fee will be paid to his/her estate. If a resident who purchased the Ninety-Percent Refund Program dies, a refund of ninety percent of the entrance fee will be paid to his/her estate.

A RESIDENT contract with ThriveMore can be terminated if the RESIDENT being provided service requires a higher level of care than can be provided in the RESIDENT'S current setting. In such a case, every effort will be made to place the RESIDENT at an appropriate level of care within the ThriveMore system. If a contract is terminated by ThriveMore, a refund of the unamortized entrance fee will be made to the RESIDENT as soon as the RESIDENT'S residence has been re-leased.

6. RESIDENTS living in garden home units can choose from one of three plans in regard to services offered to them via the Brookridge Community:

The Platinum Club Plan – Garden home RESIDENTS who choose this Plan receive credit via their monthly maintenance fee to purchase thirty (30) meals a month, housekeeping services, and concierge services.

The Gold Club Plan – Garden home RESIDENTS who choose this Plan receive credit via their monthly maintenance fee to purchase twenty (20) meals a month and housekeeping services.

The Silver Club Plan – Garden home RESIDENTS who choose this Plan receive no credit via their monthly maintenance fee to purchase meals, housekeeping, or concierge services.

7. If RESIDENT is away from the Brookridge Retirement Community for thirty consecutive days, he/she will receive a credit equal to the cost of the thirty-day dining plan for each person. If for any reason, RESIDENT returns to the Brookridge Retirement Community for an overnight stay, he/she will be ineligible to take advantage of the away rate. The "away rate" can be taken for a maximum of three months.

8. Upon cancellation of the Agreement by the RESIDENT or the Homes, the independent living apartment of the prior RESIDENT may be made available to a different or new resident by the Homes if the rights of all residents residing in the independent living apartment have been terminated.

B. **Adult Care Home**

1. In order for an individual to be accepted as a RESIDENT, the individual must be a minimum of sixty-two (62) years of age and in the mental and physical condition to be able to adequately function at the Adult Care Home level of care. After the acceptance of a RESIDENT, if ThriveMore should determine that the RESIDENT has become incapable of functioning at an Adult Care Home level of care, the Agreement shall be canceled pursuant to Sections 7 and 8 of the Resident Care Agreement.

2. Also, in general, the individual must be capable of paying the reasonable periodic fees as determined by ThriveMore in order to be accepted as a RESIDENT. The RESIDENT agrees to prudently conserve and maintain current and future income and assets in order to provide for payment of services to be provided by the Homes under this Agreement or otherwise. Upon verification satisfactory to the Homes that the RESIDENT has complied with this obligation, and that the RESIDENT'S income and assets are no longer sufficient to pay for services required, the Homes will endeavor to provide financial assistance to the RESIDENT, by prudent use of finite funds available to it for such purposes. The Homes has no legal obligation to provide such assistance, and is unable to represent or guarantee with certainty that such assistance will be available to the RESIDENT. In any event, such assistance as may be available will be provided only after the RESIDENT has applied for and taken all necessary steps to qualify for any available public benefit program, or private funds or programs through which benefits may be available for payment of services required by the RESIDENT.

3. If a RESIDENT marries while at the facility, the RESIDENT must have the advanced written permission of ThriveMore for the new spouse to live with the RESIDENT. Such permission is conditioned upon negotiation and

execution of a new written Resident Care Agreement and shall be subject to the appropriate fees. Until such an Agreement is reached, the new spouse has no rights or privileges under the existing Agreement with the RESIDENT.

4. The RESIDENT must agree to prudently conserve and maintain current and future income and assets in order to provide for the payment of services. Upon verification that the RESIDENT has complied with this obligation and that the RESIDENT'S income and assets are no longer sufficient to pay for the services required, ThriveMore will endeavor to provide financial assistance to the RESIDENT pursuant to the Resident Care Agreement. ThriveMore has no legal obligation to provide such assistance and does not represent or guarantee that such assistance will be provided to a RESIDENT.

5. The RESIDENT may cancel the Resident Care Agreement within thirty (30) days of execution and prior to occupancy by giving written notice to ThriveMore and receive a full refund of any admission fees paid. After the initial thirty (30) day period but prior to occupancy, the RESIDENT may cancel the Agreement by giving thirty (30) days written notice to the Homes.

   ThriveMore may cancel the Resident Care Agreement prior to or following occupancy by the RESIDENT, upon determining that the RESIDENT has either become incapable of living at the Adult Care Home level of care or has failed to comply with the obligations assumed pursuant to the Agreement.

   A RESIDENT contract with ThriveMore can be terminated if the RESIDENT being provided services requires a higher level of care than can be provided in the RESIDENT'S current setting. In such a case, every effort would be made to place the RESIDENT at an appropriate level of care within the ThriveMore system.

6. Upon cancellation of the Agreement by the RESIDENT or the Homes, the Adult Care Home room of the prior RESIDENT may be made available to a different or new resident by the Homes if the rights of the RESIDENT residing in the Adult Care Home room have been terminated.

IV. <u>SERVICES</u>

A. Independent Living

The Homes provides the "continuing care" services outlined below in the Independent Living Apartments at the Brookridge Retirement Community.

All parties who wish to reside in the Independent Living Apartments at the Brookridge Retirement Community shall do so by entering into a contract titled "Residence and Services Agreement". A current copy of this Agreement is enclosed with this Disclosure Statement. This Agreement is the sole contract between ThriveMore and the RESIDENT. If more than one person enters into the Agreement, the word "RESIDENT" as used herein and as used in the Agreement shall include both residents unless otherwise stated. This Disclosure Statement constitutes Exhibit C to the Agreement and is incorporated therein by reference. ThriveMore provides the following "continuing care" services at the Brookridge Retirement Community pursuant to the Residency Agreement based upon the admission fee and the monthly service fee (the monthly service fee is that amount paid by the RESIDENT on a monthly basis to underwrite the cost of the service provided to him/her via the RESIDENT'S contract with ThriveMore – see Apartment Resident Agreement Page 1, #2) specified therein:

1. UTILITIES: Including heat, electricity, air conditioning, telephone and television outlets, water and sewer services, and trash disposal.

2. FURNISHINGS:

   a. Independent Living Apartments located in the Main Building are furnished with carpeting, window covering, electric range with hood, frost-free refrigerator, dishwasher, and disposal.

   b. Independent Living Garden Homes are furnished as indicated above with the addition of a washer/dryer.

3. INSURANCE: ThriveMore provides fire and casualty insurance. The insurance provided by ThriveMore does not cover personal contents of the Apartments.

4. MEAL SERVICE: ThriveMore in its standard contract provides at no additional charge to RESIDENT, one meal each day to be served in its dining room. Garden Home residents have three options for dining services:
   The Platinum Plan- 30 meals a month
   The Gold Plan- 20 meals a month
   The Silver Plan- 0 meals a month

5. HEALTH SERVICE: If required by RESIDENT'S health status, ThriveMore will provide without additional charge a cumulative total of thirty (30) days residential care in its Health Care Center while the Residency Agreement is in force. Such care, as appropriate, will be at either the adult care home level, or at the nursing care level. If for any reason such care is

temporarily unavailable when required by the RESIDENT, it will be provided at the expense of ThriveMore at other comparable facilities. During provision of such care, the RESIDENT will be charged for medicines, physician's services, and for supplies not normally included in the base fee for such services. The RESIDENT will pay for health care services in excess of the thirty (30) day cumulative total provided by this Agreement at the rate established for such care by ThriveMore at the time such care is required. All other medical care, services and supplies provided to the RESIDENT by ThriveMore or others, will be at the RESIDENT'S expense.

6. MAINTENANCE of all common areas and grounds, and furnishings and equipment owned by ThriveMore.

7. PARKING: Parking for residents is available in three parking lots adjacent to the main building on Brookridge's campus. Every resident is guaranteed a parking place for his/her vehicle, and no parking fee is charged to the resident for that service. Every resident living in a garden home located on the Brookridge campus has access to covered parking adjacent to his/her garden home. No parking fee is charged to the resident for that service.

8. RECREATIONAL, SOCIAL, AND RELIGIOUS ACTIVITIES and other life enrichment programs are provided. Space and equipment to facilitate various hobbies and crafts are furnished. An indoor swimming pool and exercise area, the West Water Therapy Center, is also available on site.

9. HOUSEKEEPING:

   a. Congregate Building apartments are provided bi-weekly housekeeping (general vacuuming, dusting, and cleaning of bath) and weekly changes of white sheets and pillowcases.

   b. Garden home apartments are provided twice-monthly housekeeping (general vacuuming, dusting, and cleaning of bath).

10. LAUNDRY: For Residents living in Congregate Building Apartments, ThriveMore furnishes and maintains washers and dryers for RESIDENT'S use.

11. SCHEDULED TRANSPORTATION: ThriveMore provides scheduled transportation to local shopping areas, churches, and social activities.

12. STAFF: ThriveMore has staff on duty at all times to be responsive to the needs of the RESIDENTS and to assist in case of emergencies as well as 911.

ThriveMore makes available to the RESIDENT on an optional basis, upon payment of additional fees as may be established:

a. One or two additional meals per day in the central dining room;

b. In case of temporary illness, tray service of meals in the RESIDENT'S apartment;

c. Additional housekeeping services as required;

d. Transportation to extra-curricular events and locations;

e. Beauty and barber services; and

f. Transportation to medical appointments, by appointment, limited space available.

B. **Adult Care Home**

ThriveMore provides the following "continuing care" services at the Adult Care Home level of care at the Brookridge Retirement Community, pursuant to the Resident Care Agreement based upon the admission fee and monthly service fee specified therein:

1. UTILITIES: Including heat, electricity, air conditioning, telephone outlets and television outlets, water and sewer services, and trash disposal.

2. FURNISHINGS: Each Adult Care Home room will be furnished with flooring and window covering.

3. INSURANCE: ThriveMore carries fire and casualty insurance. The insurance provided by ThriveMore does not cover personal contents of the room.

4. MEAL SERVICE: ThriveMore provides, at no additional charge to the RESIDENT, three meals each day served in its dining room.

5. MEDICATION MONITORING: Certified staff will monitor and/or administer medications to the RESIDENT.

6. MAINTENANCE of all common areas and grounds, and furnishings and equipment owned by ThriveMore.

7. PARKING: Parking is provided for Adult Care Home residents and their families in two parking areas adjacent to the Health Care Center located on the Brookridge campus. Adult Care Home residents who own their own vehicles are provided parking spaces for their automobiles at no charge to the residents.

8. RECREATIONAL, SOCIAL, AND RELIGIOUS ACTIVITIES and other life enrichment programs are provided. Space and equipment to facilitate various hobbies and crafts are also furnished.

9. HOUSEKEEPING: Residents of the Adult Care Home area receive daily housekeeping services (general vacuuming, dusting, and cleaning of bath) and changes of white sheets and pillowcases as needed.

10. LAUNDRY: ThriveMore provides personal laundry services for each RESIDENT.

11. SCHEDULED TRANSPORTATION: ThriveMore provides scheduled transportation to local shopping areas, churches, social activities, and routine medical appointments.

12. STAFF: ThriveMore has staff on duty at all times to be responsive to the needs of the RESIDENTS and to assist in case of emergencies.

ThriveMore will make available to the RESIDENT on an optional basis, upon payment of additional fees as may be established:

a. Medical supplies and equipment related to hospitalization, prescription medicines, medical supplies, physician services, dental and optical care;

b. Physical, Speech, and Occupational therapy;

c. Clothing;

d. Personal Care items;

e. Beauty and Barber Services.

V. **FEES**

A. **Independent Living**

1. A description of all current fees required of residents of the Brookridge Retirement Community including admission fees and periodic charges is set forth as follows:

ENTRANCE FEES

The Apartment/Garden Home Entrance fee is paid by the RESIDENT thirty (30) days after he/she signs the Apartment Resident Agreement or the receipt of a Disclosure Statement and assures the RESIDENT a place in the "Community" for a term of years or life as long as the RESIDENT complies with his/her contract with ThriveMore.

Independent Living 0% Refundable Entrance Fees

Garden Homes	
Single residence – single	$ 225,000
Single residence – double	$ 240,000
Single residence deluxe – single	$ 380,000
Single residence deluxe – double	$ 395,000
Duplex residence – single	$145,000 - $195,000
Duplex residence – double	$160,000 - $210,000
Apartments	
Studio	$ 45,619
One bedroom – single	$ 72,196
One bedroom – double	$ 87,196
Deluxe one bedroom – single	$ 120,500
Deluxe one bedroom – double	$ 135,500
Two bedroom – single	$ 120,500
Two bedroom – double	$ 135,500
Two bedroom Classic – single	$ 130,000
Two bedroom Classic – double	$ 145,000
Deluxe two bedroom – single	$195,000 - $210,000
Deluxe two bedroom – double	$210,000 - $225,000

MONTHLY FEES

The monthly service fee is that amount paid by the RESIDENT on a monthly basis to underwrite the cost of the services provided to him/her via the RESIDENT'S contract with ThriveMore.

Type of Unit Monthly Fee

Independent Living

Garden Homes	Platinum	Gold	Silver
Single residence – single	$3,480	$3,200	$3,046
Single residence – double	$4,480	$4,200	$4,046
Single residence deluxe – single	$4,970	$4,690	$4,536
Single residence deluxe – double	$5,970	$5,690	$5,536
Duplex residence – single	$3,160	$2,880	$2,726
Duplex residence – double	$4,160	$3,880	$3,726

Apartments	
Studio	$ 1,670
One bedroom – single	$ 2,170
One bedroom – double	$ 3,120
Deluxe one bedroom – single	$ 2,760
Deluxe one bedroom – double	$ 3,760
Two bedroom – single	$ 2,760
Two bedroom – double	$ 3,760
Two bedroom Classic – single	$ 3,040
Two bedroom Classic – double	$ 4,040
Deluxe two bedroom – single	$3,468 - $3,770
Deluxe two bedroom – double	$4,480 - $4,770

Fees for Additional Services Available

Transportation expense	$30.00 Trip

B. **Adult Care Home**

1. A description of all current fees required of residents, including admission fees and periodic changes, is as follows:

Regular - entrance fee paid	$5,898
Regular - no entrance fee	$6,992
Memory-Enhanced residence	$8,715

C. **Skilled Nursing**

1. A description of all current fees required of residents, including admission fees and periodic changes, is as follows:

Nursing Care	Daily Rate
Private room	$377
Semi-private room	$353

VI. **FINANCIAL INFORMATION**

Unless otherwise indicated all financial data is derived from the consolidated financial statements of the Baptist Retirement Homes of North Carolina, Incorporated dba ThriveMore ("ThriveMore").

A. The Brookridge Retirement Community has a fully funded Statutory Operating Reserve Fund of $4.283 million, in addition to resident entrance fees in funding the Brookridge Retirement Community. If unforeseen financial need is ever experienced in connection with the operation of the Brookridge Retirement Community, ThriveMore will, in the same manner utilize any funds that may be available to it from gifts or contributions to enable it to perform its obligations fully under contracts to provide continuing care at the Community.

B. ThriveMore operates on a fiscal year of October 1 through September 30. From 1986 to 1990, D.E. Gatewood and Company, Certified Public Accountants, audited the financial records of the organization. From 1991 to 1993, Coopers and Lybrand, Certified Public Accountants audited the financial statements of the organization. From 1994 through 2000, Ernst and Young, LLP audited the financial statements of the organization. From 2001 to 2006, the financial statements of the organization were audited by McGladrey & Pullen, LLP. From 2007 to 2009, LarsonAllen LLP audited the financial statements of the organization. From 2010-2015, RSM/McGladrey, LLP audited the financial statements of the organization. For 2016 to 2024, Clifton Larson Allen, LLP audited the financial statements of the organization. Certified consolidated financial statements covering all facilities are attached hereto as follows:

Interim Financial Statements as of December 2024	Attachment VIII
2024 Audit Report	Attachment I

C. Pro-forma financial statements prepared by an independent auditor are attached hereto as Attachment III.

VII. **RESERVES, ESCROW, AND TRUSTS**

A. ThriveMore is the income beneficiary of various trusts administered by the North Carolina Baptist Foundation. These trusts have a market value of approximately $5,225,412. Income received from these trusts is approximately $340,583 per year. ThriveMore is the income beneficiary of a trust under the Will of John Alonzo Bolich, Jr. The trust, being administered by First Citizens Bank, has a market value of approximately $2,166,835. Annual income from the trust is approximately $115,000.

In 1994, ThriveMore established an endowment fund for the benefit of supplementing the cost of care for residents who do not have the financial resources to pay for their care. The funds have a balance of $3,628,788. Annual income from the fund is approximately $166,505.

B. The forecasted financial statements will reflect ThriveMore's funding of an operating reserve as required by N.C.G.S. §58-64. The operating reserve must be an amount at least equal to fifty percent (50%) or (25%)of operating expenses (net of depreciation and amortization) plus debt service for all facilities considered to be continuing care retirement communities. As only the Brookridge Retirement Community, Ardenwoods Retirement Community and The Gardens of Taylor Glen Retirement Community qualify as continuing care retirement communities, only the operating expenses related to the Brookridge Retirement Community, Ardenwoods Retirement Community and to The Gardens of Taylor Glen Retirement Community are used to calculate the reserve. The forecast will also assume an interest rate between one to five percent (1-5%) will be earned on these funds based on the average balance during the year.

C. The Foundation funds on deposit with First Citizens Bank are invested seventy percent (70%) in equities and thirty percent (30%) in fixed income funds.

The long-term reserve funds on deposit with First Citizens are invested seventy percent (60%) in equities and thirty percent (40%) in fixed income funds. The short-term time horizon funds on deposit with First Citizens are invested approximately twenty percent (20%) in equities and eighty percent (80%) in fixed income funds/cash.

Below are the First Citizens Bank investment management professionals overseeing investment decisions for the Baptist Retirement Homes portfolios and their professional investment experience:

Name	Years of Experience
Brent Ciliano	28
Thaddeua Yasunaga	13
Craig Letendre	15

The following is a list of the third party fund management professionals that are over-seeing the investment decisions and their professional investment experience for each fund.

Fund Name	Manager	ears of Experience	Manager	ears of Experience	Manager	ears of Experience
iShares Russell Top 200 Growth ETF (IWY)	Index Strategy - No Manager	-	-	-	-	-
iShares Russell Top 200 Value ETF (IWX)	Index Strategy - No Manager	-	-	-	-	-
iShares Russell Mid-Cap Growth ETF (IWP)	Index Strategy - No Manager	-	-	-	-	-
iShares Russell Mid-Cap Value ETF (IWS)	Index Strategy - No Manager	-	-	-	-	-
Hotchkis & Wiley Sm Cp Divers Val I (HWVIX)	Judd Peters, CFA	27 Yrs	Ryan Thomas, CFA	22 Yrs		
Thrivent Small Cap Stock S (TSCSX)	Matthew D. Finn, CFA	20 Yrs	James M. Tinucci, CFA	10 Yrs	Katelyn R. Young, CPA	2 Yrs
Vanguard Russell 2000 ETF (VTWO)	Index Strategy - No Manager	-	-	-	-	-
William Blair Small Cap Growth I (WBSIX)	Ward Sexton, CFA	25 Yrs	Mark Thompson, CFA	18 Yrs		
iShares Core MSCI EAFE ETF (IEFA)	Index Strategy - No Manager	-	-	-	-	-
MFS International Equity R6 (MIEIX)	Filipe Benzinho	18 Yrs	Daniel Ling, CFA	26 Yrs		
Transamerica International Equity I (TSWIX)	Brandon H. Harrell, CFA	37 Yrs	-	-	-	-
Artisan International Small-Mid Instl (APHJX)ntf	Rezo Kanovich	5 Yrs	-	-	-	-
Pear Tree Polaris Fgn Val Sm Cap R6 (QUSRX)	'olaris Capital Management, LL	35 Yrs	-	-	-	-
Driehaus Emerging Markets Growth Instl (DIEMX)	Howie Schwab	23 Yrs	Chad Cleaver, CFA	20 Yrs	Richard Thies	13 Yrs
Goldman Sachs Em Mkts Eq Insghts R6 (GERUX)ntf	Osman Ali, CFA	20 Yrs	Len Ioffe, CFA	32 Yrs		
iShares Core MSCI Emerging Markets ETF (IEMG)	Index Strategy - No Manager	-	-	-	-	-
iShares 10-20 Year Treasury Bond ETF (TLH)	Index Strategy - No Manager	-	-	-	-	-
iShares Core US Aggregate Bond ETF (AGG)	Index Strategy - No Manager	-	-	-	-	-
ProShares DJ Brookfield Global Infras (TOLZ)ntf	Index Strategy - No Manager	-	-	-	-	-
Vanguard Real Estate ETF (VNQ)	Index Strategy - No Manager	-	-	-	-	-
Vanguard Global ex-US Real Est ETF (VNQI)	Index Strategy - No Manager	-	-	-	-	-
Federated Hermes Government Obligations Fund	Susan Hill, CFA	34 Yrs	Jeborah A. Cunningham, CF.	38 Yrs		

VIII. FACILITY DEVELOPMENT/EXPANSION

ThriveMore has been involved in the following development since 1990:

In December 1990, ThriveMore was given Certificate of Need approval to construct a one-hundred (100)-bed nursing care addition to its Western North Carolina Baptist Home in Asheville. Construction on the one-hundred (100)-bed addition began in the fall of 1991, and the center was opened in February 1993.

In 1994, a Solarium was added to the Prince Nursing Care Center to house a special small group program designed to enhance the quality of life experienced by institutionalized Older Adults who have dementia. A similar addition was made to the Western North Carolina Baptist Home in 1995.

In 1997, community-wide renovation work at The Taylor House was completed.

In 1997, renovation work at the Adult Care Home Residence at the Western North Carolina Baptist Home was completed.

In 1997, construction began on five two bedroom deluxe apartments at the Brookridge Retirement Community. The apartment project was completed in the summer of 1998.

In 1998, construction began on an indoor swimming pool and fitness center at the Brookridge Retirement Community. The pool was completed in September 1999.

In 1998, renovation work at the Western North Carolina Baptist Home began to develop a nine (9)-bed memory-enhanced residence. The memory-enhanced residence was completed in the fall of 1999.

In 2001, The Gardens of Taylor Glen was opened for operation.

Construction of a memory-enhanced residence at the Brookridge Retirement Community began in February 2001, and the project was completed in October 2001.

In 2002, community-wide renovation of The Taylor House was completed to include a new elevator, new boiler, and new kitchen area.

In 2003, a special residence for Older Adults with dementia was opened in the Adult Care Home area of the Western North Carolina Baptist Home.

In 2006, a café dining option for independent living residents at the Brookridge Retirement Community was opened for operation.

In 2006 – 2007, the Prince Nursing Care Center in Winston-Salem and the Rickman Nursing Care Center in Asheville underwent significant renovations.

In 2010, the administrative and family area at Brookridge Retirement Community Nursing Care Center was renovated.

In 2012, ThriveMore began construction of a new wing and renovation of existing rooms and administrative offices at the Prince Nursing Care Center in Winston-Salem. The new wing was completed in 2013 and the renovations completed in 2014.

In 2014, the Brookridge Independent Living Lobby was renovated.

In 2015, the Western North Carolina Baptist Home began renovation of the Nursing Care Center, which was completed in 2016.

In 2022, the Brookridge community made a significant upgrade to their existing common space. The upgrade included new flooring, paint, lighting but also added areas to enhance the common space. The community added an additional dining venue by adding a Café that is open for breakfast and lunch. A fireplace with casual seating enhances the entry area. The community added "screened-in" outdoor dining areas. A concrete patio was added off the lower level for outdoor conversation or entertainment. Landscaping to the entrance is completely new. The original skylight for the building (fiberglass product) was replaced with a glass skylight. Master planning for the campus was also completed with plans to add additional dining, villas, additional/enhanced walking trails and expanded fitness area.

In 2022, with a growing wait list, the Taylor Glen campus completed master planning. Board approval of Phase I also occurred and plans are being completed to accommodate that phase I construction. Phase I will consist of 33 freestanding homes in a pocket neighborhood setting. One 17 unit Villa apartment building, expanded dining and additional dining venue, and an additional 12 private rooms in a Green House Home for

Memory Care. The Green House Home is a home that looks outside and inside like a traditional home but is focused on the care of older adults and designed to provide that care in a warm inviting person-centered environment. Taylor Glen has begun with pre-sales of the homes and villas and hope to have all approvals and begin construction of Phase I in the fall of 2023. In addition to the expansion of the Taylor Glen campus we are also working with an interior designer to refresh the common spaces over a series of phases, the first phase was completed in January 2024. The refresh will include new flooring, lighting, artwork and enhanced outdoor living areas.

In Fall of 2023 ThriveMore sold Western North Carolina Baptist Home and acquired Ardenwoods.

In December 2023 ThriveMore purchased 70 acres for Brice Pointe.

IX. OTHER MATERIAL INFORMATION

As of the date of this Disclosure Statement, ThriveMore is not involved in any past or current litigation, bankruptcy filings, receivership, liquidation, impending actions or perils.

X. RESIDENCE AND SERVICES AGREEMENT

A copy of the current Residence and Services Agreement which comply with all contract specifications as per N.C.G.S. 58-64-25 are attached to this Disclosure Statement as Attachment IV, Attachment V, and Attachment VI and VI-A for Independent Living, Adult Care Home, and Nursing Care at the Brookridge Retirement Community.

XI. ATTACHMENTS TO DISCLOSURE STATEMENT

Attachment I	9/30/24 Audit Report
Attachment II	Financial Data - Actual Compared to Forecasted
Attachment III	Pro-Forma Financial Statements
Attachment IV	Residence and Services Agreement - Independent Living
Attachment IV-A	Amendment to Residence and Services Agreement: Promissory Note
Attachment V	Resident Care Agreement - Adult Care Home Residence
Attachment VI	Nursing Care Agreement
Attachment VII	Life Expectancy Table
Attachment VIII	Interim Financial Statements as of December 2024

ATTACHMENT I

9/30/2024 Audit Report

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED DBA THRIVEMORE AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

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BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
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CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Baptist Retirement Homes of North Carolina, Incorporated
dba Thrivemore
Winston-Salem, North Carolina

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Baptist Retirement Homes of North Carolina, Incorporated dba Thrivemore and Affiliate (collectively, the Organization), which comprise the consolidated balance sheets as of September 30, 2024 and 2023, and the related consolidated statements of activities, changes in net assets, and cash flows for the years then ended, and the related notes to consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2024 and 2023, and the results of their operations, and changes in their net assets, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Board of Trustees
Baptist Retirement Homes of North Carolina, Incorporated dba Thrivemore

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 36 to 42 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North Carolina
January 28, 2025

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2024 AND 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 3,434,031	$ 3,542,026
Accounts Receivable	4,501,618	4,669,078
Allowance for Credit Losses	(1,441,893)	(2,047,195)
Accounts Receivable, Net	3,059,725	2,621,883
Investments	56,041,825	46,308,058
Contributions Receivable	157,500	157,500
Prepaid Expenses and Other Assets	1,020,641	869,664
Deposit	169	8,258,433
Total Current Assets	63,713,891	61,757,564
ASSETS LIMITED AS TO USE		
Entrance Fee Deposits	2,123,063	31,472
Internally Designated for Thrivemore at Home	856,220	-
Internally Designated for Statutory Operating Reserve	8,119,000	9,344,000
Total Assets Limited as to Use	11,098,283	9,375,472
INVESTMENTS AND OTHER ASSETS		
Assets in Split-Interest Agreements:		
Charitable Remainder Trusts	1,590,144	1,066,407
Beneficial Interest in Perpetual Trusts	7,234,216	6,886,924
Other Assets	15,000	15,000
Goodwill, Net	15,342,454	-
Note Receivable	2,500,000	2,500,000
Total Investments and Other Assets	26,681,814	10,468,331
PROPERTY AND EQUIPMENT, NET	87,826,351	55,224,009
Total Assets	$ 189,320,339	$ 136,825,376

See accompanying Notes to Consolidated Financial Statements.

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
CONSOLIDATED BALANCE SHEETS (CONTINUED)
SEPTEMBER 30, 2024 AND 2023

	2024	2023
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	$ 1,930,636	$ 1,869,540
Lines of Credit	6,750,000	3,775,000
Accounts Payable	2,641,313	2,602,923
Accrued Expenses	1,061,899	519,194
Accrued Employee Compensation	1,059,716	614,161
Other Current Liabilities	11,295	39,721
Current Portion of Refundable Advance Fees	713,207	222,506
Total Current Liabilities	14,168,066	9,643,045
LONG-TERM DEBT, LESS CURRENT MATURITIES	46,186,381	23,960,343
DEFERRED REVENUE AND OTHER LIABILITIES		
Entrance Fee and Waitlist Deposits	2,207,051	118,000
Deferred Revenue from Advance Fees	21,984,947	18,289,457
Refundable Advance Fees on Occupied Units, Net of Current Portion	24,502,823	6,913,040
Total Deferred Revenue and Other Liabilities	48,694,821	25,320,497
Total Liabilities	109,049,268	58,923,885
NET ASSETS		
Without Donor Restrictions	56,045,943	55,306,824
With Donor Restrictions	24,225,128	22,594,667
Total Net Assets	80,271,071	77,901,491
Total Liabilities and Net Assets	$ 189,320,339	$ 136,825,376

See accompanying Notes to Consolidated Financial Statements.

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
REVENUES, GAINS, AND OTHER SUPPORT		
Resident Services:		
On Campus	$ 35,535,382	$ 37,005,442
Early Acceptance	42,444	-
Amortization of Advance Fees:		
On Campus	3,577,823	-
Early Acceptance	30,333	-
Gifts, Including Gifts from Churches and Special Offerings	378,484	340,305
Income from Grants	353,037	352,998
Income from Estates and Trusts	342,842	484,932
Investment Income and Realized Gains	3,157,499	1,534,559
Net Assets Released from Restrictions	901,201	988,157
Other	262,884	366,901
Total Revenues, Gains, and Other Support	44,581,929	41,073,294
OPERATING EXPENSES		
Resident Care	20,166,808	22,539,957
Dietary	5,592,797	4,359,351
Maintenance and Housekeeping	6,944,745	6,493,194
General and Administrative	6,579,629	6,219,183
Depreciation and Amortization	10,192,185	5,725,754
Interest	2,039,679	1,061,227
Total Operating Expenses	51,515,843	46,398,666
OPERATING LOSS	(6,933,914)	(5,325,372)
NONOPERATING INCOME (LOSS)		
Gain (Loss) on Sale of Property and Equipment	(51,473)	9,425,553
Unrealized Gains on Investments	8,315,929	4,107,664
Accreted Interest	(883,204)	-
Total Nonoperating Income	7,381,252	13,533,217
EXCESS OF REVENUES OVER EXPENSES	447,338	8,207,845
OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Transfers to Net Assets With Donor Restrictions	-	(44,154)
for Property and Equipment	291,781	1,154,477
Total Other Changes in Net Assets Without Donor Restrictions	291,781	1,110,323
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	739,119	9,318,168
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	198,557	308,691
Transfers from Net Assets Without Donor Restrictions	-	44,154
Change in Value of Charitable Remainder Trusts	523,736	215,107
Unrealized Gain on Investments	1,753,857	1,009,289
Change in Value of Beneficial Interest in Perpetual Trusts	347,293	468,466
Net Assets Released from Restrictions	(1,192,982)	(2,142,634)
Increase (Decrease) in Net Assets With Donor Restrictions	1,630,461	(96,927)
CHANGE IN NET ASSETS	2,369,580	9,221,241
Net Assets - Beginning of Year	77,901,491	68,680,250
NET ASSETS - END OF YEAR	$ 80,271,071	$ 77,901,491

See accompanying Notes to Consolidated Financial Statements.

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 2,369,580	$ 9,221,241
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation	8,593,950	5,725,754
Unrealized Gains on Investments	(10,069,786)	(5,116,953)
Change in Value of Charitable Remainder Trusts	(486,983)	(215,173)
Change in Value of Beneficial Interest in Perpetual Trusts	(347,292)	(468,465)
Amortization of Deferred Revenue from Advance Fees	(3,577,823)	(2,792,240)
Amortization of Deferred Revenue from Thrivemore at Home	(30,333)	-
Accreted Interest	883,204	-
Amortization of Deferred Costs	25,693	14,302
Amortization of Goodwill	1,598,235	-
Credit Loss Expense	1,184,334	1,548,155
Advance Fees Received	11,996,315	7,943,416
Advance Fees Refunded	(3,686,682)	(1,037,173)
Change in Entrance Fee and Waitlist Deposits	(2,091,591)	-
Realized Gains (Losses) on Investments	(1,503,939)	104,986
(Gain) Loss on Disposal of Asset	51,473	(9,425,553)
(Increase) Decrease in Assets:		
Accounts Receivable	(1,622,176)	1,094,626
Contributions Receivable	-	(12,500)
Prepaid Expenses and Other Current Assets	(125,373)	(242,420)
Increase (Decrease) in Liabilities:		
Accounts Payable, Accrued Expenses, Accrued Compensation, and Other Current Liabilities	(668,044)	(2,220,708)
Change in Entrance Fee Deposits	2,089,051	68,000
Net Cash Provided by Operating Activities	4,581,813	4,189,295
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Change in Investments	4,742,418	581,462
Net Change of Assets Limited as to Use	(368,780)	91,982
Purchases of Property and Equipment	(18,481,497)	(10,373,401)
Proceeds from Sale of Property and Equipment	-	10,550,000
Purchase of ArdenWoods	(21,875,000)	-
Net Change on Escrow Deposit for Acquisition	8,258,264	(8,258,433)
Net Cash Used by Investing Activities	(27,724,595)	(7,408,390)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long-Term Debt	25,003,949	-
Payments of Long-Term Debt	(1,852,777)	(1,797,416)
Proceeds from Line of Credit	2,975,000	2,575,000
Payment of Financing Costs	(889,731)	-
Net Cash Provided by Financing Activities	25,236,441	777,584
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	2,093,659	(2,441,511)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	3,578,885	6,020,396
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	$ 5,672,544	$ 3,578,885

See accompanying Notes to Consolidated Financial Statements.

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
Cash and Cash Equivalents	$ 3,434,031	$ 3,542,026
Restricted Cash and Cash Equivalents Included in Assets Limited as to Use	2,238,513	36,859
Total Cash, Cash Equivalents, and Restricted Cash	$ 5,672,544	$ 3,578,885
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Payments for Interest, Net of Interest Capitalized	$ 2,039,679	$ 1,061,227
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Note Receivable	$ -	$ 2,500,000
Purchases of Equipment Included in Accounts Payable	1,666,268	1,090,981
Total	$ 1,666,268	$ 3,590,981

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Baptist Retirement Homes of North Carolina, Incorporated dba Thrivemore (the Homes) is a church-related nonprofit corporation organized under the laws of the state of North Carolina. The trustees of the Homes are nominated and elected by the board. The Homes has a historical relationship with the Baptist State Convention of North Carolina.

The Baptist Retirement Homes Foundation (the Foundation) was established primarily to raise funds for the benevolent ministries of the Homes.

The board of directors of the Foundation is elected by the board of trustees of the Homes.

Homes owns, maintains, and operates facilities throughout North Carolina for the purpose of providing for the care of older adults. The facilities consist of independent living homes and apartments, with freestanding and combination facilities that include assisted living residences, memory-care residences, and skilled nursing care rooms. The Homes receives direct support from North Carolina Baptist churches, special church offerings, grants from foundations, and through gifts and bequests from individuals and businesses to assist with capital projects and the benevolent ministries of the Homes.

Principles of Consolidation

The consolidated financial statements include the accounts of the Homes and the Foundation (collectively, the Organization). All material related party balances and transactions have been eliminated in consolidation.

Basis of Presentation

The Organization classifies its funds for accounting and reporting purposes as either with or without donor restrictions:

Net Assets Without Donor Restrictions – Resources of the Organization that are not restricted by donors or grantors as to use or purpose. These resources include amounts generated from operations, undesignated gifts, and the investment in property and equipment.

Net Assets With Donor Restrictions – Resources that carry a donor-imposed restriction that permits the Organization to use or expend the donated assets as specified for which the restrictions are satisfied by the passage of time or by actions of the Organization. These resources may also include amounts restricted by the donor in perpetuity, but may permit the Organization to use or expend part or all of the income derived from the donated assets. As restrictions are met, the contributions are released from net assets with donor restrictions and are transferred to net assets without donor restrictions. Those resources for which the restrictions are met in the same fiscal year in which they are received are included in net assets without donor restrictions.

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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 consolidated financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments with an original maturity of three months or less from the date of acquisition, which are not included in investments.

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 charges a late fee on overdue accounts. The Organization provides an allowance for credit losses using management's judgment. Accounts past due are individually analyzed for collectability. Accounts receivable that management determines will be uncollectible are written off upon such determination. It is the Organization's policy to seek collection on all overdue accounts. The adequacy of the Organization's allowance for credit losses is reviewed on an ongoing basis, using historical payment trends, write-off experience, aging of receivables, a review of specific accounts, as well as expected future economic conditions and market trends, and adjustments are made to the allowance as necessary. The Organization estimated the allowance for credit losses at September 30, 2024 and 2023 to be approximately $1,442,000 and $2,047,000, respectively.

Contributions and Support

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at their fair value, which is measured at the present value of their future cash flows. Contributions receivable was approximately $158,000 and $158,000 at September 30, 2024 and 2023, respectively.

Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Conditional contributions with conditions met in the same reporting period in which they are received are reported as unconditional contributions.

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Support (Continued)

Grant awards are evaluated by management and determined to either be unconditional contributions, exchange transactions, or conditional contributions. If considered to be an unconditional contribution, revenue from grants is recorded upon notification of the award. If considered to be an exchange transaction, revenue from grants is recorded as expenses are incurred under the terms of the respective grant agreement. If considered to be a conditional contribution, revenue from grants is recorded at the time the conditions on which they depend have been met.

A portion of the Organization's revenue is derived from cost-reimbursable grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions. Any amounts received prior to incurring qualifying expenditures would be reported as refundable advances in the consolidated balance sheets. The Organization received no advance payments for the years ended September 30, 2024 and 2023.

Assets Limited as to Use

Assets limited as to use include amounts set aside to meet the operating reserve requirements of NC General Statute Chapter 58, Article 64, entrance fee deposits, and amounts internally designated for future capital development. The board retains control over amounts held for future capital expenditures and may, at its discretion, subsequently use them for other purposes. The statutory operating reserve balance can only be released upon the submittal of a detailed request and approval of the Commissioner of the North Carolina Department of Insurance.

Investments

Investments in debt and equity securities are measured at fair value based on quoted market prices. In determining realized gains and losses, the cost of investments is determined using the first-in, first-out method. Donated investments are recorded at fair value at the date of gift.

The Organization's investments are classified as trading securities. The investments are managed by brokers who actively buy and sell investments within the Organization's Investment Policy Statement. As trading securities, the investments are not subject to other than temporary impairment as the unrealized gains and losses on the investments are shown above the performance indicator of increase in net assets without donor restrictions on the consolidated statements of activities and changes in net assets.

Assets in Split-Interest Agreements

The Organization is a beneficiary to several irrevocable split-interest agreements. These split-interest agreements are categorized as charitable remainder trusts and beneficial interests in perpetual trusts, both of which are included in net assets with donor restrictions. Assets in split-interest agreements are stated at fair value net of discounted future contractual payment obligations.

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Financing Costs

Deferred financing costs represent expenses incurred in connection with the permanent financing of the Homes and are deferred and amortized over the life of the related indebtedness using the straight-line method, which approximates the effective interest method. Deferred financing costs are net of accumulated amortization. Amortization expense was approximately $26,000 and $14,000 for the years ended September 30, 2024 and 2023, respectively, and is included as a component of interest expense on the consolidated statements of activities and changes in net assets.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at market value at the date of contribution. All items with a cost over $2,000 and an estimated useful life of 2 years or more are capitalized. Depreciation is computed over the estimated useful lives of the related assets, ranging from 3 to 31.5 years, using the straight-line method. All additions are depreciated beginning on the date of acquisition.

The Homes periodically assesses 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 Homes 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 Homes reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Deferred Revenue from Advance Fees

Advance fees paid by a resident, net of the estimated portion that is refundable to the resident, are recorded as deferred revenue and are amortized into income using the straight-line method over the estimated remaining life expectancy of the resident. Advance fees are refundable pro-rata over the first 24 or 60 months of residency depending on the contract type.

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and compares that amount with the balance of deferred revenue from advance fees. If the present value of the net cost of future services and use of facilities exceeds the deferred revenue from advance fees, a liability is recorded with the corresponding charge to income (obligation to provide future services and use of facilities). There was no liability recognized at September 30, 2024 and 2023. The discount rate used in calculating the present value of the net cost of future services was 8.02% for 2024 and 2023, and was based on the expected long-term rate of return on governmental obligations.

Resident Service Revenue

The Organization has agreements with third-party payors that provide for payments at amounts different from its established rates. Resident service revenue is reported at the estimated realizable amounts from residents, third-party payors, and others for services rendered.

Excess of Revenues Over Expenses

The consolidated statements of activities and changes in net assets include excess of revenues over expenses. Changes in net assets without donor restrictions, that are included in excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments in trading securities. Changes that are excluded include contributions of long-lived assets (including assets acquired using contributions that by donor restriction were to be used for the purposes of acquiring such assets), transfers of net assets, and net assets released from restrictions for property and equipment.

Income Taxes

The Homes and the Foundation are nonprofit organizations exempt from federal and state income taxes under Internal Revenue Code (IRC) Section 501(c)(3).

The Homes and the Foundation file as tax-exempt organizations. Management is not aware of any activities that would jeopardize the tax-exempt status of the Homes or the Foundation. Management is not aware of any significant activities that are subject to tax on unrelated business income or excise or other taxes for the Homes or the Foundation.

The Homes and the Foundation follow guidance in the income tax standard regarding recognition and measurement of uncertain tax positions. The application of the standard has had no impact on the Homes' or the Foundation's consolidated financial statements.

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

The costs of program, management and general, and fundraising activities have been summarized on a functional basis in Note 12. Expenses not associated with a specific functional classification are allocated to program services, support services, and fundraising based on staff utilization or management's estimates of time spent, square footage, or other various allocation methods appropriate to the type of expense.

Fair Value of Financial Instruments

Fair value measurement applies to reported balances that are required or permitted to be measured at fair value under an existing accounting standard. The Organization emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions, and other factors such as credit loss assumptions. Securities valued using Level 1 inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets. Assets valued using Level 2 inputs include gift annuity funds and real estate investment trusts. Assets valued using Level 3 inputs include charitable remainder trusts and beneficial interests in perpetual trusts.

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments (Continued)

Professional standards allow entities the irrevocable option to elect to measure certain financial instruments and other items at fair value for the initial and subsequent measurement on an instrument-by-instrument basis. The Organization has not elected to measure any existing financial instruments at fair value. The Organization may elect to measure newly acquired financial instruments at fair value in the future.

Risks and Uncertainties

The Organization holds investments in a variety of investment funds. In general, investments are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments, either positively or negatively, will continue to occur in the near-term and those changes could materially affect the Organization's investment and net asset balances, and the amounts reported in the consolidated balance sheets of the Organization.

Allowance for Credit Losses

At the beginning of 2024, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. The Homes adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Homes' consolidated financial statements but did change how the allowance for credit losses is determined.

Resident receivables are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. The Homes separates resident receivables into risk pools based on payors and aging. In determining the amount of the allowance as of the consolidated balance sheets date, the Homes develops a loss rate for each risk pool. This loss rate is based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions.

Changes in the allowance for credit losses for the years ended September 30, were as follows:

	2024	2023
Balance - Beginning of the Year	$ 2,047,195	$ 771,772
Provision	1,184,334	1,548,155
Write-Offs, Net of Recoveries	(1,789,636)	(272,732)
Balance - End of the Year	$ 1,441,893	$ 2,047,195

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Early Acceptance Program

In 2023 the Organization received approval from the North Carolina Department of Insurance to offer a "continuing care without lodging" contract for persons to become residents of the Homes while not taking residence at the Homes initially. Management has named this program the Thrivemore at Home program. Under the Thrivemore at Home contract, residents who are living off-campus receive the same access to the Homes' campus amenities and the same health care services and future benefits afforded residents who are living on campus. North Carolina General Assembly Statute §58-64-7(c) stipulates that the Homes must account for the revenue and expenses related to the Thrivemore at Home program separate from revenue and expenses for on-campus services on financial statements. The Thrivemore at Home Program began operations in 2024 and had 10 residents under contract in the Thrivemore at Home program as of September 30, 2024.

Reclassifications

Certain amounts in the 2023 consolidated financial statements have been reclassified to conform to the 2024 presentation. These reclassifications had no effect on previously reported net assets or changes in net assets.

Goodwill

The Organization accounts for business acquisitions using the acquisition method of accounting. Goodwill is recognized as a result of a business combination when the purchase price paid for the acquired business exceeds the fair value of its intended net assets. Identified intangible assets are recognized at their fair value when acquired. The Organization has elected the alternative accounting for goodwill as its accounting policy. The Organization has elected to amortize goodwill on a straight-line basis over 10 years and test for impairment at the entity level. Goodwill is amortized on a straight-line basis. At September 30, 2024 goodwill was approximately $16,941,000 and amortization expense was approximately $1,598,000. At September 30, 2024, accumulated amortization was approximately $1,598,000. Organizations making the election test goodwill for impairment only when a triggering event occurs and perform the goodwill impairment evaluation as of the end of each reporting period, instead of annually. When impairment is likely, the Organization calculates goodwill impairment as the Organization's carrying value including goodwill that exceeds its fair value. There was no impairment of goodwill during 2024.

Business Combination Accounting for Contract Assets and Contract Liabilities

The Organization has early 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 consolidated financial statements.

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

The Organization has evaluated its subsequent events through January 28, 2025, the date the consolidated financial statements were available to be issued.

NOTE 2 ASSETS LIMITED AS TO USE AND INVESTMENTS

Assets limited as to use at September 30, are summarized in the following table. Assets limited as to use are stated at fair value.

	2024	2023
Internally Designated for Entrance Fee Deposits:		
Cash and Cash Equivalents	$ 2,123,063	$ 31,472
Internally Designated for Thrivemore at Home:		
Cash and Cash Equivalents	9,926	-
Mutual Funds and Equities	519,680	-
Mutual Funds, Corporate Obligations, and Fixed Income Securities	326,614	-
Total	856,220	-
Internally Designated for Statutory Operating Reserve:		
Cash and Cash Equivalents	105,524	5,387
Mutual Funds and Equities	5,308,445	6,087,496
Mutual Funds, Corporate Obligations, and Fixed Income Securities	2,705,031	3,251,117
Total	8,119,000	9,344,000
Total Assets Limited as to Use	$ 11,098,283	$ 9,375,472

Three of Homes' facilities are required by NC General Statute Chapter 58, Article 64 to fund an operating reserve account. The operating reserve must be an amount at least equal to 25% or 50% (depending on occupancy) of the forecasted operating expenses (net of depreciation and amortization) of the forecasted year, plus annual debt service. The operating reserve requirement for Brookridge Retirement Community was approximately $3,844,000 and $7,042,000 as of September 30, 2024 and 2023, respectively. The operating reserve requirement for The Gardens of Taylor Glen was approximately $2,518,000 and $2,302,000 as of September 30, 2024 and 2023, respectively. The operating reserve requirement for Ardenwoods was approximately $1,757,000 as of September 30, 2024.

NOTE 2 ASSETS LIMITED AS TO USE AND INVESTMENTS (CONTINUED)

Other investments, stated at fair value, at September 30, include:

	2024	2023
Other Investments:		
Cash and Cash Equivalents	$ 728,394	$ 1,252,237
Mutual Funds and Equities	33,936,597	29,390,656
Mutual Funds, Corporate Obligations, and Fixed Income Securities	21,376,834	15,665,165
Total	$ 56,041,825	$ 46,308,058

Investment income and unrealized and realized gains for assets limited as to use, cash equivalents, and other investments are comprised of the following for the years ended September 30:

	2024	2023
Investment Income and Realized and Unrealized Gains:		
Interest and Dividend Income	$ 1,653,560	$ 1,639,545
Net Realized Gains (Loss) on Sales of Securities	1,503,939	(104,986)
Total	$ 3,157,499	$ 1,534,559
Unrealized Gains on Investments	$ 10,069,786	$ 5,116,953

The Organization has assessed the classification of its investments and determined the investments should be classified as trading securities. The investments are managed by two different investment brokers who have the ability to buy and sell investments within the parameters set forth by the Organization's investment policies. The brokers are not expressly limited to any number of transactions they can execute to achieve investment goals. Due to this, the investments are classified as trading securities. As trading securities, the investments are not subject to other-than-temporary impairment.

NOTE 3 ASSETS IN SPLIT-INTEREST AGREEMENTS

The irrevocable split-interest agreements in which the Organization has a beneficial interest are categorized as follows:

Charitable Remainder Trusts

A charitable remainder trust provides for payments to the grantor or other designated beneficiaries over the trust's term. The terms of most of the charitable remainder trusts which name the Organization as a remainder beneficiary are the lifetimes of the respective distribution recipients. At the end of the respective trust's terms, the remaining assets in which Homes has an interest will be distributed to the Organization.

NOTE 3 ASSETS IN SPLIT-INTEREST AGREEMENTS (CONTINUED)

Charitable Remainder Trusts (Continued)

Upon receipt of a beneficial interest in a charitable remainder trust, the present value of such interest is recorded as contribution revenue. The annual change in the present value of the beneficial interest is recorded as a change in value of charitable remainder trusts on the consolidated statements of activities and changes in net assets. Such valuations are based on estimated mortality rates and other assumptions that could change in the near-term. The discount rates used in the calculations were 3.81% and 4.59% for the fiscal years 2024 and 2023, respectively.

Beneficial Interest in Perpetual Trust

Beneficial interest in perpetual trusts represents assets held in trust and administered by a third party, from which the Organization has the irrevocable right to receive a share of income from the trust's assets in perpetuity. These assets are stated at the fair value of the Organization's share of trust assets, which is an approximation of the present value of the estimated future distributions from this trust.

Upon receipt of an irrevocable interest in the income of a perpetual trust administered by a third party, the Organization records the fair value of estimated future distributions from the trust as permanently restricted contribution revenue. Over the term of the perpetual trust, income distributions to the Organization are included in investment income. Annual changes in the fair value of trust assets are recorded as permanently restricted gains or losses on the consolidated statements of activities and changes in net assets. Such valuations are based on estimated mortality rates and other assumptions that could change in the near-term.

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at September 30:

	2024	2023
Land and Land Improvements	$ 12,736,238	$ 7,045,638
Buildings and Improvements	129,296,375	102,571,966
Furniture, Fixtures, and Equipment	5,170,532	4,017,449
Vehicles	978,129	933,964
Total	148,181,274	114,569,017
Less: Accumulated Depreciation	72,667,533	64,114,437
Total	75,513,741	50,454,580
Construction in Progress	12,312,610	4,769,429
Property and Equipment, Net	$ 87,826,351	$ 55,224,009

Construction in progress as of September 30, 2024 and 2023, related mainly to renovations at the Taylor Glen and Brookridge locations.

NOTE 4 PROPERTY AND EQUIPMENT (CONTINUED)

On September 8, 2023, the Organization closed on the sale of the Western North Carolina Home for a transaction price of approximately $13,050,000, resulting in cash proceeds and a note receivable (the Note Receivable) from the buyer for approximately $2,500,000. The sale resulted in a gain on disposal of approximately 9,407,000, which is part of and included in the gain on sale of property and equipment on the consolidated statements of activities and changes in net assets.

The terms of the Note Receivable note the Organization shall receive monthly interest payments based upon an interest rate of 6.2%. The maturity date of the Note Receivable shall be the earlier of the third anniversary of the Note Receivable, the date on which the outstanding principal balance of the Note Receivable becomes due and payable, whether by declaration or acceleration upon the occurrence and continuance of an event of default, as defined in the agreement, the refinancing of the existing senior mortgage encumbering the real property or a sale, or any other disposition of all or substantially all of the assets of the entity.

NOTE 5 LONG-TERM DEBT

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

Description	2024	2023
Term Loan at 3.22%, Maturing in 2035	$ 15,466,273	$ 16,648,327
Term Loan at 3.22%, Maturing in 2035	8,802,526	9,475,369
Series 2024A Bonds	21,833,482	-
Series 2024B Bonds	172,587	-
Series 2024C Bonds	3,000,000	-
Total	49,274,868	26,123,696
Less: Current Maturities	1,930,636	1,869,540
Less: Unamortized Deferred Financing Costs	1,157,851	293,813
Long-Term Debt, Net	$ 46,186,381	$ 23,960,343

In 2013, the Organization entered into a Term Loan Agreement for $34,650,000 to refinance the remaining balances on the Organization's North Carolina Medical Care Commission term bonds. During the year ended September 30, 2020 the Organization refinanced this loan and recognized a loss on the early extinguishment of debt of approximately $258,000 related to the write-off of unamortized deferred financing costs. Under the terms of the new agreement, the Organization is responsible for monthly payments consisting of interest and principal through maturity in June 2035 in the amount of $142,416. The refinanced term loan carries an interest rate of 3.22%.

NOTE 5 LONG-TERM DEBT (CONTINUED)

In 2012, the Organization entered into a Construction and Permanent Loan Agreement to finance construction and renovations at Brookridge Retirement Community with a maximum borrowing of $16,500,000. Interest only was due and payable for the first 12 months under the agreement and then principal and interest based on the bank's amortization schedule. On October 25, 2014, the Loan Agreement was finalized upon the completion of the construction project to adjust the principal and interest payments based on the actual borrowings. During the year ended September 30, 2020, the Organization refinanced this loan and recognized a loss on the early extinguishment of debt of approximately $274,000 related to the write-off of unamortized deferred financing costs. Under the terms of the new agreement, the Organization is responsible for monthly payments consisting of interest and principal through maturity in June 2035 in the amount of $81,065. The refinanced term loan carries an interest rate of 3.22%.

Security for the debt agreements consist of a pledge and assignment to the lender of all rights, title, interest in, and first priority deeds of trust on all property of Brookridge and The Gardens of Taylor Glen.

In 2024, the Organization entered into a Master Credit Agreement to finance construction and renovations for the “Taylor Glen Project”, Ardenwoods' loan payoff and reimbursement for capital expenditures. Total proceeds from the Series 2024 Bonds are expected to total approximately $86,000,000 and will be generated utilizing the following structure and terms. The responsibility for the payment of the debt service on the Series 2024 Bonds is expected to be solely that of the Homes.

The Series 2024 Bonds are being financed through the issuance of direct bank placed fixed rate draw down structure.

The “Series 2024A Bonds” are expected to be fully drawn down to an amount totaling approximately $67,685,000, bearing interest at bank-bought fixed rate of 5.28%, subject to monthly principal and interest payments, with interest only payments beginning July 2024 and monthly principal and interest payments beginning July 2028 through June 2053. The balance on the 2024A Bonds is approximately $21,833,000.

The “Series 2024B Bonds” are expected to be fully drawn down to an amount totaling approximately $15,315,000. This debt is anticipated to be repaid from the availability of “Initial Entrance Fees” received from the Taylor Glen Project. The debt has a five-year maturity, with monthly interest payments due beginning July 2024, and the principal amount due in full on June 2029. The Series 2024B Bonds will qualify as qualified intermediate term indebtedness for purposes of covenant consideration. Annual interest on the Series 2024B Bonds is at bank-bought fixed rate of 4.95%. The balance on the Series 2024B Bonds is approximately $173,000.

NOTE 5 LONG-TERM DEBT (CONTINUED)

The "Series 2024C Bonds" are expected to be fully drawn down to an amount totaling approximately $3,000,000. The debt has a four-year maturity, with monthly interest payments due beginning July 2024, and the principal amount due in full on June 2028. Annual interest on the Series 2024C Bonds is at bank-bought fixed rate of 5.28%. The balance on the Series 2024C Bonds is approximately $3,000,000.

The debt agreements contain certain payments and covenants, which include the maintenance of a long-term debt service coverage ratio, cash-to-debt ratio and restricts, among other things, incurrence of indebtedness, existence of liens on property, consolidations and mergers, disposition of assets, and changes in members of the obligated group. At September 30, 2024 and 2023, management is not aware of any noncompliance with these requirements.

Aggregate maturities required on long-term debt as of September 30, 2024, are due in future years as follows:

Year Ending September 30,	Amount
2025	$ 1,930,636
2026	1,993,728
2027	2,058,882
2028	5,454,563
2029	3,725,946
Thereafter	34,111,113
Total	$ 49,274,868

NOTE 6 DEFERRED REVENUE FROM ADVANCE FEES AND REFUNDABLE ADVANCES

The Gardens of Taylor Glen, Brookridge Retirement Community, and Ardenwoods offers contract options to new residents on a 90%, 50%, and 0% refundable basis.

At September 30, 2024 and 2023, the portion of advance fees subject to refund provisions was approximately $25,216,000 and $7,136,000, respectively. The amount expected to be refunded to current residents within the next year, based on the Organization's experience, is approximately $717,000.

NOTE 7 RESIDENT SERVICE REVENUE

Resident service revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing resident care. These amounts are due from residents, 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 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 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 residents and customers 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.

Because all of its performance obligations have a duration of less than one year, the Organization has elected to apply the optional exemption provided in FASB Accounting Standards Codification (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' 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.

NOTE 7 RESIDENT SERVICE REVENUE (CONTINUED)

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

Medicare

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). The nursing facilities were paid under the Medicare Prospective Payment System (PPS) for residents who are Medicare Part A eligible and met the coverage guidelines for skilled nursing facility services. The PPS was a per diem price-based system. CMS finalized the Patient Driven Payment Model (PDPM) to replace the existing Medicare reimbursement system effective October 1, 2019. 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 introduces variance 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.

Medicaid

The Organization's licensed nursing facilities participate in the Medicaid program which is administered by the North Carolina Division of Health Benefits. Services rendered to Medicaid program beneficiaries are reimbursed using predetermined per diem rates as defined for each Medicaid provider in North Carolina. Annual cost report filings are required for Medicaid providers, which include the completion of the North Carolina Division of Health Benefit's supplemental schedules. For Continuing Care Retirement Facilities, the Supplemental Schedules do not contain a cost settlement.

Other

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

NOTE 7 RESIDENT SERVICE REVENUE (CONTINUED)

Approximately 9% and 10% of the Homes' resident service revenue for the years ended September 30, 2024 and 2023, respectively, was derived from Medicare. Approximately 6% and 14% of Homes' resident service revenue for the years ended September 30, 2024 and 2023, respectively, was derived from Medicaid.

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. 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, were not significant in 2024 or 2023.

Generally, residents 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 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 recorded as adjustments to resident 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, 2024 and 2023. Subsequent changes that are determined to be the result of an adverse change in the resident's ability to pay are recorded as bad debt 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.

The Organization maintains records, and the board has oversight, to identify and monitor the amount of charges foregone for services and supplies furnished under its benevolent assistance policy and to identify and monitor the level of benevolent assistance it provides. These include reduced rates for Medicare, Medicaid, and other governmental programs. The charges foregone, based on established rates, were approximately $2,726,000 and $4,665,000 during the years ended September 30, 2024 and 2023, respectively.

NOTE 7 RESIDENT SERVICE REVENUE (CONTINUED)

The Organization has estimated the costs of providing assistance under its benevolent assistance policy. In order to estimate the cost of providing such assistance, management calculated a ratio by comparing the charges foregone to total operating revenue and applying this ratio to expenses to estimate the costs of providing benevolent assistance. Using this methodology, the Organization has estimated the costs for services under the Organization's benevolent assistance policy to be approximately $515,000 and $1,264000 for the years ended September 30, 2024 and 2023, respectively. In addition, the amount of direct benevolent assistance provided by Homes was approximately $693,000 and $1,595,000 during the years ended September 30, 2024 and 2023, respectively.

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 were as follows:

	Accounts Receivable	Deferred Revenue from Advanced Fees
Balance as of October 1, 2022	$ 5,264,664	$ 16,227,037
Balance as of September 30, 2023	4,669,078	18,289,457
Balance as of September 30, 2024	4,501,618	21,984,947

NOTE 8 RETIREMENT PLAN

The Organization has a defined contribution annuity plan (the Plan) with Guidestone Financial Resources. The Plan has a contributory feature and participation in the Plan is optional at the election of the employees. To qualify for the employer matching contribution, employees must have been employed with the Organization for two years and must contribute 3% of their compensation to the Plan. Employer contributions to the Plan are made after each pay period at an amount equal to 100% match of the first 3% of employees' contributions and a 50% match of the next 2% contributed by employees. Employer contributions to the Plan were approximately $185,000 and $162,000 for the years ended September 30, 2024 and 2023, respectively.

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisting of contributions restricted as to purpose, the passage of time, or in perpetuity consist of the following at September 30:

	2024	2023
Restricted for Purpose:		
Charitable Remainder Trusts	$ 1,590,144	$ 1,066,407
Geneva Stroupe Support	219,503	185,474
Employee Benefit Account	7,010	7,010
New Residential Development	2,501,648	2,793,430
Taylor House Benevolence and Operating Support	5,767,738	4,755,275
Medicine from the Heart	33,772	29,050
Life at Home	177,740	177,740
Total Restricted for Purpose	10,297,555	9,014,386
Restricted in Perpetuity:		
Beneficial Interest in Perpetual Trusts	7,234,216	6,886,924
Endowments	6,693,357	6,693,357
Total Restricted in Perpetuity	13,927,573	13,580,281
Total Net Assets With Donor Restrictions	$ 24,225,128	$ 22,594,667

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes and/or by occurrence of other events specified by donors.

	2024	2023
New Residential Development	$ 291,782	$ 1,154,477
Taylor House Benevolence and Operating Support	880,200	919,023
Medicine from the Heart	21,000	42,000
Life at Home	-	27,134
Total	$ 1,192,982	$ 2,142,634

NOTE 10 ENDOWMENT FUNDS

Interpretation of Relevant Law

The state of North Carolina adopted the North Carolina Prudent Management of Institutional Funds Act (the Act). The board of trustees of the Organization has interpreted the Act as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions, restricted in perpetuity, (1) the original value of gifts donated to the permanent endowment and (2) the original value of subsequent gifts to the permanent endowment.

NOTE 10 ENDOWMENT FUNDS (CONTINUED)

Interpretation of Relevant Law (Continued)

The remaining portion of the donor-restricted endowment fund that is not classified in net assets restricted in perpetuity is classified as net assets restricted for purpose until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed in the Act. In accordance with the Act, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policy of the Organization

Funds with Deficiencies

It is the Organization's policy to maintain the corpus amounts of each individual donor-restricted endowment fund received. If the fair value of assets associated with individual donor-restricted endowment funds were to fall below the level that the donor or the Act requires the Organization to retain as a fund of perpetual duration, in accordance with GAAP, then such deficiencies would be reported in net assets with donor restrictions.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the board of trustees, the endowment assets are invested in a manner that is intended to preserve and grow capital, strive for consistent absolute returns, preserve purchasing power by striving for long-term returns which either match or exceed the set payout, fees and inflation without putting the principal value at imprudent risk, and diversify investments consistent with commonly accepted industry standards to minimize the risk of large losses.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Management targets a diversified asset allocation that meets the Organization's long-term rate of return objectives while avoiding undue risk from imprudent concentration in any single asset class or investment vehicle.

NOTE 10 ENDOWMENT FUNDS (CONTINUED)

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization's spending policy is consistent with its objective of preservation of the fair value of the original gift of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

At September 30, 2024 and 2023, the Organization had approximately $13,928,000 and $13,580,000 in net assets with donor restrictions-restricted in perpetuity, respectively. Of these respective totals, approximately $7,234,000 and $6,887,000 relates to split-interest agreements that are administered and managed by third parties as trustees at September 30, 2024 and 2023, respectively. The remaining $6,693,000 of net assets restricted in perpetuity at September 30, 2024 and 2023, are managed by two different investment brokers within the Organization's Investment Policy Statement. The Organization had no board-designated endowment funds as of September 30, 2024 or 2023.

The following is the change in endowment net assets for the years ended September 30, 2024 and 2023:

	Without Donor Restrictions	Purpose Restricted	Perpetual in Nature	Total
Endowment Net Assets, September 30, 2022	$ -	$ 808,483	$ 6,693,357	$ 7,501,840
Unrealized Losses on Investments	-	985,916	-	985,916
Transfers	-	-	-	-
Net Assets Released from Restrictions	-	(491,346)	-	(491,346)
Endowment Net Assets, September 30, 2023	-	1,303,053	6,693,357	7,996,410
Unrealized Gain on Investments	-	1,721,917	-	1,721,917
Transfers	-	-	-	-
Net Assets Released from Restrictions	-	(291,781)	-	(291,781)
Endowment Net Assets, September 30, 2024	$ -	$ 2,733,189	$ 6,693,357	$ 9,426,546

NOTE 11 CONCENTRATIONS OF CREDIT RISK

The Organization maintains demand deposits with financial institutions, the balances of which exceed the federally insured amount. Included in demand deposits are Advance Fee Escrow Accounts, which are mandated by State Statute. The Organization has not experienced any loss as a result of these holdings.

The Organization accepts residents based on strict financial verifications of assets, which become part of their residency contracts. No Medicare or Medicaid residents are accepted without approval from federal, state, and/or county agencies.

NOTE 11 CONCENTRATIONS OF CREDIT RISK (CONTINUED)

The mix of accounts receivable from residents and third-party payors at September 30, was as follows:

	2024	2023
Medicare	24 %	16 %
Medicaid	4	3
Other Third-Party Payers	55	65
Self-Pay	17	16
Total	100 %	100 %

NOTE 12 FUNCTIONAL EXPENSES

The functional classification of expenses for the years ended September 30, consist of the following:

	2024			
	Program Services	Management and General	Fundraising	Total Expenses
Salaries and Wages	$ 14,903,895	$ 4,158,869	$ 168,278	$ 19,231,042
Benefits	2,402,923	604,736	19,060	3,026,719
Advertising	657,108	369,362	-	1,026,470
Insurance	-	533,459	-	533,459
Professional Services	3,533,286	1,396,722	-	4,930,008
Dues and Subscriptions	18,531	90,530	-	109,061
Occupancy	1,426,372	155,871	-	1,582,243
Meals and Entertainment	1,858,294	57,524	-	1,915,818
Interest	2,039,679	-	-	2,039,679
IT	12,987	552,561	-	565,548
Travel	15,649	86,494	-	102,143
Medical Supplies	324,532	-	-	324,532
Supplies	1,200,573	298,002	-	1,498,575
Pharmaceuticals	29,174	-	-	29,174
Equipment	68,216	8,028	-	76,244
Maintenance and Repair	1,617,881	195,856	-	1,813,737
Depreciation and Amortization	8,583,116	1,609,069	-	10,192,185
Development	143,393	130,310	35,670	309,373
Other	697,325	309,300	18,874	1,025,499
Credit Loss	1,184,334	-	-	1,184,334
Total	$ 40,717,268	$ 10,556,693	$ 241,882	$ 51,515,843

NOTE 12 FUNCTIONAL EXPENSES (CONTINUED)

	2023			
	Program Services	Management and General	Fundraising	Total Expenses
Salaries and Wages	$ 16,036,243	$ 3,617,759	$ 86,430	$ 19,740,432
Benefits	2,427,329	616,624	17,286	3,061,239
Advertising	55,914	396,438	-	452,352
Insurance	-	445,381	-	445,381
Professional Services	5,048,243	903,037	-	5,951,280
Dues and Subscriptions	450	72,921	-	73,371
Occupancy	1,197,648	116,847	-	1,314,495
Meals and Entertainment	1,412,542	64,713	-	1,477,255
Interest	1,061,227	-	-	1,061,227
IT	-	422,014	-	422,014
Travel	6,174	78,817	-	84,991
Medical Supplies	521,612	-	-	521,612
Supplies	1,035,343	282,574	-	1,317,917
Pharmaceuticals	71,658	-	-	71,658
Equipment	41,870	13,160	-	55,030
Maintenance and Repair	1,204,723	130,982	-	1,335,705
Depreciation and Amortization	5,713,821	11,933	-	5,725,754
Development	91,881	88,141	85,415	265,437
Other	134,780	1,319,427	19,154	1,473,361
Credit Loss	1,548,155	-	-	1,548,155
Total	$ 37,609,613	$ 8,580,768	$ 208,285	$ 46,398,666

NOTE 13 FAIR VALUE MEASUREMENTS

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Organization measures fair value refer to Note 1 – Nature of Organization and Summary of Significant Accounting Policies. The following table presents the fair value hierarchy for the consolidated balances of the assets and liabilities of the Organization measured at fair value on a recurring basis as of September 30:

	Assets at Fair Value as of September 30, 2024			
	Level 1	Level 2	Level 3	Total
ASSETS				
Investments and Assets Limited as to Use:				
Mutual Funds:				
Equities	$ 39,764,722	$ -	$ -	$ 39,764,722
Bonds	24,408,479	-	-	24,408,479
Total Investments	64,173,201	-	-	64,173,201
Charitable Remainder Trusts	-	-	1,553,102	1,553,102
Charitable Gift Annuities Fund	-	37,042	-	37,042
Beneficial Interest in Perpetual Trusts	-	-	7,234,216	7,234,216
Total	$ 64,173,201	$ 37,042	$ 8,787,318	$ 72,997,561

NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)

	Assets at Fair Value as of September 30, 2023			
ASSETS	Level 1	Level 2	Level 3	Total
Investments and Assets Limited as to Use:				
Mutual Funds:				
Equities	$ 35,478,152	$ -	$ -	$ 35,478,152
Bonds	18,916,282	-	-	18,916,282
Total Investments	54,394,434	-	-	54,394,434
Charitable Remainder Trusts	-	-	1,039,268	1,039,268
Charitable Gift Annuities Fund	-	27,139	-	27,139
Beneficial Interest in Perpetual Trusts	-	-	6,886,924	6,886,924
Total	$ 54,394,434	$ 27,139	$ 7,926,192	$ 62,347,765

The Organization had approximately $2,959,000 and $1,258,000 of cash and cash equivalents included with investments as of September 30, 2024 and 2023, respectively, which is not included in the fair value hierarchy.

Following is a description of the valuation methodologies used for assets measured at fair value subsequent to initial recognition. These methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation 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.

Mutual Funds and Equity Securities – Securities traded on a national securities exchange (or reported on the NASDAQ national market) are stated at the last reported sales price on the day of valuation. To the extent these securities are actively traded, and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy.

Other Various Investments – Bond securities traded on a national securities exchange (or reported on the NASDAQ national market) are stated at the last reported sales price on the date of valuation. To the extent these securities are actively traded, and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy. The remainder of investments included in this classification is estimated using various techniques, which may consider recently executed transactions in securities of the issuer or comparable issuers, or market price quotations (where observable) and are, therefore, categorized in Level 2 of the fair value hierarchy.

Beneficial Interest in Perpetual Trusts – The value of Beneficial Interest in Perpetual Trusts represents an irrevocable right to receive distributions in perpetuity from a trust that is managed by a third-party. The Organization does not have variance power over the trust's portfolio. The value of Beneficial Interest in Perpetual Trusts uses a market approach and is estimated based on the fair value of the underlying investments held by the trust.

NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)

Beneficial Interest in Charitable Remainder Trusts – Valued using the income approach based on estimated mortality and discount rates. The discount rates used in the valuation calculations were 3.81% and 4.59% for fiscal years 2024 and 2023, respectively.

NOTE 14 COMMITMENTS AND CONTINGENCIES

The health care industry is subject to numerous laws and regulations by federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for resident services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

Self-Insured Health Insurance

The Organization self-insures its employees' health plan. It has contracted with an administrative service company to supervise and administer the program and act as its representative. Provisions for expected future payments are accrued based on the Organization's experience and include amounts for claims filed and claims incurred but not reported. The Organization has stop loss insurance for excessive and unexpected health claims with an individual deductible of $75,000 and an aggregate deductible of approximately $1,255,000. The Organization reserved approximately $321,000 and $310,000 related to its self-insured health insurance at September 30, 2024 and 2023, respectively.

NOTE 15 LINES OF CREDIT

During the year ended September 30, 2020, the Organization obtained a revolving line of credit (LOC) with a maximum borrowing limit of $800,000, which expired June 25, 2022. In 2022, the line of credit was extended to expire on April 5, 2024. In 2024, the line was extended to expire April 4· 2026. Interest on the LOC is based upon the 30-Day Average Secured Overnight Financing Rate (SOFR) plus 1.90%, with a max of 18.00% and a floor of 2.00%. As of September 30, 2024, the interest rate on the LOC was 7.21%. As of September 30, 2024 and 2023, there were no outstanding balances.

NOTE 15 LINES OF CREDIT (CONTINUED)

During the year ended September 30, 2020, the Organization obtained an additional LOC with a maximum borrowing limit of $2,000,000, which expired June 25, 2022. The line of credit was extended to expire on April 5, 2024 and the maximum borrowing limit was increased to $5,000,000. In 2024, the line was extended to April 5, 2025 and the limit increased to $7,500,000. Interest on the LOC is based upon SOFR plus 1.90%, with a max of 18.00% and a floor of 2.00%. As of September 30, 2024, the interest rate on the LOC was 7.24%. As of September 30, 2024 and 2023, the balance on the LOC was $6,750,000 and $3,775,000, respectively.

NOTE 16 LIQUIDITY AND AVAILABILITY

The Organization regularly monitors the availability of resources required to meet its operating, capital, and benevolence needs. With a focus on maintaining adequate liquid funds to meet these needs, the Organization strives to maximize the return on the investment of its available funds, while adhering to the Investment Committee and Board Investment Policy Statement. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing care of its residents, campuses, and community outreach. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. The statement of cash flows, which identifies the sources and uses of the Organization's cash, reflects positive cash generated by operations.

The following table reflects the Organization's liquid financial assets as of September 30:

	2024	2023
Cash and Cash Equivalents	$ 3,434,031	$ 3,542,026
Accounts Receivable	3,059,725	2,621,883
Investments	56,041,825	46,308,058
Contributions Receivable	157,500	157,500
Assets Limited as to Use:		
Internally Designated for Thrivemore at Home	856,220	-
Internally Designated for Statutory Operating Reserve	8,119,000	9,344,000
Total	71,668,301	61,973,467
Less: Net Assets with Donor Restrictions (Not Included in Charitable Remainder Trusts or Beneficial Interest in Perpetual Trusts)	(15,400,768)	(14,641,336)
Total Financial Assets Available to Meet Liquidity Needs	$ 56,267,533	$ 47,332,131

NOTE 17 ACQUISITION

On October 2, 2023, the Organization completed an acquisition transaction to acquire the Ardenwoods Retirement Community (Ardenwoods) with the purpose being to acquire their operations and further the overall mission of the organization of providing health care services. All activity of the consolidated subsidiary since the date of acquisition is included in the operating results presented for the year ended September 30, 2024, on the accompanying consolidated statement of operations and changes in net assets. The acquisition was funded through consideration transferred in the form of a cash payment with an acquisition date fair value of $21,875,000.

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 underlying net assets acquired over the consideration transferred was reported on the accompanying consolidated statement of operations and changes in net assets as goodwill. The goodwill received from this acquisition totaled approximately $16,941,000 and reported on the consolidated balance sheet.

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at their estimated fair values as of October 3, 2024:

Inventory	$ 25,605
Property and Equipment	21,100,000
Total Assets Acquired	$ 21,125,605
Accrued Liabilities	$ (183,300)
Deferred Revenue	(1,530,575)
Current Portion of Refundable Entrance Fees	(961,200)
Refundable Entrance Fees, Net Present Value	(13,516,218)
Total Liabilities Assumed	$ (16,191,293)
Consideration Exchanged	$ (21,875,000)
Goodwill - Acquisition	$ (16,940,689)

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 fair value of the assumed debt was determined using an option-adjusted discounted cash flows analysis. Transaction costs related to the acquisition amounted to approximately $137,000 and were expensed as incurred in the Company's statement of operations. There was no contingent consideration included in this transaction. There were no contingent assets acquired, or liabilities assumed in this transaction.

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
CONSOLIDATING BALANCE SHEET
SEPTEMBER 30, 2024

	Homes	Foundation	Eliminations	Consolidated
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	$ 3,434,031	$ -	$ -	$ 3,434,031
Accounts Receivable	4,501,618	-	-	4,501,618
Allowance for Credit Losses	(1,441,893)	-	-	(1,441,893)
Accounts Receivable, Net	3,059,725	-	-	3,059,725
Investments	14,655,941	41,385,884	-	56,041,825
Contributions Receivable	-	157,500	-	157,500
Prepaid Expenses and Other Assets	1,015,265	5,376	-	1,020,641
Deposit	169	-	-	169
Due from Foundation	-	299,229	(299,229)	-
Total Current Assets	22,165,131	41,847,989	(299,229)	63,713,891
ASSETS LIMITED AS TO USE				
Entrance Fee Deposits	2,123,063	-	-	2,123,063
Internally Designated for Thrivemore at Home	856,220	-	-	856,220
Internally Designated for Statutory Operating Reserve	8,119,000	-	-	8,119,000
Total Assets Limited as to Use	11,098,283	-	-	11,098,283
INVESTMENTS AND OTHER ASSETS				
Assets in Split-Interest Agreements:				
Charitable Remainder Trusts	1,526,252	63,892	-	1,590,144
Beneficial Interest in Perpetual Trust	5,067,381	2,166,835	-	7,234,216
Other Assets	15,000	-	-	15,000
Goodwill, Net	15,342,454	-	-	15,342,454
Note Receivable	2,500,000	-	-	2,500,000
Total Investments and Other Assets	24,451,087	2,230,727	-	26,681,814
PROPERTY AND EQUIPMENT, NET	86,728,425	1,097,926	-	87,826,351
INVESTMENT IN AFFILIATE	45,164,188	-	(45,164,188)	-
Total Assets	$ 189,607,114	$ 45,176,642	$ (45,463,417)	$ 189,320,339

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
CONSOLIDATING BALANCE SHEET (CONTINUED)
SEPTEMBER 30, 2024

LIABILITIES AND NET ASSETS	Homes	Foundation	Eliminations	Consolidated
CURRENT LIABILITIES				
Current Maturities of Long-Term Debt	$ 1,930,636	$ -	$ -	$ 1,930,636
Line of Credit	6,750,000	-	-	6,750,000
Accounts Payable	2,639,972	1,341	-	2,641,313
Accrued Expenses	1,055,586	6,313	-	1,061,899
Accrued Employee Compensation	1,054,916	4,800	-	1,059,716
Due to Related Party	299,229	-	(299,229)	-
Other Current Liabilities	11,295	-	-	11,295
Current Portion of Refundable Advance Fees	713,207	-	-	713,207
Total Current Liabilities	14,454,841	12,454	(299,229)	14,168,066
LONG-TERM DEBT, LESS CURRENT MATURITIES	46,186,381	-	-	46,186,381
DEFERRED REVENUE AND OTHER LIABILITIES				
Entrance Fee and Waitlist Deposits	2,207,051	-	-	2,207,051
Deferred Revenue from Advance Fees	21,984,947	-	-	21,984,947
Refundable Advance Fees on Occupied Units, Net of Current Portion	24,502,823	-	-	24,502,823
Total Deferred Revenue and Other Liabilities	48,694,821	-	-	48,694,821
Total Liabilities	109,336,043	12,454	(299,229)	109,049,268
NET ASSETS				
Without Donor Restrictions	56,045,943	30,981,521	(30,981,521)	56,045,943
With Donor Restrictions	24,225,128	14,182,667	(14,182,667)	24,225,128
Total Net Assets	80,271,071	45,164,188	(45,164,188)	80,271,071
Total Liabilities and Net Assets	$ 189,607,114	$ 45,176,642	$ (45,463,417)	$ 189,320,339

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2024

	Homes	Foundation	Eliminations	Consolidated
REVENUES, GAINS, AND OTHER SUPPORT				
Resident Services:				
On Campus	$ 35,535,382	$ -	$ -	$ 35,535,382
Early Acceptance	42,444	-	-	42,444
Amortization of Advance Fees:				
On Campus	3,577,823	-	-	3,577,823
Early Acceptance	30,333	-	-	30,333
Gifts, Including Gifts from Churches and Special Offerings	-	378,484	-	378,484
Income from Grants	-	353,037	-	353,037
Income from Estates and Trusts	-	342,842	-	342,842
Investment Income and Realized Gains	4,137,109	(979,610)	-	3,157,499
Net Assets Released from Restrictions	306,335	594,866	-	901,201
Other	262,884	575,000	(575,000)	262,884
Total Revenues, Gains, and Other Support	43,892,310	1,264,619	(575,000)	44,581,929
OPERATING EXPENSES				
Resident Care	20,166,808	-	-	20,166,808
Dietary	5,592,797	-	-	5,592,797
Maintenance and Housekeeping	6,944,745	-	-	6,944,745
General and Administrative	6,292,432	862,197	(575,000)	6,579,629
Depreciation and Amortization	10,181,351	10,834	-	10,192,185
Interest	2,039,679	-	-	2,039,679
Total Operating Expenses	51,217,812	873,031	(575,000)	51,515,843
OPERATING INCOME (LOSS)	(7,325,502)	391,588	-	(6,933,914)
NONOPERATING INCOME (LOSS)				
Loss on Sale of Property and Equipment	(51,473)	-	-	(51,473)
Unrealized Gain on Investments	3,162,059	5,153,870	-	8,315,929
Accreted Interest	(883,204)	-	-	(883,204)
Total Nonoperating Income	2,227,382	5,153,870	-	7,381,252
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENSES	(5,098,120)	5,545,458	-	447,338
OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS				
Net Assets Released from Restrictions for Property and Equipment	-	291,781	-	291,781
Change in Investment in Affiliate	5,837,239	-	(5,837,239)	-
Total Other Changes in Net Assets Without Donor Restrictions	5,837,239	291,781	(5,837,239)	291,781
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	739,119	5,837,239	(5,837,239)	739,119

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2024

	Homes	Foundation	Eliminations	Consolidated
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS				
Contributions	$ -	$ 198,557	$ -	$ 198,557
Change in Value of Charitable Remainder Trusts	486,983	36,753	-	523,736
Change in Unrealized Gains on Investments	150,590	1,603,267	-	1,753,857
Change in Value of Beneficial Interest in Perpetual Trusts	239,086	108,207	-	347,293
Net Assets Released from Restrictions	(306,335)	(886,647)	-	(1,192,982)
Decrease in Investment in Affiliate	1,060,137	-	(1,060,137)	-
Increase (Decrease) in Net Assets With Donor Restrictions	1,630,461	1,060,137	(1,060,137)	1,630,461
CHANGE IN NET ASSETS	2,369,580	6,897,376	(6,897,376)	2,369,580
Net Assets - Beginning of Year	77,901,491	38,266,812	(38,266,812)	77,901,491
NET ASSETS - END OF YEAR	$ 80,271,071	$ 45,164,188	$ (45,164,188)	$ 80,271,071

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
COMBINING BALANCE SHEET OF HOMES
SEPTEMBER 30, 2024

ASSETS	Brookridge Retirement Community	The Taylor House	The Gardens of Taylor Glen	ThriveMore at Home	Ardenwoods of North Carolina	Corporate	Eliminations	Total Homes
CURRENT ASSETS								
Cash and Cash Equivalents	$ 1,175	$ 3,413	$ 5,250	$ -	$ 5,306	$ 3,418,887	$ -	$ 3,434,031
Accounts Receivable	3,525,990	1,497	901,051	-	73,080	-	-	4,501,618
Allowance for Credit Losses	(1,252,912)	-	(188,981)	-	-	-	-	(1,441,893)
Accounts Receivable, Net	2,273,078	1,497	712,070	-	73,080	-	-	3,059,725
Investments	-	-	-	-	-	14,655,941	-	14,655,941
Prepaid Expenses and Other Assets	202,423	9,838	133,048	2,956	77,096	589,904	-	1,015,265
Deposit	-	-	-	-	-	169	-	169
Total Current Assets	2,476,676	14,748	850,368	2,956	155,482	18,664,901	-	22,165,131
ASSETS LIMITED AS TO USE								
Entrance Fee Deposits	-	-	2,123,063	-	-	-	-	2,123,063
Internally Designated for Thrivemore at Home	-	-	-	-	-	856,220	-	856,220
Internally Designated for Statutory Operating Reserve	-	-	-	-	-	8,119,000	-	8,119,000
Total Assets Limited as to Use	-	-	2,123,063	-	-	8,975,220	-	11,098,283
INVESTMENTS AND OTHER ASSETS								
Assets in Split-Interest Agreements:								
Charitable Remainder Trusts	-	-	-	-	-	1,526,252	-	1,526,252
Beneficial Interest in Perpetual Trust	-	-	-	-	-	5,067,381	-	5,067,381
Other Assets	-	-	-	-	-	15,000	-	15,000
Goodwill, Net	-	-	-	-	-	15,342,454	-	15,342,454
Note Receivable	-	-	-	-	-	2,500,000	-	2,500,000
Total Investments and Other Assets	-	-	-	-	-	24,451,087	-	24,451,087
PROPERTY AND EQUIPMENT, NET	28,319,361	296,518	24,848,058	-	20,527,819	12,736,669	-	86,728,425
INVESTMENT IN AFFILIATE	-	-	-	-	-	45,164,188	-	45,164,188
Total Assets	$ 30,796,037	$ 311,266	$ 27,821,489	$ 2,956	$ 20,683,301	$ 109,992,065	$ -	$ 189,607,114

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
COMBINING BALANCE SHEET OF HOMES (CONTINUED)
SEPTEMBER 30, 2024

LIABILITIES AND NET ASSETS	Brookridge Retirement Community	The Taylor House	The Gardens of Taylor Glen	ThriveMore at Home	Ardenwoods of North Carolina	Corporate	Eliminations	Total Homes
CURRENT LIABILITIES								
Current Maturities of Long-Term Debt	$ 700,316	$ -	$ -	$ -	$ -	$ 1,230,320	$ -	$ 1,930,636
Line of Credit	-	-	-	-	-	6,750,000	-	6,750,000
Accounts Payable	706,321	13,985	1,455,008	11,089	260,833	192,736	-	2,639,972
Accrued Expenses	386,713	-	121,207	-	10,360	537,306	-	1,055,586
Accrued Employee Compensation	156,421	9,396	70,546	2,841	48,873	766,839	-	1,054,916
Due to Related Party	12,493,742	6,010,481	32,880,478	(104,407)	5,614,266	(56,595,331)	-	299,229
Other Current Liabilities	1,937	2,413	6,372	-	-	573	-	11,295
Current Portion of Refundable Advance Fees	127,566	-	101,507	-	484,134	-	-	713,207
Total Current Liabilities	14,573,016	6,036,275	34,635,118	(90,477)	6,418,466	(47,117,557)	-	14,454,841
LONG-TERM DEBT, LESS CURRENT MATURITIES	8,013,409	-	-	-	-	38,172,972	-	46,186,381
DEFERRED REVENUE AND OTHER LIABILITIES								
Entrance Fee and Waitlist Deposits	58,000	-	2,149,051	-	-	-	-	2,207,051
Deferred Revenue from Advance Fees	8,801,826	-	10,658,810	768,147	1,756,164	-	-	21,984,947
Refundable Advance Fees on Occupied Units, Net of Current Portion	4,643,268	-	4,385,933	-	15,473,622	-	-	24,502,823
Total Deferred Revenue and Other Liabilities	13,503,094	-	17,193,794	768,147	17,229,786	-	-	48,694,821
Total Liabilities	36,089,519	6,036,275	51,828,912	677,670	23,648,252	(8,944,585)	-	109,336,043
NET ASSETS								
Without Donor Restrictions	(5,293,482)	(5,725,009)	(24,007,423)	(674,714)	(2,964,951)	94,711,522	-	56,045,943
With Donor Restrictions	-	-	-	-	-	24,225,128	-	24,225,128
Total Net Assets	(5,293,482)	(5,725,009)	(24,007,423)	(674,714)	(2,964,951)	118,936,650	-	80,271,071
Total Liabilities and Net Assets	$ 30,796,037	$ 311,266	$ 27,821,489	$ 2,956	$ 20,683,301	$ 109,992,065	$ -	$ 189,607,114

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS OF HOMES
YEAR ENDED SEPTEMBER 30, 2024

	Brookridge Retirement Community	Western North Carolina Baptist Home	The Taylor House	The Gardens of Taylor Glen	ThriveMore at Home	Ardenwoods of North Carolina	Corporate	Eliminations	Homes
REVENUES, GAINS, AND OTHER SUPPORT									
Resident Services:									
On Campus	$ 17,280,743	$ -	$ 503,112	$ 10,733,291	$ -	$ 7,018,236	$ -	$ -	$ 35,535,382
Early Acceptance	-	-	-	-	42,444	-	-	-	42,444
Amortization of Advance Fees:									
On Campus	1,391,239	-	-	1,828,353	-	358,231	-	-	3,577,823
Early Acceptance	-	-	-	-	30,333	-	-	-	30,333
Investment Income and Realized Gains	-	-	-	-	-	154	4,136,955	-	4,137,109
Net Assets Released from Restrictions	-	-	-	-	-	-	306,335	-	306,335
Other	101,271	-	-	102,587	-	59,026	-	-	262,884
Total Revenues, Gains, and Other Support	18,773,253	-	503,112	12,664,231	72,777	7,435,647	4,443,290	-	43,892,310
OPERATING EXPENSES									
Resident Care	10,676,031	-	949,579	5,024,326	409,470	2,688,095	419,307	-	20,166,808
Dietary	2,320,243	-	69,455	1,530,135	-	1,672,995	(31)	-	5,592,797
Maintenance and Housekeeping	3,042,370	-	85,528	2,616,478	-	1,200,369	-	-	6,944,745
General and Administrative	2,858,041	-	141,963	2,121,426	64,141	1,230,967	(124,106)	-	6,292,432
Depreciation and Amortization	3,431,740	-	89,009	2,787,615	-	2,093,878	1,779,109	-	10,181,351
Interest	557,453	-	-	441,733	-	631,090	409,403	-	2,039,679
Total Operating Expenses	22,885,878	-	1,335,534	14,521,713	473,611	9,517,394	2,483,682	-	51,217,812
OPERATING INCOME (LOSS)	(4,112,625)	-	(832,422)	(1,857,482)	(400,834)	(2,081,747)	1,959,608	-	(7,325,502)
NONOPERATING INCOME (LOSS)									
Loss on Sale of Property and Equipment	(13,777)	-	-	-	-	-	(37,696)	-	(51,473)
Unrealized Gain on Investments	-	-	-	-	-	-	3,162,059	-	3,162,059
Accreted Interest	-	-	-	-	-	(883,204)	-	-	(883,204)
Total Nonoperating Income	(13,777)	-	-	-	-	(883,204)	3,124,363	-	2,227,382
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENSES	(4,126,402)	-	(832,422)	(1,857,482)	(400,834)	(2,964,951)	5,083,971	-	(5,098,120)
OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS									
Net Asset Transfer	-	(2,560,062)	-	-	-	-	2,560,062	-	-
Change in Investment in Affiliate	-	-	-	-	-	-	5,837,239	-	5,837,239
Total Other Changes in Net Assets Without Donor Restrictions	-	(2,560,062)	-	-	-	-	8,397,301	-	5,837,239
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(4,126,402)	(2,560,062)	(832,422)	(1,857,482)	(400,834)	(2,964,951)	13,481,272	-	739,119

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS OF HOMES (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2024

	Brookridge Retirement Community	Western North Carolina Baptist Home	The Taylor House	The Gardens of Taylor Glen	ThriveMore at Home	Ardenwoods of North Carolina	Corporate	Eliminations	Homes
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS									
Change in Value of Charitable Remainder Trusts	$ -	$ -	$ -	$ -	$ -	$ -	$ 486,983	$ -	$ 486,983
Change in Unrealized Gains on Investments	-	-	-	-	-	-	150,590	-	150,590
Change in Value of Beneficial Interest in Perpetual Trusts	-	-	-	-	-	-	239,086	-	239,086
Net Assets Released from Restrictions	-	-	-	-	-	-	(306,335)	-	(306,335)
Increase in Investment in Affiliate	-	-	-	-	-	-	1,060,137	-	1,060,137
Increase (Decrease) in Net Assets With Donor Restrictions	-	-	-	-	-	-	1,630,461	-	1,630,461
CHANGE IN NET ASSETS	(4,126,402)	(2,560,062)	(832,422)	(1,857,482)	(400,834)	(2,964,951)	15,111,733	-	2,369,580
Net Assets - Beginning of Year	(1,167,080)	2,560,062	(4,892,587)	(22,149,941)	(273,880)	-	103,824,917	-	77,901,491
NET ASSETS - END OF YEAR	$ (5,293,482)	$ -	$ (5,725,009)	$ (24,007,423)	$ (674,714)	$ (2,964,951)	$ 118,936,650	$ -	$ 80,271,071

ATTACHMENT II

Financial Data – Actual Compared to Forecasted

Notes to the Comparison of Actual Net Income Results to Forecasted Projected

For the Statement of Operations, any variances greater than 5% and $947,000 (.5% of assets) are highlighted on the comparison and explained below. For the Balance Sheet and Statement of Cash Flows, any variances greater than 5% and $1,893,000 (1% of assets) are highlighted on the comparison and explained below.

Statement of Operations

A. Actual Investment Income and Realized Gains was $1.11M or 54.0% over the forecast. The variance was primarily due to market volatility and repositioning to address the market volatility during the year.

B. Resident Care was $5.68M or 39.2% above the forecast due to increased FTEs to meet the increased occupancy, increased wages to attract and retain quality staff and contract labor to address staffing shortages.

C. General & Administrative was $1.96M or 22.9% below the forecast due to the disposition of one community during 2023 and the addition of a smaller community with a smaller expense model.

D. Depreciation was $3.91M or 83.4% above the forecast due to increased capital investment in multiple campuses property and equipment to bring each campus up to date.

Balance Sheet

E. Cash and Cash Equivalents were $1.91M or 35.8% below forecast due to the reclassifying of entry fee deposits being held for expansion being moved from "Cash and Cash Equivalents" to "Assets whose use is limited" during the 2024 audit.

F. Property and equipment, net, was $7.94M or 8.3% below forecast due to sale of one campus in fiscal year 2023 and the addition of another campus in 2024.

G. Line of Credit was $6.75M or 100% above forecast due to the Line of Credit not being forecasted.

H. Deferred Revenue from Advance of Fees were $1.96M or 8.2% below projection due to the sale and acquisition of properties.

I. Refundable advance fees on occupied units, net of current portion was $6.41M or 31.6% above (model was 65% below in 2023) the 2024 forecast due to timing of purchase of new campus not occurring until fiscal year 2024.

J. Actual net assets were higher than forecast due to investment performance and higher than forecast expenses.

Statement of Cash Flows

K. Increase/Decrease in Net Assets were $3.63M and are disposition of one community at the close of 2023 and addition of a community in early 2024 and addition of a community in early 2024 as well as improved census performance across the organization.

L. Depreciation of $3.91M above the 2024 forecast is attributable to the disposition of one community at the close of 2023 and addition of a community in early 2024.

M. Investment performances are not typically forecasted as the market is not predictable and we have limited control on outcomes.

N. Advance fees received of $3.24M were 37.0% above the 2024 forecast due to higher-than-expected entrance fees per the unit mix and contract type assumptions used in the forecast.

O. Purchase of Property and Equipment of $5.65M or 23.4% were below forecast as estimated capital was less than anticipated.

P. Payment of long-term debt of $13.34M or 87.8% were below forecast as the disposition of one community at the close of 2023 and addition of a community in early 2024 fluctuated this based on the debt levels of each community.

Baptist Retirement Homes Of North Carolina, Incorporated
Comparison of Actual Net Income Results to Forecasted Projected February 27, 2024
Statements of Operations and Changes in Net Assets
FYE 9/30/2024 (In Thousands of Dollars)

	2024 Actual (Audited)	2024 Forecasted	Variance	%	
Revenues, gains and other support:					
Net resident service revenue, including amortization of deferred revenue from nonrefundable advance fees of $3,577,823 in 2024	$ 39,187	$ 38,297	$ 890	2.3%	
Gifts, including gifts from churches and special day offerings	378	613	(235)	-38.3%	
Income from Grants	353	-	353		
Income from Estates and Trusts	343	880	(537)	-61.0%	
Investment Income and Realized Gains	3,157	2,050	1,107	54.0%	A
CARES ACT - Provider Relief Fund Revenue	-	-	-		
Net Assets Released from Restrictions	901	-	901		
Other	263	307	(44)	-14.3%	
Total revenues, gains and other support	44,582	42,147	2,435	54.0%	
Operating expenses:					
Resident care	20,166	14,485	5,681	39.2%	B
Dietary	5,592	5,060	532	10.5%	
Maintenance & Housekeeping	6,945	6,239	706	11.3%	
General & administrative	6,580	8,538	(1,958)	-22.9%	C
Depreciation	8,594	4,687	3,907	83.4%	D
Amortization of Goodwill	1,598	1,696	(98)	-5.8%	
Interest	2,040	1,819	221	12.1%	
Total operating expenses	51,515	42,524	8,991	21.1%	
Operating Income	(6,933)	(377)	(6,556)	1739.0%	
Nonoperating Income					
Gain on Sale of Property & Equipment	(51)	-	(51)		
Accreted Interest	(883)	(882)	(1)	0.1%	
Unrealized Gains (Losses) on Investments	8,315	-	8,315	N/A	
Total Nonoperating income	7,381	(882)	8,315	N/A	
Excess (Deficit) of Revenues Over Expenses and Increase (Decrease) in Unrestricted Net Assets	448	(1,259)	1,707	-135.6%	
Other Changes in Net Assets Without Donor Restriction					
Transfers to Net Assets With Donor Restriction	-	-	-	N/A	
Net Assets Released from Restrictions for Property and Equipment	292	-	292	N/A	
Total Other Changes in Net Assets Without Donor Restrictions	292	-	292	N/A	
Changes in Net Assets with Donor Restrictions					
Contributions	198	-	198	N/A	
Transfers from Net Assets without Donor Restrictions	-		-	N/A	
Change in Value of Charitable Remainder Trusts	524	-	524	N/A	
Change in Unrealized Gains(Losses) on Investments	1,754	-	1,754	N/A	
Change in Value of Beneficial Interest in Perpetual Trusts	347	-	347	N/A	
Net Assets Released from Restrictions	(1,193)	-	(1,193)	N/A	
Change in temporarily restricted net assets	1,630	-	1,630		
Change in net assets	2,370	(1,259)	3,629	-288.2%	

Baptist Retirement Homes Of North Carolina, Incorporated
Comparison of Actual Net Income Results to Forecasted Projected February 27, 2024
Balance Sheet
FYE 9/30/2024 (In Thousands of Dollars)

	2024 Actual (Audited)	2024 Forecasted	Variance	%	
Assets					
Current Assets					
Cash and Cash Equivalents	3,434	5,346	(1,912)	-35.8%	E
Accounts receivable, net	3,060	2,875	185	6.4%	
Investments	56,042	53,663	2,379	4.4%	
Contributions receivable	157	173	(16)	-9.2%	
Deposit	-	-	-		
Prepaid expenses and other current assets	1,021	677	344	50.8%	
Total Current Assets	63,714	62,734	980	1.6%	
Assets whose Use is Limited, Net					
Internally designated for ThriveMore at Home	856	-	856		
Entry Fee Deposits	2,123	575		0.0%	
Internally designated for caital expenditures	-	-			
Internally designated for statutory operating reserve	8,119	8,119	-	0.0%	
Total assets limited to use	11,098	8,694	2,404	27.7%	
Investments, Deferred Costs and Other Assets					
Assets in split-interest agreements:					
Charitable remainder trusts	1,590	1,066	524	49.2%	
Note Receiveable	2,500	2,500	-	0.0%	
Beneficial interest in perpetual trust	7,234	6,887	347	5.0%	
Other assets	15	15	-	0.0%	
	11,339	10,468	871	8.3%	
Property and equipment, Net	87,827	95,768	(7,941)	-8.3%	F
Goodwill net of amortization	15,342	15,265	77	0.5%	
Total assets	**189,320**	**192,929**	**(3,609)**	**-1.9%**	
Liabilities and Net Assets					
Current Liabilities					
Current maturities of long-term debt	1,931	1,931	-	0.0%	
Line of Credit	6,750	-	6,750		G
Accounts payable	2,641	2,585	56	2.2%	
Accrued expenses	1,062	1,325	(263)	-19.8%	
Accrued employee compensation	1,060	1,159	(99)	-8.5%	
Other current liabilities	11	40	(29)	-72.5%	
Entrance Fee Deposits	-	575	(575)	-100.0%	
Current portion of refundable advance fees	713	223	490	219.7%	
Total current liabilities	14,168	7,838	6,330	80.8%	
Long-Term Debt, Less Current Maturities	46,186	64,198	(18,012)	-28.1%	
Deferred Revenue and Other Liabilities					
Deferred revenue from advance fees	21,985	23,948	(1,963)	-8.2%	H
Refundable advance fees on occupied units, net of current portion	26,710	20,302	6,408	31.6%	I
Total Deferred Revenue and Other Liabilities	48,695	44,250	4,445	10.0%	
Total liabilities	109,049	116,286	(7,237)	-6.2%	
Net Assets					
Net Assets Without Donor Restrictions	56,046	54,048	1,998	3.7%	
Net Assets With Donor Restrictions	24,225	22,595	1,630	7.2%	J
Total net assets	80,271	76,643	3,628	4.7%	
Total liabilities and net assets	**189,320**	**192,929**	**(3,609)**	**-1.9%**	

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
STATEMENT OF CASH FLOWS from Projection Model Dated February 27, 2024
FYE 09/30/2024 (In Thousands of Dollars)

	2024 Actual (Audited)	2024 Forecasted	Variance	%	
Cash Flows From Operating Activities					
Increase (decrease) in net assets	$ 2,369	$ (1,259)	$ 3,628	-288.2%	K
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:					
Depreciation	8,593	4,687	3,906	83.3%	L
Amortization of Goodwill	1,598	1,696	(98)	-5.8%	
Loss on extinguishment of debt	-	-	-		
Unrealized gains on investments	(10,069)	-	(10,069)		M
Change in value of charitable remainder trusts	(487)	-	(487)		
Change in value of beneficial interest in perpetual trusts	(347)	-	(347)		
Endowment Contributions	-	-	-		
Amortization of deferred revenue from advance fees	(3,607)	(3,268)	(339)	10.4%	
Amortization of deferred costs and bond discount	25	53	(28)	-52.8%	
Accreted Interest	883	882	1	0.1%	
Bad debt expense	1,184	-	1,184	0.0%	
Advance fees received	11,996	8,757	3,239	37.0%	N
Advance fees refunded	(3,686)	(3,449)	(237)	6.9%	
Change in Entrance Fee and Waitlist Deposits	(3)	-	(3)		
Realized Gains on Investments	(1,504)	-	(1,504)		
(Gain) Loss on Disposal of Assets	51	-	51		
Contributions restricted for long-term purposes	-	-	-		
Change in assets and liabilities:					
(Increase) decrease in Assets:					
Accounts receivable	(1,622)	(253)	(1,369)	541.1%	
Contributions receivable	-	(15)	15	-100.0%	
Prepaid expenses and other current assets	(125)	219	(344)	-157.1%	
Accounts payable, accrued expenses, accrued compensation, and other current liabilities	(668)	1,129	(1,797)	-159.2%	
CARES Act - Provider Relief Fund	-	-	-		
Net cash provided by operating activities	4,581	9,179	(4,598)	-50.1%	
Cash Flows From Investing Activities					
Net change in investments	4,742	(8,581)	13,323	-155.3%	M
Net change of assets whose use is limited	(368)	650	(1,018)	-156.6%	
Proceeds from Sale of Property & Equipment	-	-	-		
Deposit on Acquisition	8,258	8,258	-	0.0%	
Change in Note Receivable - WNC	-	-	-		
Purchase of Ardenwoods	(21,875)	(21,875)	-	0.0%	
Purchase of property and equipment	(18,481)	(24,131)	5,650	-23.4%	O
Net cash provided in investing activities	(27,724)	(45,679)	17,955	-39.3%	
Cash Flows From Financing Activities					
Payments of long-term debt	(1,853)	(15,195)	13,342	-87.8%	P
Proceeds from Line of Credit	2,975	(3,775)	6,750	0.0%	
Proceeds from Issuance of LT Debt	25,004	56,470	(31,466)	0.0%	
Initial Entrance Fees	-	575	(575)	0.0%	
Payment of Financing Costs	(890)	(1,029)	139	-13.5%	
Endowment Contributions	-	-	-		
Net cash used in financing activities	25,236	37,046	(11,810)	-31.9%	
Net increase in cash and cash equivalents	2,093	546	1,547	283.3%	
Cash and cash equivalents:					
Beginning	3,579	4,800	(1,221)	-25.4%	
Ending	$ 5,672	$ 5,346	$ 326	6.1%	

ATTACHMENT III

Pro-Forma
Financial Statements

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED DBA THRIVEMORE AND ITS CONSOLIDATED AFFILIATE

PROJECTED CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

FOR THE YEARS ENDING SEPTEMBER 30, 2025 THROUGH SEPTEMBER 30, 2029

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Trustees
Baptist Retirement Homes of North Carolina, Incorporated dba Thrivemore
Winston-Salem, North Carolina

Management is responsible for the accompanying projected consolidated financial statements of Baptist Retirement Homes of North Carolina, Incorporated dba Thrivemore and its consolidated affiliate (collectively, the "Organization"), which comprise the projected consolidated balance sheets as of September 30, 2025, 2026, 2027, 2028, and 2029 and the related projected consolidated statements of operations and changes in net assets, and cash flows for the years then ending, and the related summaries 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 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 consolidated 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 consolidated financial statements or the assumptions. Furthermore, even if the Organization is able to achieve the hypothetical assumptions as noted in Management's Summary of Significant Projection Assumptions and Accounting Policies on page 5 (the "Hypothetical Assumptions"), 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 contained in the Supplemental Projected Consolidating Statements of Operations and Changes in Net Assets without Donor Restrictions is presented for purposes of additional analysis and is not a required part of the projection. Such information is the responsibility of management. The 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, nor 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 Trustees, and the North Carolina Department of Insurance (pursuant to the requirement of North Carolina General Statutes, Chapter 58, Article 64 and is included in the Organization's disclosure statement filing) and is not intended to be and should not be used, by anyone other than these specified parties.

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 26, 2025

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND ITS CONSOLIDATED AFFILIATE
PROJECTED CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS NOTED ON PAGE 5
FOR THE YEARS ENDING SEPTEMBER 30,
(In Thousands of Dollars)

	2025	2026	2027	2028	2029
REVENUES, GAINS, AND OTHER SUPPORT					
Resident Service Revenue	$ 36,756	$ 40,292	$ 43,306	$ 44,751	$ 46,246
Net Resident Service Revenue - At Home Program	171	347	523	713	929
Amortization of Deferred Revenue from Nonrefundable Advance Fees	3,980	4,560	5,536	5,718	5,864
Amortization of Deferred Revenue from Nonrefundable Advance Fees - At Home Program	161	278	399	525	656
Gifts, Including Gifts from Churches and Special Day Offerings	371	375	379	383	386
Income from Grants	48	48	49	49	50
Income from Estates and Trusts	394	398	402	406	410
Investment Income	2,778	3,038	3,352	3,232	3,142
Other	463	476	333	347	361
Other - At Home Program	11	26	48	79	118
Total Revenues, Gains, and Other Support	45,133	49,838	54,327	56,203	58,162
OPERATING EXPENSES					
Health Care	19,337	20,308	21,429	22,287	23,179
Dietary	5,830	6,070	6,474	6,792	7,064
Maintenance, Housekeeping and Laundry	7,157	7,506	7,882	8,197	8,526
General and Administrative	6,294	6,511	6,691	6,960	7,236
At Home Program	566	582	774	910	1,082
Depreciation	8,407	9,885	10,613	10,703	10,811
Amortization of Goodwill	1,694	1,694	1,694	1,694	1,694
Interest Expense	1,383	5,201	4,750	4,295	4,067
Total Operating Expenses	50,668	57,757	60,307	61,838	63,659
OPERATING LOSS	(5,535)	(7,919)	(5,980)	(5,635)	(5,497)
NON-OPERATING LOSS					
Accreted Interest	(882)	(882)	(882)	(882)	(882)
Total Non-Operating Loss	(882)	(882)	(882)	(882)	(882)
DEFICIT OF REVENUES OVER EXPENSES AND DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(6,417)	(8,801)	(6,862)	(6,517)	(6,379)
Decrease in Net Assets	(6,417)	(8,801)	(6,862)	(6,517)	(6,379)
Net Assets - Beginning of Year	80,271	73,854	65,053	58,191	51,674
Net Assets - End of Year	$ 73,854	$ 65,053	$ 58,191	$ 51,674	$ 45,295

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED DBA THRIVEMORE AND ITS CONSOLIDATED AFFILIATE PROJECTED CONSOLIDATED STATEMENTS OF CASH FLOWS ASSUMING THE HYPOTHETICAL ASSUMPTIONS NOTED ON PAGE 5 FOR THE YEARS ENDING SEPTEMBER 30, (In Thousands of Dollars)

	2025	2026	2027	2028	2029
CASH FLOWS FROM OPERATING ACTIVITIES					
Decrease in Net Assets	$ (6,417)	$ (8,801)	$ (6,862)	$ (6,517)	$ (6,379)
Adjustments to Reconcile Decrease in Net Assets					
to Net Cash Provided by Operating Activities:					
Depreciation	8,407	9,885	10,613	10,703	10,811
Amortization of Goodwill	1,694	1,694	1,694	1,694	1,694
Amortization of Deferred Revenue from Advance Fees	(3,980)	(4,560)	(5,536)	(5,718)	(5,864)
Amortization of Deferred Revenue from Nonrefundable Advance Fees - At Home Program	(161)	(278)	(399)	(525)	(656)
Amortization of Deferred Issuance Costs	72	168	110	63	63
Accreted Interest	882	882	882	882	882
Advance Fees Received	8,169	8,496	9,085	9,625	10,603
Advance Fees Refunded	(3,520)	(3,661)	(4,014)	(4,278)	(4,741)
Advance Fees Received - At Home Program	1,575	1,402	1,458	1,516	1,577
(Increase) Decrease in Current Assets					
Accounts Receivable	(270)	(198)	(427)	(152)	(155)
Prepaid Expenses and Other Current Assets	123	(17)	(54)	(39)	(42)
Increase (Decrease) in Current Liabilities					
Accounts Payable	(35)	47	366	108	124
Accrued Expenses	(253)	15	41	39	44
Accrued Employee Compensation	(213)	15	36	36	38
Net Cash Provided by Operating Activities	6,073	5,089	6,993	7,437	7,999
CASH FLOWS FROM INVESTING ACTIVITIES					
Net Change in Investments	(598)	(15,561)	4,141	6,153	2,824
Net Change in Assets Limited as to Use	(2,544)	1,441	(1,378)	(2,624)	(1,845)
Change in Note Receivable - Western	-	2,500	-	-	-
Acquisition of Property and Equipment	(44,735)	(15,717)	(4,207)	(4,376)	(4,551)
Net Cash Used in Investing Activities	(47,877)	(27,337)	(1,444)	(847)	(3,572)
CASH FLOWS FROM FINANCING ACTIVITIES					
Principal Payments on Long-Term Debt	(1,931)	(15,798)	(3,570)	(5,454)	(3,554)
Proceeds from Issuance of Long-Term Debt	44,157	16,837	-	-	-
Initial Entrance Fees	1,796	22,459	-	-	-
Payments to the Line of Credit	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Net Cash Provided (Used in) Investing Activities	43,022	22,498	(4,570)	(6,454)	(4,554)
CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	1,218	250	979	136	(127)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	3,434	4,652	4,902	5,881	6,017
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	$ 4,652	$ 4,902	$ 5,881	$ 6,017	$ 5,890
Supplementary Disclosure: Cash Paid for Interest, Net of Capitalized Interest	$ 1,187	$ 5,395	$ 4,943	$ 4,455	$ 4,154

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

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND ITS CONSOLIDATED AFFILIATE
PROJECTED CONSOLIDATED BALANCE SHEETS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS NOTED ON PAGE 5
AT SEPTEMBER 30,
(In Thousands of Dollars)

	2025	2026	2027	2028	2029
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	$ 4,652	$ 4,902	$ 5,881	$ 6,017	$ 5,890
Accounts Receivable, Net	3,330	3,528	3,955	4,107	4,262
Investments	56,640	72,201	68,060	61,907	59,083
Contributions Receivable	158	158	158	158	158
Prepaid Expenses and Other Assets	898	915	969	1,008	1,050
Total Current Assets	65,678	81,704	79,023	73,197	70,443
ASSETS LIMITED AS TO USE					
Internally Designated for Statutory Operating Reserve	8,867	10,345	10,723	11,847	11,692
Internally Designated - At Home Program	856	1,856	2,856	4,356	6,356
Entrance Fee Deposits	3,919	-	-	-	-
Total Assets Limited as to Use	13,642	12,201	13,579	16,203	18,048
INVESTMENTS AND OTHER ASSETS					
Investments Under Split-Interest Agreements:					
Charitable Remainder Trusts	1,590	1,590	1,590	1,590	1,590
Beneficial Interest in Perpetual Trust	7,234	7,234	7,234	7,234	7,234
Note Receivable - Western	2,500	-	-	-	-
Other Assets	15	15	15	15	15
Total Investments and Other Assets	11,339	8,839	8,839	8,839	8,839
PROPERTY AND EQUIPMENT, NET	124,153	129,985	123,579	117,251	110,989
GOODWILL, NET OF ACCUMULATED AMORTIZATION	13,648	11,954	10,260	8,566	6,872
Total Assets	$ 228,460	$ 244,683	$ 235,280	$ 224,056	$ 215,191
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Current Maturities of Long-Term Debt	$ 1,994	$ 2,059	$ 2,454	$ 3,554	$ 3,698
Line of Credit	5,750	4,750	3,750	2,750	1,750
Accounts Payable	2,605	2,652	3,018	3,125	3,247
Accrued Expenses	809	824	865	904	948
Accrued Employee Compensation	847	862	898	934	972
Other Current Liabilities	11	11	11	11	11
Entrance Fee Deposits	3,919	-	-	-	-
Current Portion of Refundable Advance Fees	713	713	713	713	713
Total Current Liabilities	16,648	11,871	11,709	11,991	11,339
LONG-TERM DEBT, LESS CURRENT MATURITIES, NET OF ISSUANCE COSTS	88,421	89,563	85,708	79,217	75,582
DEFERRED REVENUE AND OTHER LIABILITIES					
Entrance Fee and Waitlist Deposits	84	84	84	84	84
Deferred Revenue from Advance Fees	21,926	33,163	32,759	32,305	31,794
Refundable Advance Fees On Occupied Units, Net of Current Portion	25,345	41,643	42,464	43,429	44,820
Deferred Revenue from Advance Fees - At Home Program	2,182	3,306	4,365	5,356	6,277
Refundable Advance Fees On Occupied Units, Net of Current Portion - At Home Program	-	-	-	-	-
Total Deferred Revenue and Other Liabilities	49,537	78,196	79,672	81,174	82,975
Total Liabilities	154,606	179,630	177,089	172,382	169,896
NET ASSETS					
Net Assets Without Donor Restictions	49,629	40,828	33,966	27,449	21,070
Net Assets With Donor Restrictions	24,225	24,225	24,225	24,225	24,225
Total Net Assets	73,854	65,053	58,191	51,674	45,295
Total Liabilities and Net Assets	$ 228,460	$ 244,683	$ 235,280	$ 224,056	$ 215,191

BACKGROUND AND INFORMATION

Basis of Presentation

This financial projection presents, to the best of management's knowledge and belief, the Baptist Retirement Homes of North Carolina, Incorporated dba Thrivemore (the "Homes") and its consolidated affiliate, Baptist Retirement Homes Foundation (the "Foundation") (collectively, the "Organization"), expected consolidated balance sheets, statements of operations and changes in net assets and cash flows as of September 30, 2025, 2026, 2027, 2028 and 2029 (the "Projection Period") and for each of the years then ending. As used herein, management of the Organization is referred to as "Management."

Accordingly, the projection reflects Management's judgment as of February 26, 2025, the date of this projection, of the expected conditions and its expected course of action during the Projection Period. The financial projection is based on Management's assumptions concerning future events and circumstances. The assumptions disclosed herein are those that Management believes are significant to the projection or are key factors upon which the financial results of the Organization depend.

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. Management does not intend to revise this projection to reflect changes in present circumstances or the occurrence of unanticipated events.

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 a "Hypothetical Assumption" 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."

Management has prepared its financial projection with the following Hypothetical Assumptions:

- Management is able to achieve the operating revenue inflationary rate increases and operating expense inflationary increases as projected;
- Management is able to achieve the net entrance fees from turnover, as projected;
- Management is able to market and achieve the projected fill-up of the "ThriveMore at Home Program" or "TMAHP", as defined hereinafter, as projected;
- Adequate demand exists to support TMAHP utilization and staffing;
- The TMAHP is able to achieve the pricing, entrance fee plan selection and service plan selection mix, as projected;
- Management operates the TMAHP, as projected;
- Interest rates related to variable debt remain as projected;
- The Taylor Glen Project costs and timing of construction are consistent with the assumptions disclosed herein;
- The projected Initial Entrance Fee mix occurs as projected; and
- The New Independent Living Units are successfully marketed, at the disclosed fee levels, and occupied during the Projection Period as projected.

BACKGROUND AND INFORMATION (CONTINUED)

Background of the Organization

Homes is a church-related, not-for-profit corporation organized under the laws of the state of North Carolina. Baptist Retirement Homes of North Carolina, Incorporated dba Thrivemore is governed by a Board of Trustees (the "Board"). The Board of Trustees nominates and elects its own members, each serving a four-year term.

The Foundation was established primarily to raise funds for the benevolent ministries of the Homes.

The board of directors of the Foundation are elected by the board of trustees of the Homes.

Homes owns, maintains, and operates facilities throughout North Carolina for the purpose of providing for the care of older adults. The facilities consist of independent living homes and apartments, and freestanding and combination facilities that include assisted living residences and skilled and intermediate nursing care rooms. Homes receives direct support from North Carolina Baptist churches, special church offerings, grants from foundations and through gifts and bequests from individuals and businesses to assist with capital projects and the benevolent ministries of the Homes.

Principles of Consolidation

The projected consolidated financial statements include the accounts of the Homes and the Foundation. All material related party balances and transactions have been eliminated in consolidation.

The Homes' Facilities

Brookridge Retirement Community: Brookridge Retirement Community ("Brookridge") is a continuing care retirement community located on a 44-acre tract of land on Bethabara Road in Winston-Salem, North Carolina. The community consists of 132 independent living units, 26 adult care home residences, 10 memory-enhanced residences, and a 77-unit nursing care center. Brookridge also contains the following support facilities: administrative offices, a bank, a chapel, a multi-purpose room, arts and crafts rooms, a library, a guestroom, physical therapy rooms, recreation areas, dining rooms, a cafe, beauty/barber shops, a convenience store, a mail area, parlors, pool and exercise area, a kitchen, and several areas for environmental services, maintenance and laundry. The facility originally opened in 1989, with additions made in 1998, 1999, 2001, 2006 and 2012-2014. The facility also underwent significant updating to its common areas in 2022 that was completed by October 2022. In addition, over the last five years, a significant amount of capital reinvestment has occurred with the homes and apartments being upgraded to current market standards which has lead to significant growth in occupancy and the beginning of a waitlist for the apartments and homes at Brookridge.

BACKGROUND AND INFORMATION (CONTINUED)

The Gardens of Taylor Glen Retirement Community: The Gardens of Taylor Glen Retirement Community ("Gardens") is a continuing care retirement community that opened in November 2002. It is located on a 134-plus-acre tract of land located in Concord, North Carolina. The community currently consists of 130 independent living apartments, 12 adult care home residences, 12 memory-enhanced residences, and 24 nursing care beds. The Gardens also incorporates the following support facilities: administrative offices, a bank, a chapel, a multi-purpose room, a swimming pool, an exercise area, arts and crafts rooms, a wood-working shop, a library, a guest cottage, physical therapy rooms, recreation/social areas to include a pond and walking paths, dining areas, beauty/barber shops, a convenience store, a mail area, parlors, a cafe, a kitchen, a training area for health care employees, and several areas for environmental services, maintenance and laundry. A renovation of the entrance was completed in January 2024. In addition, over the last five years, a significant amount of capital reinvestment has occurred with the apartments being upgraded to current market standards which has lead to significant growth in occupancy, creating essentially a full independent living setting with a growing waitlist.

Taylor House: The Taylor House ("Taylor") is a licensed 30-bed adult care home residence located on a 3-acre tract of land on Palmer Street in Albemarle, North Carolina. It was opened for service to its first resident in 1953. As of the date of this report, Taylor is operating 28 adult care home residences.

Ardenwoods: The Ardenwoods community is located on approximately 48 acres in Arden, North Carolina and provides a continuum of resident accommodations that currently include 96 independent living apartments and 48 assisted living units. The community includes two campuses that separately house the independent living units (the "Upper Campus") and the assisted living units (the "Lower Campus"), and a main common area (the "Clubhouse"). Ardenwoods was acquired by the Homes effective October 2, 2023.

The following table shows the current unit configurations for each of the Homes' facilities as of October 1, 2024.

Table 1
Homes
Unit Configuration

	Brookridge	Gardens	Taylor (1)	Ardenwoods
Independent Living Units:				
Studio	7	-	-	-
One Bedroom	42	36	-	23
Two Bedroom	35	94	-	47
Three Bedroom		-		26
Garden Homes, Single Units	6	-	-	-
Garden Homes, Duplex	42	-	-	-
Total Independent Living Units	132	130	-	96
Assisted Living Units:				
Traditional Residence	26	12	28	48
Memory-Enhanced Residence	10	12	-	-
Total Assisted Living Units	36	24	28	48
Total Nursing Units	77	24	-	-
Total Units	245	178	28	144

Source: Management
Note:
(1) Taylor is licensed for 30 adult care home residences but is operating 28 adult care home residences.

BACKGROUND AND INFORMATION (CONTINUED)

ThriveMore at Home Program

In 2010, the North Carolina General Assembly enacted a new statute (§ 58-67-7) that permits Continuing Care Retirement Communities (CCRCs) licensed in the state to offer "continuing care services without lodging." The Organization received approval from the North Carolina Department of Insurance effective June 6, 2023 to offer its Without Walls Program (hereinafter the "ThriveMore at Home Program" or "TMAHP") that will offer such services, as more fully described hereinafter.

The Organization offers older adults of North Carolina its Continuing Care at Home program in addition to its current "brick and mortar" campuses. This is a life care membership program for independent adults, without major health concerns, ages 62 and older who have expressed a desire to "age in place" in their own homes. Members are covered by a comprehensive package of long-term care services designed to enable them to remain independent and live at home as their care needs increase.

See the disclosure statement for more information regarding the contractual components of the TMAHP and the actual contract for such services.

The core elements of the TMAHP are as follows:

- Eligible applicants will be independent with activities of daily living and without major health concerns at time of acceptance as well as able to demonstrate the financial ability to afford the program.
- Acceptance is based upon a review of the potential member's medical records by the program's Medical Advisor and a review of provided financial information by the Organization's Chief Financial Officer.
- Upon acceptance, the person becomes a "Member" of the TMAHP and remains living in their current home. Members accept the ThriveMore at Home Services Agreement (the "TMAHP Agreement", or "Agreement" for this Supplemental Disclosure section) providing them with support services as described in the Agreement and the ability to project and plan for the cost of future health care.
- Members do not reserve a residential unit on any campus nor are they planning to move to a campus in the immediate future.
- Members pay a TMAHP a "membership fee" (entrance fee) and agree to a TMAHP monthly service fee that covers the costs of support services and future access to long-term care services subject to the agreed upon Published Cost of Care described hereafter.
- If the member subsequently moves to an independent living residence in one of Baptist Retirement Homes campuses, a portion of the membership fee (fee less cost of care paid by program) they paid originally for the TMAHP will be applied to the entrance fee for the residence to which they are moving.
- Member's individual needs and goals will be reviewed initially and updated on an annual basis and as needed from time to time.
- In-home services that might be needed over time may be provided either by the Organization, a Provider Preferred Vendor, or other area providers, and will be limited to the agreed upon pricing for such services at the Published Cost of Care.

BACKGROUND AND INFORMATION (CONTINUED)

The TMAHP offers five plan types based on an annual Published Cost of Care that is provided by the Organization, without any lifetime maximum benefit as noted below:

Table 2
ThriveMore at Home Program
2025 Plan and Coverage Levels (1)

Type of Service	Diamond	Platinum	Gold	Silver	Bronze
Wellness / Coordination Support	100%	100%	100%	100%	100%
Residence-Based Services:					
Home Care Aides	100%	75%	50%	50%	0%
Companion / Homemaker	100%	75%	50%	50%	0%
Live-in Assistance	100%	75%	50%	50%	0%
In-Home Hospice	100%	75%	50%	50%	0%
Facility-Based Services:					
Assisted Living / Memory Care	100%	75%	50%	0%	0%
Skilled Nursing / Rehabilitation Services	100%	75%	50%	0%	0%
Inpatient Hospice	100%	75%	50%	0%	0%

Source: Management
Notes:
(2) Maximum Daily Benefit Amount means the amount equal to the lesser of: (i) the actual fees, costs and charges to Member by the Provider for the services provided to Member in a day; and (ii) the maximum dollar amount limit of fees, costs and charges covered per day by the Provider as published by Provider from time to time ("Published Cost of Care") for services provided by Provider with both (i) and (ii) subject to the Member Plan (and corresponding percentages thereunder) selected by Member, including co-payments, deductibles and limitations, and subject to fees, costs and charges that are covered by any governmental payor program and/or insurance. The 2025 Published Cost of Care is $420.

The plans provide the following benefits:

- Relationship with a Wellness Coordinator
  - Creation of individualized wellness plan with expressed goals
  - Coaching support to achieve goals of the wellness plan
  - Ready access to knowledgeable professionals to navigate health care systems
  - Monthly "check-in" to assess any needs and monitoring of agreed upon individualized wellness plan
- Access to Provider and Preferred Vendors for Home Health, Home Care and additional services to the extent available in a particularl market area
- In-home safety assessment with attention to fall prevention and aging in place upon enrollment
- Access to the Organization's Medical Advisor
- Provision of educational opportunities addressing healthy aging and safety
- Provision of opportunities for social connection with other members

Revenue and expenses related to the TMAHP are reported separately on the projected consolidated financial statements for this projection, as is required by the North Carolina Department of Insurance.

BACKGROUND AND INFORMATION (CONTINUED)

THE TAYLOR GLEN PROJECT

Management has projected an expansion to the Gardens of Taylor Glen Retirement Community. The "Taylor Glen Project" is projected to consist of 50 New Independent Living Units and 12 New Assisted Living Units.

The following table shows the current unit configurations, monthly service fees and entrance fees for the Taylor Glen Project.

Table 3
The Taylor Glen Project
Unit Configuration, Monthly Fees and Entrance Fees
(in 2025 Dollars)

					Entrance Fee	
Unit Name	**Unit Type**	**Number of Units / Beds**	**Square Footage**	**Monthly Service Fees**	**90% Refund Plan**	**Standard Plan - 60 Month**
New Independent Living Units						
Daisy	2 Bedroom. 1 Bath. Den	3	1,112	$ 3,520	$ 417,000	$ 213,000
Lily	2 Bedroom. 2 Bath	4	1,508	4,760	565,000	289,000
Peony	2 Bedroom. 2.5 Bath. Den	6	1,800	5,695	675,000	345,000
Dahlia	2 Bedroom. 2.5 Bath. Den. Sunroom	4	2,006	6,315	750,000	384,000
Dogwood	2 Bedroom. 2 Bath	9	1,700	5,380	690,000	353,000
Lupine	2 Bedroom. 2 Bath. Den	17	1,842	5,800	745,000	382,000
Iris	2 Bedroom. 2.5 Bath. Den. Sunroom	4	2,085	6,520	845,000	432,000
Iris Two-Story	3 Bedroom. 3.5 Bath. Sunroom. Bonus	3	2,962	7,760	1,200,000	614,000
Total / Weighted Average - New Independent Living Units		50	1,841	$ 5,708	$ 728,320	$ 372,840
Second Person Fees				*$ 910*	*$21,300*	*$21,300*
New Assisted Living Units		12		$ 9,223	N/A	N/A

Source: Management

The following table summarizes Management's projected utilization of the entrance fee plans for first generation independent living residents and by subsequent residents of the Taylor Glen Project during the Projection Period.

Table 4
The Taylor Glen Project
Projected Utilization of Entrance Fee Plans

	First Generation Residents of the New Independent Living Units (1)		Future Residents (2)
Resident Entrance Fee Plan Type	Number	Percent of Total	Percent of Total
90% Refund Plan	24	50%	50%
Standard Plan - 60 Month	24	50%	50%
Total / Percentage	48	100%	100%

Source: Management
Notes:
(1) Represents the projected allocation of entrance fee plan types selected by initial residents of the New Independent Living Units.

(2) Represents the projected allocation of entrance fee plan types selected by subsequent residents of the New Independent Living Units during the Projection Period.

Taylor Glen Project Timeline

The following table presents the projected timeline, as provided by Management, for the Taylor Glen Project.

Table 5
The Taylor Project
Development Timeline

Date	Milestone
October-25	Construction of the Taylor Glen Project is Complete and Occupancy Commences
June-26	New Assisted Living Units Achieve Stabilized Occupancy (92%)
September-26	New Independent Living Units Achieve Stabilized Occupancy (94%)

Source: Management

Projected occupancy for the Taylor Glen Project is based upon Management's assumed move-in schedule for the New Independent Living Units as depicted in the following tables

Table 6
Taylor Glen Project Move-In Schedule
New Independent Living Units

			Cumulative Occupancy	
Month	Total Units	Net Move-Ins	Number of Units	Percentage
Fiscal Year 2026				
October	50.0	4.0	4.0	8%
November	50.0	4.0	8.0	16%
December	50.0	4.0	12.0	24%
January	50.0	4.0	16.0	32%
February	50.0	4.0	20.0	40%
March	50.0	4.0	24.0	48%
April	50.0	4.0	28.0	56%
May	50.0	4.0	32.0	64%
June	50.0	4.0	36.0	72%
July	50.0	4.0	40.0	80%
August	50.0	4.0	44.0	88%
September	50.0	3.0	47.0	94%
Thereafter	50.0		47.0	94%

Source: Management

Management has projected double occupancy for the New Independent Living Units of 50 percent during the Projection Period.

Table 7
Taylor Glen Project Move-In Schedule
New Assisted Living Units

			Cumulative Occupancy	
Month	Total Units	Net Move-Ins	Number of Units	Percentage
Fiscal Year 2026				
January	12.0	6.0	6.0	50%
February	12.0	1.0	7.0	58%
March	12.0	1.0	8.0	67%
April	12.0	1.0	9.0	75%
May	12.0	1.0	10.0	83%
June	12.0	1.0	11.0	92%
Thereafter	12.0		11.0	92%

Source: Management

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Organization classifies its funds for accounting and reporting purposes as either without donor restrictions or with donor restrictions:

Net Assets without Donor Restrictions

Resources of the Organization that are not restricted by donors or grantors as to use or purpose. These resources include amounts generated from operations, undesignated gifts, and the investment in property and equipment.

Net Assets with Donor Restrictions

Resources that carry a donor-imposed restriction that permits the Organization to use or expend the donated assets as specified for which the restrictions are satisfied by the passage of time or by actions of the Organization. These resources may also include amounts restricted by the donor in perpetuity, but may permit the Organization to use or expend part or all of the income derived from the donated assets. As restrictions are met, the contributions are released from net assets with donor restrictions and are transferred to net assets without donor restrictions. Those resources for which the restrictions are met in the same fiscal year in which they are received are included in net assets without donor restrictions.

Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments with an original maturity of three months or less from the date of acquisition which are not included in assets limited as to use or investments.

Accounts Receivable

The Organization records accounts receivable at the total unpaid balance. The Organization determines past due status based on the billing dates, and charges a late fee on overdue accounts. Accounts past due are individually analyzed for collectability. Accounts receivable that management determines will be expected credit losses are written off upon such determination. It is the Organization's policy to seek collection on all overdue accounts. Accounts receivable are reported net of an allowance for credit losses to represent the Organization's estimate of expected losses at the projected state of financial position date. The adequacy of the Organization's allowance for credit losses is reviewed on an ongoing basis, using historical payment trends, write-off experience, aging of receivables, a review of specific accounts, as well as expected future economic conditions and market trends, and adjustments are made to the allowance as necessary.

Contributions and Support

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at their fair value, which is measured at the present value of their future cash flows.

Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Conditional contributions with conditions met in the same reporting period in which they are received are reported as unconditional contributions.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grant awards are evaluated by management and determined to either be unconditional contributions, exchange transactions, or conditional contributions. If considered to be an unconditional contribution, revenue from grants is recorded upon notification of the award. If considered to be an exchange transaction, revenue from grants is recorded as expenses are incurred under the terms of the respective grant agreement. If considered to be a conditional contribution, revenue from grants is recorded at the time the conditions on which they depend have been met.

A portion of the Organization's revenue is derived from cost-reimbursable grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions. Any amounts received prior to incurring qualifying expenditures would be reported as refundable advances in the consolidated balance sheets. Management has not projected any contribution income from cost-reimbursable based grants during the Projection Period.

Assets Limited as to Use

Assets limited as to use include amounts set aside for the TMAHP, entrance fee deposits, and amounts set aside to meet the operating reserve requirements of North Carolina General Statute Chapter 58, Article 64 or those items required as part of Trustee agreements. The statutory operating reserve balance can only be released upon the submittal of a detailed request and approval of the Commissioner of the North Carolina Department of Insurance.

Investments

Investments in debt and equity securities are measured at fair value based on quoted market prices. In determining realized gains and losses, the cost of investments is determined using the first-in first-out method. Donated investments are reported at fair value at the date of receipt.

The Organization's investments are classified as trading securities. The investments are managed by brokers who actively buy and sell investments within the Organization's Investment Policy Statement. Investment income (including realized gains and losses on investments, interest, and dividends) is included in excess of revenues over expenses unless the income is restricted by donor or law. Unrealized gains and losses on investments, if any, are included in excess of revenues over expenses on the projected consolidated statement of operations and changes in net assets. Management has not projected any unrealized gains or losses on investments during the Projection Period.

Assets in Split-Interest Agreements

The Organization is a beneficiary to several irrevocable split-interest agreements. These split-interest agreements are categorized as charitable remainder trusts and beneficial interests in perpetual trusts, both of which are included in net assets with donor restrictions. Charitable remainder trusts are stated at fair value net of discounted future contractual payment obligations. The value of beneficial interest in perpetual trusts represents an irrevocable right to receive distributions in perpetuity from a trust that is managed by a third-party. The Organization does not have variance power over the trust's portfolio. The value of beneficial interest in perpetual trusts uses a market approach and is estimated based on the fair value of the underlying investments held by the trust.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are recorded at cost or, if donated, at market value at date of contribution. Property and equipment are capitalized if it has a cost over $2,000 and an estimated useful life of at least 2 years. Depreciation is computed over the estimated useful lives of the related assets, ranging from 3 to 31.5 years, using the straight-line method. All additions are depreciated beginning on the date of acquisition.

The Organization periodically assesses the realizability 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, 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, Homes reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Deferred Costs

Deferred financing costs represent expenses incurred in connection with the permanent financing of the Organization and are deferred and amortized over the life of the related indebtedness using the straight-line method, which approximates the effective interest method. Deferred financing costs are net of accumulated amortization. Deferred financing costs are presented as a reduction of the related borrowings and the amortization is presented as a component of interest expense.

Deferred Revenue from Advance Fees

Advance fees paid by a resident, net of the estimated portion that is refundable to the resident, are recorded as deferred revenue and are amortized into income using the straight-line method over the estimated remaining life expectancy of the resident. Advance fees are refundable pro-rata over the first 24 or 60 months of residency depending on the contract type.

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 and compares that amount with the balance of deferred revenue from advance fees. If the present value of the net cost of future services and use of facilities exceeds the deferred revenue from advance fees, a liability is recorded (obligation to provide future services and use of facilities) with the corresponding charge to income. There was no liability recognized at September 30, 2024. Management has not projected any obligation to provide future services liability during the Projection Period.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deficit of Revenue Over Expenses

The projected consolidated statements of operations and changes in net assets include deficit of revenues over expenses. Changes in net assets without donor restrictions, that are included in excess (deficit) of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments in trading securities. Changes that are excluded include contributions of long-lived assets (including assets acquired using contributions that by donor restriction were to be used for the purpose of acquiring such assets), transfers of net assets, and net assets released from restrictions for property and equipment.

Net Resident and Health Care Service Revenue

Resident service revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing resident care. These amounts are due from residents, 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 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 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, home health 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 residents and customers 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.

Because all of its performance obligations have 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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' 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 the established charges. A summary of the payment arrangements with major third-party payors follows:

Medicare

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). The nursing facilities were paid under the Medicare Prospective Payment System (PPS) for residents who are Medicare Part A eligible and met the coverage guidelines for skilled nursing facility services. The PPS was a per diem price-based system. CMS finalized the Patient Driven Payment Model (PDPM) to replace the existing Medicare reimbursement system effective October 1, 2019. Under PDPM, therapy minutes are removed as the primary basis for payment and instead use the underlying complexity and clinical needs of a patient as a basis for reimbursement. In addition, PDPM introduces variance 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.

Medicaid

The Organization's licensed nursing facilities participate in the Medicaid program which is administered by the North Carolina Division of Health Benefits. Services rendered to Medicaid program beneficiaries are reimbursed using predetermined per diem rates as defined for each Medicaid provider in North Carolina. Annual cost report filings are required for Medicaid providers, which include the completion of the North Carolina Division of Health Benefit's supplemental schedules. For Continuing Care Retirement Facilities, the Supplemental Schedules do not contain a cost settlement.

Other

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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. 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.

Generally, residents 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 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 recorded as adjustments to resident 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 projected by Management during the Projection Period. Subsequent changes that are determined to be the result of an adverse change in the resident's ability to pay are recorded as bad debt 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.

The Organization maintains records, and the board has oversight, to identify and monitor the amount of charges foregone for services and supplies furnished under its benevolent assistance policy and to identify and monitor the level of benevolent assistance it provides. These include reduced rates for Medicare, Medicaid, and other governmental programs.

The Organization has estimated the costs of providing assistance under its benevolent assistance policy. In order to estimate the cost of providing such assistance, management calculates a ratio by comparing the charges foregone to total operating revenue and applying this ratio to expenses to estimate the costs of providing benevolent assistance.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

Homes and Foundation are not-for-profit organizations that are exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Homes and the Foundation file as tax-exempt organizations. Management is not aware of any activities that would jeopardize the tax-exempt status of the Homes or the Foundation. Management is not aware of any significant activities that are subject to tax on unrelated business income or excise or other taxes for the Homes or the Foundation.

The Homes and the Foundation follow guidance in the income tax standard regarding recognition and measurement of uncertain tax positions. The application of the standard has had no impact on the Homes' or the Foundation's projected consolidated financial statements.

Allowance for Credit Losses

At the beginning of 2024, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. The Homes adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Homes' consolidated financial statements but did change how the allowance for credit losses is determined.

Resident receivables are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. The Homes separates resident receivables into risk pools based on payors and aging. In determining the amount of the allowance as of the consolidated balance sheets date, the Homes develops a loss rate for each risk pool. This loss rate is based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions. Management has not projected any change in the allowance for credit losses during the Projection Period.

Goodwill

The Organization accounts for business acquisitions using the acquisition method of accounting. Goodwill is recognized as a result of a business combination when the purchase price paid for the acquired business exceeds the fair value of its intended net assets. Identified intangible assets are recognized at their fair value when acquired. The Organization elected the alternative accounting for goodwill as its accounting policy. The Organization elected to amortize goodwill on a straight-line basis over 10 years and test for impairment at the entity level. Goodwill is amortized on a straight-line basis. At September 30, 2024 goodwill was approximately $16,941,000 and accumulated amortization was approximately $1,598,000. Organizations making the election test goodwill for impairment only when a triggering event occurs and perform the goodwill impairment evaluation as of the end of each reporting period, instead of annually. When impairment is likely, the Organization calculates goodwill impairment as the Organization's carrying value including goodwill that exceeds its fair value. There was no impairment of goodwill during 2024. Management has not projected any impairment of goodwill during the Projection Period.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business Combination Accounting for Contract Assets and Contract Liabilities

In 2024, the Organization early 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.

Use of Estimates

The preparation of the projected consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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 consolidated financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUE

Revenue for the Organization is generated primarily from monthly service fees for the independent living units, amortization of entrance fees, and monthly service fees and per diem charges from the assisted living residents, nursing residents, and individuals receiving home health services.

Revenue for the independent living units is 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 funds generated from services provided to residents transferring from the independent living units, and those services provided to residents admitted directly to the Health Center.

Management's projected occupancy assumptions are presented in Table *8*.

Health Center Free Days

At the date of occupancy, each resident whose residence is an independent living unit at the Gardens, Brookridge, or Ardenwoods (for Ardenwoods, only with a contract effective October 2, 2023 or later), is granted 30 Health Center Free Days (Free Days). Free Days are non-transferable, must be used only as defined in the Resident Agreements and in the Organization's policy, and have no value if not used. No new Free Days are granted after the resident moves to either assisted living or nursing, collectively the Health Center. Free Days will not be applied if the resident is receiving Medicare benefits.

For each day a resident occupies or holds an accommodation in the Health Center, whether or not that accommodation is the primary residence, Free Days will be credited until all such accumulated days are used. When Free Days are exhausted, the resident will be charged the private pay rate for their Health Center unit. While the resident uses Free Days, service fees continue based on the independent living residence from which the resident moved or transferred, and the resident will be charged for medicines, physician's services, and for supplies not normally included in the base fee for Health Center services.

The 30 Free Days benefit is not available for residents who were admitted directly to an assisted living unit or a skilled nursing bed.

Projected Occupancy Levels

Projected occupancy for the Organization's independent living units is based upon the historical experience of Management as well as marketing efforts and strategies aimed at improving occupancy through a build-up of brand awareness of the Organization and upgrades to the product standards within the Organization.

Occupancy of the assisted living units and nursing beds are projected to be from transfers from independent living units, when available at the particular community, as well as direct admissions from the local market areas. Nursing bed occupancy for Gardens is based solely on internal transfers primarily from both independent living units and assisted living units. Projected resident transfers from independent living to assisted living or nursing have been provided by Management, and are based on the Organization's historical experience.

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUE (CONTINUED)

The following table shows projected occupancy for each of the Homes' facilities for the Projection Period, as projected by Management based in part on the Organization's historical experience and adjusted to give effect to a revamped marketing program, including additional market staff additions, that are expected to positively impact marking and sales activities.

Table 8
Homes
Projected Occupancy for Existing Units In The Years Ending September 30,

	2025	2026	2027	2028	2029
Brookridge					
Independent Living Units	91.7%	91.7%	91.7%	91.7%	91.7%
Assisted Living Units	91.7%	91.7%	91.7%	91.7%	91.7%
Nursing Units	92.2%	92.2%	92.2%	92.2%	92.2%
Gardens (1):					
Independent Living Units	94.6%	94.6%	94.6%	94.6%	94.6%
Assisted Living Units	87.5%	87.5%	87.5%	87.5%	87.5%
Nursing Units	58.3%	58.3%	58.3%	58.3%	58.3%
Ardenwoods:					
Independent Living Units	92.7%	92.7%	92.7%	92.7%	92.7%
Assisted Living Units	83.3%	83.3%	83.3%	83.3%	83.3%
Taylor:					
Assisted Living Units	67.9%	67.9%	67.9%	67.9%	67.9%

Source: Management
Note:
(1) Does not include the New Independent Living Units and New Assisted Living Units. See Table *6* and Table *7* for Taylor Glen Project fill schedules and projected occupancy.

The projected double occupancy percentages in the independent living units of Gardens, Brookridge, and Ardenwoods are approximately 40 percent, 25 percent, and 30 percent, respectively, based upon historical operating experience and the assumptions provided by Management.

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUE (CONTINUED)

ThriveMore at Home Program Fill Schedule

Projected usage of the TMAHP is based upon Management's assumed fill schedule for the program. The following table reflects Management's anticipated fill schedule for the TMAHP, as well as the projected usage assumption.

Table 9
ThriveMore at Home Program
Projected Fill Schedule

Month	Fiscal Year 2025 New Enrollees	Fiscal Year 2025 Cumulative Enrollees	Fiscal Year 2026 New Enrollees	Fiscal Year 2026 Cumulative Enrollees	Fiscal Year 2027 New Enrollees	Fiscal Year 2027 Cumulative Enrollees	Fiscal Year 2028 New Enrollees	Fiscal Year 2028 Cumulative Enrollees
October	1.8	11.8	1.5	32.5	1.5	50.5	1.5	68.5
November	1.8	13.5	1.5	34.0	1.5	52.0	1.5	70.0
December	1.8	15.3	1.5	35.5	1.5	53.5	1.5	71.5
January	1.8	17.0	1.5	37.0	1.5	55.0	1.5	73.0
February	1.8	18.8	1.5	38.5	1.5	56.5	1.5	74.5
March	1.8	20.5	1.5	40.0	1.5	58.0	1.5	76.0
April	1.8	22.3	1.5	41.5	1.5	59.5	1.5	77.5
May	1.8	24.0	1.5	43.0	1.5	61.0	1.5	79.0
June	1.8	25.8	1.5	44.5	1.5	62.5	1.5	80.5
July	1.8	27.5	1.5	46.0	1.5	64.0	1.5	82.0
August	1.8	29.3	1.5	47.5	1.5	65.5	1.5	83.5
September	1.8	31.0	1.5	49.0	1.5	67.0	1.5	85.0

Source: Management

Projected Entrance and Monthly Service Fees

The following tables summarize the entrance fees, monthly service fees and daily rates for the Organization's facilities. Note that these fees became effective during fiscal year 2025.

Brookridge Retirement Community offers three options for entrance fee payments for residents living in the garden home units. The resident may choose between a traditional entrance fee plan (the "Standard Plan – 24 Month"), a Fifty Percent Refund Plan, and a Ninety Percent Refund Plan. The Standard Plan – 24 Month provides for a twenty-four-month amortization of the resident's entrance fee, and after 24 months, no refund balance remains. The Fifty Percent Refund Plan provides for a fifty-percent refund of the entrance fee paid at admission and the Ninety Percent Refund Plan provides for a ninety percent refund of the entrance fee paid at admission.

The Gardens of Taylor Glen Retirement Community offers three options for entrance fee payments for residents. The traditional entrance fee plan (the "Standard Plan – 60 Month") provides for a sixty-month amortization of the resident's entrance fee, and after 60 months, no refund balance remains. The Gardens of Taylor Glen also offers the Fifty Percent Refund Plan and the Ninety Percent Refund Plan.

Ardenwoods offers one entrance fee payment for residents, a Ninety Percent Refund Plan. Under the Ardenwoods Ninety Percent Refund Plan, the resident is entitled to a refund of 90 percent upon (1) the termination of the residency agreement of vacancy of the independent living unit and transfer to an assisted living unit or (2) the earlier of reoccupancy of the independent living unit or 36 months from the date of termination of the residency agreement.

The Standard Plan – 24 Month and Standard Plan – 60 Month are collectively referred to as the Standard Plan.

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUE (CONTINUED)

Management assumes that all units sold are under the Standard Refund Plan – 24 Month for Brookridge Retirement Community, the Standard Plan – 60 Month for The Gardens of Taylor Glen Retirement Community and the Ninety Percent Refund Plan for Ardenwoods, based on historical experience.

The following table summarizes the monthly service fees and daily rates for those facilities that comprised the Homes as of October 1, 2024:

Table 10
Homes
Monthly Fees / Daily Fees - 2025

	Brookridge	Gardens	Taylor [1]	Ardenwoods [2]
Independent Living Units (Monthly Rates):				
Single Rates:				
Studio	$ 1,670	$ -	$ -	$ -
One Bedroom	2,170	2,400	-	3,150
One Bedroom, Deluxe	2,760	2,770	-	3,150
Two Bedrooms	2,760	4,020	-	3,710
Two Bedrooms, Deluxe	3,480	4,440	-	3,710
Two Bedrooms, Classic	3,040	4,630	-	-
Two Bedroom, Combo	-	5,030	-	-
Three Bedrooms				3,980
Three Bedrooms, Deluxe				3,980
Garden Homes, Single Unit (Willow)	4,970	-	-	-
Garden Homes, Single Unit (Cypress)	3,160			
Garden Homes, Duplex	3,160	-	-	-
Second Person Fees	890 - 1,060	910	-	950
Assisted Living Units (Monthly Rates):				
Large Room	$ -	$ -	$ 3,755	$ -
Studio	-	-	-	5,670
Regular Room	7,270	6,490	3,625	-
Regular Room, Entrance Fee	6,130	-	-	-
Suites	8,000	-	4,415	-
Suites, Entrance Fee	6,745	-	-	-
Memory-Enhanced Residence	9,060	8,410	-	-
Nursing Beds (Daily Rates):				
Semi-Private	$ 367	$ -	$ -	N/A
Private	392	376	-	N/A

Source: Management
Notes:
(1) Taylor does not provide independent living or nursing services.
(2) Ardenwoods does not provide nursing services.

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUE (CONTINUED)

As previously noted, Management has projected all units sold under the Standard Plan for both Brookridge and for the Gardens. For Ardenwoods, the entrance fee presented in the table below is the 90 Percent Refund Plan. The below table reflects those respective entrance fee pricings:

Table 11
Homes
Entrance Fees – 2025

	Brookridge [1]	Gardens [1]	Ardenwoods [2]
Independent Living Units:			
Studio	$ 45,619	$ -	$ -
One Bedroom	72,196	120,242	217,000
One Bedroom, Deluxe	120,500	135,664	252,000
Two Bedrooms	120,500	173,167	297,000
Two Bedrooms, Deluxe	195,000	225,080	332,000
Two Bedrooms, Classic	130,000	268,752	-
Two Bedroom Combo	-	301,108	
Three Bedrooms			359,000
Three Bedrooms, Deluxe			394,000
Garden Homes, Single Unit (Willow)	380,000	-	-
Garden Homes, Single Unit (Cypress)			
Garden Homes, Duplex	195,000	-	-
Second Person Fees	15,000	15,000	20,000
Assisted Living Units:			
Studio	$ -	$ -	$ 2,500

Source: Management
Notes:
(1) Entrance fee pricing noted above for Brookridge and Gardens is for the Standard Plan.
(2) Entrance fee pricing noted above for Ardenwoods is for the 90 Percent Refund Plan.

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUE (CONTINUED)

The following table summarizes the monthly service fees and membership fees for the program in 2025 dollars.

Table 12
ThriveMore at Home Program
Fee Schedule 2025 (1)

Age	Individual Membership Fee (2)	Individual Monthly Service Fee (2)	Couple Membership Fee (3)	Couple Monthly Service Fee (3)
Diamond				
62	$ 55,000	$ 780	$ 43,000	$ 741
65	$ 70,000	$ 780	$ 58,000	$ 741
70	$ 84,000	$ 780	$ 71,000	$ 741
75	$ 100,000	$ 780	$ 80,000	$ 741
80	$ 112,000	$ 780	$ 90,000	$ 741
85	$ 113,000	$ 780	$ 90,500	$ 741
90	$ 114,000	$ 780	$ 91,000	$ 741
Platinum				
62	$ 46,000	$ 675	$ 32,500	$ 641
65	$ 56,000	$ 675	$ 44,000	$ 641
70	$ 68,000	$ 675	$ 54,000	$ 641
75	$ 73,000	$ 675	$ 62,000	$ 641
80	$ 86,000	$ 675	$ 70,000	$ 641
85	$ 89,000	$ 675	$ 70,500	$ 641
90	$ 90,000	$ 675	$ 71,000	$ 641
Gold				
62	$ 46,000	$ 520	$ 35,000	$ 494
65	$ 52,000	$ 520	$ 40,000	$ 494
70	$ 58,000	$ 520	$ 46,000	$ 494
75	$ 61,000	$ 520	$ 51,500	$ 494
80	$ 66,000	$ 520	$ 52,000	$ 494
85	$ 67,000	$ 520	$ 52,500	$ 494
90	$ 68,000	$ 520	$ 53,000	$ 494
Silver				
62	$ 46,000	$ 420	$ 30,000	$ 399
65	$ 50,000	$ 420	$ 34,000	$ 399
70	$ 52,000	$ 420	$ 38,000	$ 399
75	$ 53,000	$ 420	$ 39,500	$ 399
80	$ 54,000	$ 420	$ 40,000	$ 399
85	$ 56,000	$ 420	$ 40,500	$ 399
90	$ 57,000	$ 420	$ 41,000	$ 399
Bronze (4)				
62	$ 7,000	$ 400	$ 3,750	$ 380
65	$ 8,500	$ 400	$ 4,500	$ 380
70	$ 11,500	$ 400	$ 6,000	$ 380
75	$ 13,500	$ 400	$ 7,000	$ 380
80	$ 15,500	$ 400	$ 8,000	$ 380
85	$ 16,500	$ 400	$ 8,500	$ 380
90	$ 17,000	$ 400	$ 8,750	$ 380

Source: Management

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUE (CONTINUED)

Notes:

(1) The membership fee assumes a 0 percent refundable amount. The membership fee will be amortized at a rate of 2 percent per month, over a period of 50 months. After which, it will be non-refundable.
(2) Membership fee and monthly service fee presented are for a single individual.
(3) Membership fee and monthly service fee presented are on a per-person basis amount for a couple.
(4) Represents fees available to non-medically qualifying members in the same residence as a qualifying member only.

The Participant agrees to pay to the Homes a membership fee as a condition of becoming a Participant in the TMAHP. The membership fee is non-refundable, except as previously described in Table 12. In the event that the Participant elects to and is granted residency to a Homes accommodation, the membership fee paid for the TMAHP will be applied to the entrance fee required for the selected accommodation at one of the Homes' communities.

The ThriveMore at Home Agreement can be terminated by the Participant for any reason prior to receiving membership by giving written notice. However, if the Participant dies before receiving membership or becomes incapable of meeting the physical, mental or financial requirements for admission, the ThriveMore at Home Agreement shall be cancelled and the membership fee shall be refunded. In the event of such termination, the Participant shall receive a refund of the membership fee within sixty (60) days following receipt of written notification of termination.

The following table presents the projected occupancy for the TMAHP and the projected average monthly service fees during the Projection Period.

Table 13
ThriveMore at Home Program
Projected Average Occupancy and Average Monthly Service Fees

For the Years Ending September 30,	2025	2026	2027	2028	2029
Average Participant Occupancy	20.5	40.0	58.0	76.0	94.0
Weighted Average Monthly Service Fees (1)	$ 694	$ 722	$ 751	$ 782	$ 824

Source: Management
Note:
(1) The weighted average monthly service fees presented is the weighted average of all first person and second person monthly service fees.

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUE (CONTINUED)

The following table reflects projected rate increases. Increases in fees are generally anticipated to approximate increases in operating expenses during the Projection Period. However, fee increases may be adjusted to reflect actual changes in expenses.

Table 14
Homes
Projected Rate Increases*

	2025	2026	2027	2028	2029
Independent Living Rate Increases					
Monthly Fee	**	4.00%	4.00%	4.00%	4.00%
Entrance Fee	**	4.00%	3.00%	3.00%	3.00%
Assisted Living Rate Increases					
Monthly Fee	**	4.00%	4.00%	4.00%	4.00%
Nursing Rate Increases					
Private	**	4.00%	4.00%	4.00%	4.00%
Medicare	**	2.00%	2.00%	2.00%	2.00%
Medicaid	**	1.00%	1.00%	1.00%	1.00%
Thrivemore at Home Rate Increases					
Monthly Service Fee	**	4.00%	4.00%	4.00%	4.00%
Membership Fee	**	4.00%	4.00%	4.00%	4.00%

Source: Management
* Annual pricing increases are effective on October 1 of the fiscal year.
** The 2025 pricing is noted in Table 10, Table 11 and Table 12.

Entrance Fee Receipts

Entrance fee receipts and refunds are based on information provided by Management based on historical experience. The following table reflects initial entrance fees received, turnover entrance fees received and refunds paid during the Projection Period for the Organization, as projected by Management.

Table 15
Homes Projected Entrance Fee Receipts, Net of Refunds
For The Years Ending September 30,
(In Thousands of Dollars)

	2025	2026	2027	2028	2029
Advance Fees / Deposits Received from Initial Residents	$ 1,796	$22,459	$ -	$ -	$ -
Advance Fees from Turnover	8,169	8,496	9,085	9,625	10,603
Advance Fees Refunded	(3,520)	(3,661)	(4,014)	(4,278)	(4,741)
Total Advance Fees, Net	$ 6,445	$27,294	$ 5,071	$ 5,347	$ 5,862

Source: Management

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUE (CONTINUED)

The following table summarizes Management's projected utilization of the membership fee plans by the ThriveMore at Home Participants' during the Projection Period.

Table 16
Projected Utilization of Membership Fee Plans and Service Package Plan

Membership Fee Plan Mix [1]	Distribution Mix
0% Refundable Plan	100%
50% Refundable Plan	0%
90% Refundable Plan	0%
Total Membership Fee Plan Mix	100%

Service Package Mix [2]	Distribution Mix
Diamond	59%
Platinum	19%
Gold	12%
Silver	10%
Total Service Package Mix	100%

Source: Management
Notes:
(1) Represents the projected allocation of membership fee plan types selected by the TMAHP Participants during each year of the Projection Period.
(2) Represents the projected allocation of service package types selected by the TMAHP Participants during each year of the Projection Period.

The following table presents the assumed membership fees received and the total membership fee refunds as well as the assumed number of membership fees received and refunds paid during each year of the Projection Period.

Table 17
Membership Fee Receipts and Total Membership Fee Refunds [1]
Number of Membership Fees Received and Number of Refunds Paid
(Dollars in Thousands)

	2025	2026	2027	2028	2029
Total Membership Fees, Net	$ 1,575	$ 1,402	$ 1,458	$ 1,516	$ 1,577
Number of Membership Fees Received	21.0	18.0	18.0	18.0	18.0
Number of Membership Fees Refunded	(0.6)	(1.4)	(2.5)	(3.7)	(4.9)
Total Number of Membership Fees Received, Net	20.4	16.6	15.5	14.3	13.1

Source: Management and the Actuary
Notes:
(1) Management has assumed membership fee receipts for the TMAHP based upon the membership fee pricing as summarized in Table 12 and the utilization of the membership fee contract types as summarized in Table 16.

Investment Income

Investment income consists of interest earnings on cash, cash equivalents, investments, and assets limited as to use, as provided by Management. Management has assumed investment returns on certain assets as noted in Table 18. Management does not project unrealized gains or losses during the Projection Period.

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUE (CONTINUED)

The following table reflects Management's assumed realized (net of expenses) investment earning rates during the Projection Period for funds invested by the Organization.

Table 18
Projected Investment Earning Rates
For The Years Ending September 30,

	2025	2026	2027	2028	2029
Cash and Cash Equivalents	0.50%	0.50%	0.50%	0.50%	0.50%
Investments	4.00%	4.00%	4.00%	4.00%	4.00%
Assets Limited as to Use	4.00%	4.00%	4.00%	4.00%	4.00%

Source: Management

Other Revenue Items

Management projects income from gifts, grants, estates, and trusts based upon past experience. Management projects that income from gifts, grants, estates and trusts will be approximately $765,000 in 2025 and an assumed a 1.0 percent increase throughout the remainder of the Projection Period.

Other revenue items include food service income from additional meals, guest meals, guest house, catering, etc., for the Organization and interest earnings from the notes receivable. Management assumes that charges for other revenues will increase approximately 4.0 percent annually throughout the remainder of the Projection Period. Also included in other revenue is interest earnings from the Note Receivable – Western, as described hereinafter, which is projected to be $155,000 in 2025 and 2026 and then $0 for the remainder of the Projection Period.

MANAGEMENT'S BASIS FOR PROJECTION OF OPERATING EXPENSES

Operating Expenses

Management has projected operating expenses based upon Management's operating plans, as well as historical operations, and has increased expenses in part based on inflationary increases as well as increases from increased occupancy levels.

Management has projected inflationary increases for all organizations of the Homes on both wage and non-wage expenses of 4.0 percent annually during the Projection Period.

The specific basis for major expense items were formulated by Management and are discussed below.

Salaries and Related Benefits

Benefit costs include payroll taxes and employee benefits including FICA, unemployment taxes, workers' compensation, health insurance, retirement plan, incentives and other miscellaneous benefits for the entire facility. These salaries and related benefit costs are assumed to vary with changes in occupancy levels as well as increase at the inflationary increases previously described, during Projection Period, based on Management's historical experience.

Resident and Health Care

Nonsalary related costs of resident health care include costs for care and support of residents. These costs are anticipated to vary with changes in occupancy levels as well as increase at the inflationary increases previously described, during Projection Period, based on Management's historical experience. These costs include activities and other similar costs.

Dietary

Nonsalary related costs of the dietary department include costs for raw food and dietary supplies and other such costs and are based on the historical operating experience of Management. Management projects that these costs would vary with changes in occupancy levels as well as increase at the inflationary increases previously described, during Projection Period, based on Management's historical experience.

Maintenance, Housekeeping and Laundry

Nonsalary related costs in these departments include housekeeping, laundry, and all activities of maintenance for the campuses. Management assumes that these costs would vary with changes in occupancy levels as well as increase at the inflationary increases previously described, during Projection Period, based on Management's historical experience.

General and Administrative

Nonsalary related costs of general and administrative include costs for supplies, professional fees, insurance, and other miscellaneous costs. Management projects that these costs would vary with changes in occupancy levels as well as increase at the inflationary increases previously described, during Projection Period, based on Management's historical experience.

MANAGEMENT'S BASIS FOR PROJECTION OF OTHER ITEMS

Assets Limited as to Use

A narrative description of the assets limited as to use follows:

Internally Designated for 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) (or 25 percent of the total operating costs if such facilities maintain an occupancy level in excess of 90 percent and the North Carolina Commissioner of Insurance so approves) projected for the 12-month period following the period covered by the most recent annual statement filed with the North Carolina Department of Insurance. Such operating reserves may only be released upon approval of the North Carolina Commissioner of Insurance.

Internally Designated - At Home Program
Management has projected an Internally Designated – At Home Program account to increase throughout the Projection Period based upon projected cash flows from TMAHP.

Entrance Fee Deposits
Management has projected the resident deposits collected related to the Taylor Glen Project will be released upon the move-in and payment of the required entrance fees for the units, which is projected to occur during 2026 once the Taylor Glen Project opens.

The following reflects the operating reserve requirements, as projected by Management:

Table 19
Projected Operating Reserve Requirements - Brookridge
For The Years Ending September 30,

Brookridge	2025	2026	2027	2028	2029
Total Operating Expenses [1]	$ 20,269	$ 20,819	$ 21,503	$ 22,220	$ 22,971
Include:					
Loan Principal Payments	922	952	983	1,015	1,048
Exclude:					
Depreciation	(3,225)	(3,332)	(3,362)	(3,397)	(3,439)
Amortization of Issuance Costs included in Interest Expense	(9)	(9)	(9)	(9)	(9)
Total Operating Costs	$ 17,957	$ 18,430	$ 19,115	$ 19,829	$ 20,571
Operating Reserve Percentage	25%	25%	25%	25%	25%
Operating Reserve at 9/30	$ 4,489	$ 4,607	$ 4,779	$ 4,957	$ 5,143
Projected Occupancy Level [2]	91.7%	91.7%	91.7%	91.7%	91.7%

Source: Management
Notes:
(1) Total operating expenses include all line items as presented on the consolidated statements of operations and changes in net assets for the respective community.
(2) The occupancy noted above is the projected occupancy of the independent living and assisted living occupants as of September 30 of each respective year presented, for Brookridge.

MANAGEMENT'S BASIS FOR PROJECTION OF OTHER ITEMS (CONTINUED)

Table 20
Projected Operating Reserve Requirements - Gardens
For The Years Ending September 30,

Gardens	2025	2026	2027	2028	2029
Total Operating Expenses (1)	$ 13,256	$ 20,151	$ 21,321	$ 21,470	$ 21,815
Include:					
Loan Principal Payments	1,009	14,846	2,587	4,439	2,506
Exclude:					
Depreciation	(2,753)	(4,121)	(4,798)	(4,827)	(4,862)
Amortization of Issuance Costs included in Interest Expense	(63)	(159)	(101)	(54)	(54)
Debt Payment Funded by Initial Entrance Fees	-	(13,804)	(1,511)	-	-
Total Operating Costs	$ 11,449	$ 16,913	$ 17,498	$ 21,028	$ 19,405
Operating Reserve Percentage	25%	25%	25%	25%	25%
Operating Reserve at 9/30	$ 2,862	$ 4,228	$ 4,374	$ 5,257	$ 4,851
Projected Occupancy Level (2)	93.5%	93.5%	93.5%	93.5%	93.5%

Source: Management
Notes:
(1) Total operating expenses include all line items as presented on the consolidated statements of operations and changes in net assets for the respective community, which includes the Taylor Glen Project.
(2) The occupancy noted above is the projected occupancy of the independent living and assisted living occupants as of September 30 of each respective year presented for the Gardens, which also includes the Taylor Glen Project.

Table 21
Projected Operating Reserve Requirements - Ardenwoods
For The Years Ending September 30,

Ardenwoods	2025	2026	2027	2028	2029
Total Operating Expenses (1)	$ 9,887	$ 9,811	$ 10,071	$ 10,345	$ 10,633
Include:					
Loan Principal Payments	-	-	-	-	-
Exclude:					
Depreciation	(2,128)	(2,079)	(2,097)	(2,119)	(2,146)
Amortization of Goodwill	(1,694)	(1,694)	(1,694)	(1,694)	(1,694)
Total Operating Costs	$ 6,065	$ 6,038	$ 6,280	$ 6,532	$ 6,793
Operating Reserve Percentage	25%	25%	25%	25%	25%
Operating Reserve at 9/30	$ 1,516	$ 1,510	$ 1,570	$ 1,633	$ 1,698
Projected Occupancy Level (2)	91.5%	91.5%	91.5%	91.5%	91.5%

Source: Management
Notes:
(1) Total operating expenses include all line items as presented on the consolidated statements of operations and changes in net assets for the respective community.
(2) The occupancy noted above is the projected occupancy of the independent living and assisted living occupants as of September 30 of each respective year presented, for Ardenwoods.

MANAGEMENT'S BASIS FOR PROJECTION OF OTHER ITEMS (CONTINUED)

The following table reflects the total operating reserve requirements, as projected by Management:

Table 22
Total Projected Operating Reserve Requirements
For The Years Ending September 30,

	2025	2026	2027	2028	2029
Operating Reserve - Brookridge	$ 4,489	$ 4,607	$ 4,779	$ 4,957	$ 5,143
Operating Reserve - Gardens	2,862	4,228	4,374	5,257	4,851
Operating Reserve - Ardenwoods	1,516	1,510	1,570	1,633	1,698
Total Operating Reserve	$ 8,867	$ 10,345	$ 10,723	$ 11,847	$ 11,692

Source: Management

Note Receivable - Western

On September 8, 2023, the Organization closed on the sale of the Western North Carolina Home for a transaction price of approximately $13,050,000, resulting in cash proceeds and a note receivable (the Note Receivable) from the buyer for approximately $2,500,000.

The terms of the Note Receivable state the Organization shall receive monthly interest payments based upon an interest rate of 6.2 percent. The maturity date of the Note Receivable shall be the earlier of the third anniversary of the Note Receivable, the date on which the outstanding principal balance of the Note Receivable becomes due and payable, whether by declaration or acceleration upon the occurrence and continuance of an event of default, as defined in the agreement, the refinancing of the existing senior mortgage encumbering the real property or a sale, or any other disposition of all or substantially all of the assets of the entity. Management has projected the notes receivable to be collected in 2026.

Property and Equipment

Property and equipment balances, net of accumulated depreciation, were projected based on anticipated property and equipment additions during the Projection Period, reduced by estimated annual depreciation.

Management has projected the following major property and equipment categories:

Table 23
Projected Property and Equipment Major Categories
For The Years Ending September 30,
(In Thousands of Dollars)

	2025	2026	2027	2028	2029
Land and Land Improvements	$ 12,736	$ 12,736	$ 12,736	$ 12,736	$ 12,736
Buildings and Improvements	132,646	194,608	196,291	198,041	199,861
Furniture, Fixtures, and Equipment	10,196	12,624	15,148	17,774	20,504
Vehicles	978	978	978	978	978
Total	156,556	220,946	225,153	229,529	234,079
Less: Accumulated Depreciation	(81,076)	(90,961)	(101,574)	(112,278)	(123,090)
Add: Construction in Process	48,673	-	-	-	-
Property and Equipment, Net	$ 124,153	$ 129,985	$ 123,579	$ 117,251	$ 110,989

Source: Management

MANAGEMENT'S BASIS FOR PROJECTION OF OTHER ITEMS (CONTINUED)

Assets in Split-Interest Agreements

Management has not projected any change in balance of the assets in split-interest agreements nor any gains or losses arising from changes in the value of assets in split-interest agreements during the Projection Period.

Line of Credit

The Organization holds a line of credit with a maximum borrowing limit of $7,500,000. Interest on the line of credit is based upon SOFR plus 1.90%, with a max of 18.00% and a floor of 2.00%. As of October 1, 2024, the line of credit carried a balance of $6,750,000. Management has projected net repayment of $1,000,000 per year throughout the Projection Period, carrying an interest rate of 6.40%.

Long-Term Debt and Interest Expense

Projected interest expense and long-term debt for 2025 and subsequent years were based on the construction loan and the commercial loan associated with the improvements at Brookridge and Gardens, the 2024 Note Payable associated with the acquisition of Ardenwoods, and the Series 2024 Bonds.

In 2013, the Homes entered into a Term Loan Agreement for $34,650,000 to refinance North Carolina Medical Care Commission term bonds outstanding. During the year ended September 30, 2020 the Organization refinanced this loan. Under the terms of the new agreement, the Organization is responsible for monthly payments consisting of interest and principal through maturity in June 2035 in the amount of $142,416. The refinanced term loan carries an interest rate of 3.22%.

Management made draws under a Construction and Permanent Loan Agreement that closed in 2012 for the purpose of improvements at the Homes' Brookridge Retirement Community. The total amount financed was $16,018,000. The financing required interest-only payments until March 2013 when the Homes began making principal payments on this loan. During the year ended September 30, 2020 the Organization refinanced this loan. Under the terms of the new agreement, the Organization is responsible for monthly payments consisting of interest and principal through maturity in June 2035 in the amount of $81,065. The refinanced permanent loan carries an interest rate of 3.22%.

In 2024, the Organization entered into a Master Credit Agreement to finance construction and renovations for the Taylor Glen Project, Ardenwoods' loan payoff and reimbursement for capital expenditures. Total proceeds from the Series 2024 Bonds are expected to total approximately $86,000,000. The responsibility for the paymentof the debt service on the Series 2024 Bonds is expected to be solely that of the Homes. The Series 2024 Bonds are being financed through the issuance of direct bank placed fixed rate draw down structure and is comprised of the following:

- $67,685,000 in direct bank placed fixed rate term draw-down bonds (the "Series 2024A Bonds"), bearing interest at a bank-bought fixed rate of 5.28 percent, subject to monthly principal and interest payments, with interest only payments beginning July 2024 and monthly principal and interest payments beginning July 2028 through June 2053. The balance of the Series 2024A Bonds was $21,833,482 as of September 30, 2024.

MANAGEMENT'S BASIS FOR PROJECTION OF OTHER ITEMS (CONTINUED)

- $15,315,000 in direct bank placed short term fixed rate draw-down debt (the "Series 2024B Bonds"). This debt is anticipated to be repaid from the availability of "Initial Entrance Fees" received from the Taylor Glen Project. The debt has a 5 year maturity, with monthly interest payments due beginning July 2024, and the principal amount due in full on June 2029. The Series 2024B Bonds will qualify as qualified intermediate term indebtedness for purposes of covenant consideration. Management has projected the repayment of the Series 2024B Bonds with Initial Entrance Fees from the Taylor Glen Project to occur within 3 years. Annual interest on the Series 2024B Bonds is at a bank-bought fixed rate of 4.95 percent. The balance of the Series 2024B Bonds was $172,587 as of September 30, 2024.

- $3,000,000 in direct bank placed fixed rate term draw-down bonds (the "Series 2024C Bonds"), bearing interest at a bank bought fixed rate of 5.28 percent, with monthly interest only payments beginning July 2024 with a maturity date of June 2028 at which time all principal will be repaid. The balance of the Series 2024C Bonds was $3,000,000 as of September 30, 2024.

Projected principal payments on the Organization's debt are as follows:

Table 24
Projected Principal Payments on the Organization's Debt
(In Thousands of Dollars)

Year Ending September 30,	Permanent Loan	Term Loan	Series 2024A Bonds	Series 2024B Bonds	Series 2024C Bonds	Total Debt
2025	$ 700	$ 1,231	$ -	$ -	$ -	$ 1,931
2026	723	1,271	-	13,804	-	15,798
2027	747	1,312	-	1,511	-	3,570
2028	771	1,355	328	-	3,000	5,454
2029	796	1,400	1,358	-	-	3,554
2030	822	1,445	1,431	-	-	3,698
2031	849	1,492	1,509	-	-	3,850
2032	877	1,541	1,590	-	-	4,008
2033	906	1,591	1,676	-	-	4,173
2034	935	1,643	1,767	-	-	4,345
Thereafter	677	1,185	58,026	-	-	59,888
Total Projected Long-Term Debt	$ 8,803	$ 15,466	$ 67,685	$ 15,315	$ 3,000	$ 110,269

Source: Management

Refundable Advance Fees and Accreted Interest

The residency agreements acquired upon acquisition of Ardenwoods were recorded at their estimated fair value at the time of acquisition. The fair value of those refundable advance fees are accreted to face value using the effective interest method over the estimated life expectancy of the residents at acquisition. The discount rate assumed by Management in its projection was 4.25%. At September 30, 2024, the net unamortized discount was approximately $5,293,000. Accreted interest upon amortization of these agreements is projected as accreted interest on the projected consolidated statements of operations and changes in net assets.

MANAGEMENT'S BASIS FOR PROJECTION OF OTHER ITEMS (CONTINUED)

Current Assets and Current Liabilities

Cash and Cash Equivalents
Cash and cash equivalents balances for the Projection Period are projected based on historical levels throughout the Projection Period.

Net Accounts Receivable
Net accounts receivable is projected based on historical levels throughout the Projection Period.

Contributions Receivable
Contributions receivable is projected based on historical levels throughout the Projection Period.

Prepaid Expenses and Other Current Assets
Prepaid expenses and other current assets have been projected based on historical levels.

Accounts Payable
Accounts payable has been projected based on historical levels.

Accrued Expenses
Accrued expenses have been projected based on historical levels,

Accrued Employee Compensation
Accrued employee compensation has been projected based on historical levels.

Other Current Liabilities
Other current liabilities have been projected based on historical levels.

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED DBA THRIVEMORE AND ITS CONSOLIDATED AFFILIATE
SUPPLEMENTAL PROJECTED CONSOLIDATING STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS NOTED ON PAGE 5
FOR THE YEAR ENDING SEPTEMBER 30, 2025
(In Thousands of Dollars)

	Brookridge Retirement Community	The Taylor House	The Gardens of Taylor Glen	ThriveMore at Home	Ardenwoods of North Carolina	Corporate	Foundation	Consolidated
REVENUES, GAINS, AND OTHER SUPPORT								
Resident Service Revenue	$ 18,117	$ 603	$ 10,698	$ -	$ 7,338	$ -	$ -	$ 36,756
Net Resident Service Revenue - At Home Program	-	-	-	171	-	-	-	171
Amortization of Deferred Revenue from Nonrefundable Advance Fees	1,515	-	2,079	-	386	-	-	3,980
Amortization of Deferred Revenue from Nonrefundable Advance Fees - At Home Program	-	-	-	161	-	-	-	161
Gifts, Including Gifts from Churches and Special Day Offerings	-	-	-	-	-	-	371	371
Income from Grants	-	-	-	-	-	-	48	48
Income from Estates and Trusts	-	-	-	-	-	-	394	394
Investment Income (1)	-	-	-	-	-	-	-	2,778
Other	84		98		117	164	-	463
Other - At Home Program	-	-	-	11	-	-	-	11
Total Revenue, Gains, and Other Support	19,716	603	12,875	343	7,841	164	813	45,133
OPERATING EXPENSES								
Health Care	10,462	915	4,893	-	3,067	-	-	19,337
Dietary	2,445	82	1,552	-	1,751	-	-	5,830
Maintenance, Housekeeping and Laundry	3,192	85	2,808	-	1,072	-	-	7,157
Laundry	-	-	-	-	-	-	-	-
General and Administrative	577	17	635	-	175	4,573	317	6,294
At Home Program	-	-	-	566	-			566
Depreciation	3,225	95	2,753	-	2,128	195	11	8,407
Amortization of Goodwill	-	-	-	-	1,694	-	-	1,694
Interest Expense	368	-	615	-	-	400	-	1,383
Total Operating Expenses	20,269	1,194	13,256	566	9,887	5,168	328	50,668
Operating Income (Loss)	(553)	(591)	(381)	(223)	(2,046)	(5,004)	485	(5,535)
NON-OPERATING LOSS								
Accreted Interest	-	-	-	-	(882)	-	-	(882)
Total Non-Operating Loss	-	-	-	-	(882)	-	-	(882)
Excess (Deficit) of Revenues over Expenses and Increase (Decrease) in Net Assets without Donor Restrictions	$ (553)	$ (591)	$ (381)	$ (223)	$ (2,928)	$ (5,004)	$ 485	$ (6,417)

Source: Management

Note:

(1) Management has projected investment income at the consolidated level.

See Accompanying Independent Accountants' Compilation Report

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED DBA THRIVEMORE AND ITS CONSOLIDATED AFFILIATE
SUPPLEMENTAL PROJECTED CONSOLIDATING STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS NOTED ON PAGE 5
FOR THE YEAR ENDING SEPTEMBER 30, 2026
(In Thousands of Dollars)

	Brookridge Retirement Community	The Taylor House	The Gardens of Taylor Glen	ThriveMore at Home	Ardenwoods of North Carolina	Corporate	Foundation	Consolidated
REVENUES, GAINS, AND OTHER SUPPORT								
Resident Service Revenue	$ 18,626	$ 627	$ 13,407	$ -	$ 7,632	$ -	$ -	$ 40,292
Net Resident Service Revenue - At Home Program	-	-	-	347	-	-	-	347
Amortization of Deferred Revenue from Nonrefundable Advance Fees	1,767	-	2,381	-	412	-	-	4,560
Amortization of Deferred Revenue from Nonrefundable Advance Fees - At Home Program	-	-	-	278	-	-	-	278
Gifts, Including Gifts from Churches and Special Day Offerings	-	-	-	-	-	-	375	375
Income from Grants	-	-	-	-	-	-	48	48
Income from Estates and Trusts	-	-	-	-	-	-	398	398
Investment Income (1)	-	-	-	-	-	-		3,038
Other	87	-	102	-	122	165	-	476
Other - At Home Program	-	-	-	26	-	-	-	26
Total Revenue, Gains, and Other Support	20,480	627	15,890	651	8,166	165	821	49,838
OPERATING EXPENSES								
Health Care	10,750	932	5,573	-	3,053	-	-	20,308
Dietary	2,480	78	1,756	-	1,756	-	-	6,070
Maintenance, Housekeeping and Laundry	3,319	87	3,026	-	1,074		-	7,506
Laundry	-	-	-	-	-	-	-	-
General and Administrative	600	14	812	-	155	4,600	330	6,511
At Home Program	-	-	-	582	-	-	-	582
Depreciation	3,332	88	4,121	-	2,079	180	85	9,885
Amortization of Goodwill	-	-	-	-	1,694	-	-	1,694
Interest Expense	338	-	4,863	-	-	-	-	5,201
Total Operating Expenses	20,819	1,199	20,151	582	9,811	4,780	415	57,757
Operating Income (Loss)	(339)	(572)	(4,261)	69	(1,645)	(4,615)	406	(7,919)
NON-OPERATING LOSS								
Accreted Interest	-	-	-	-	(882)	-	-	(882)
Total Non-Operating Loss	-	-	-	-	(882)	-	-	(882)
Excess (Deficit) of Revenues over Expenses and Increase (Decrease) in Net Assets without Donor Restrictions	$ (339)	$ (572)	$ (4,261)	$ 69	$ (2,527)	$ (4,615)	$ 406	$ (8,801)

Source: Management

Note:

(1) Management has projected investment income at the consolidated level.

See Accompanying Independent Accountants' Compilation Report

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED DBA THRIVEMORE AND ITS CONSOLIDATED AFFILIATE
SUPPLEMENTAL PROJECTED CONSOLIDATING STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS NOTED ON PAGE 5
FOR THE YEAR ENDING SEPTEMBER 30, 2027
(In Thousands of Dollars)

	Brookridge Retirement Community	The Taylor House	The Gardens of Taylor Glen	ThriveMore at Home	Ardenwoods of North Carolina	Corporate	Foundation	Consolidated
REVENUES, GAINS, AND OTHER SUPPORT								
Resident Service Revenue	$ 19,151	$ 652	$ 15,566	$ -	$ 7,937	$ -	$ -	$ 43,306
Net Resident Service Revenue - At Home Program	-	-	-	523	-	-	-	523
Amortization of Deferred Revenue from Nonrefundable Advance Fees	1,887	-	3,229	-	420	-	-	5,536
Amortization of Deferred Revenue from Nonrefundable Advance Fees - At Home Program	-	-	-	399	-	-	-	399
Gifts, Including Gifts from Churches and Special Day Offerings	-	-	-	-	-	-	379	379
Income from Grants	-	-	-	-	-	-	49	49
Income from Estates and Trusts	-	-	-	-	-	-	402	402
Investment Income (1)	-	-	-	-	-	-	-	3,352
Other	90	-	106	-	127	10	-	333
Other - At Home Program	-	-	-	48	-	-	-	48
Total Revenue, Gains, and Other Support	21,128	652	18,901	970	8,484	10	830	54,327
OPERATING EXPENSES								
Health Care	11,180	969	6,105	-	3,175	-	-	21,429
Dietary	2,579	81	1,987	-	1,827	-	-	6,474
Maintenance, Housekeeping and Laundry	3,452	91	3,222	-	1,117	-	-	7,882
Laundry	-	-	-	-	-	-	-	-
General and Administrative	624	14	765	-	161	4,784	343	6,691
At Home Program	-	-	-	774	-	-	-	774
Depreciation	3,362	89	4,798	-	2,097	181	86	10,613
Amortization of Goodwill	-	-	-	-	1,694	-	-	1,694
Interest Expense	306	-	4,444	-	-	-	-	4,750
Total Operating Expenses	21,503	1,244	21,321	774	10,071	4,965	429	60,307
Operating Income (Loss)	(375)	(592)	(2,420)	196	(1,587)	(4,955)	401	(5,980)
NON-OPERATING LOSS								
Accreted Interest	-	-	-	-	(882)	-	-	(882)
Total Non-Operating Loss	-	-	-	-	(882)	-	-	(882)
Excess (Deficit) of Revenues over Expenses and Increase (Decrease) in Net Assets without Donor Restrictions	$ (375)	$ (592)	$ (2,420)	$ 196	$ (2,469)	$ (4,955)	$ 401	$ (6,862)

Source: Management

Note:

(1) Management has projected investment income at the consolidated level.

See Accompanying Independent Accountants' Compilation Report

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED DBA THRIVEMORE AND ITS CONSOLIDATED AFFILIATE
SUPPLEMENTAL PROJECTED CONSOLIDATING STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS NOTED ON PAGE 5
FOR THE YEAR ENDING SEPTEMBER 30, 2028
(In Thousands of Dollars)

	Brookridge Retirement Community	The Taylor House	The Gardens of Taylor Glen	ThriveMore at Home	Ardenwoods of North Carolina	Corporate	Foundation	Consolidated
REVENUES, GAINS, AND OTHER SUPPORT								
Resident Service Revenue	$ 19,693	$ 678	$ 16,126	$ -	$ 8,254	$ -	$ -	$ 44,751
Net Resident Service Revenue - At Home Program	-	-	-	713	-	-	-	713
Amortization of Deferred Revenue from Nonrefundable Advance Fees	1,974	-	3,325	-	419	-	-	5,718
Amortization of Deferred Revenue from Nonrefundable Advance Fees - At Home Program	-	-	-	525	-	-	-	525
Gifts, Including Gifts from Churches and Special Day Offerings	-	-	-	-	-	-	383	383
Income from Grants	-	-	-	-	-	-	49	49
Income from Estates and Trusts	-	-	-	-	-	-	406	406
Investment Income (1)	-	-	-	-	-	-	-	3,232
Other	94	-	110	-	132	11	-	347
Other - At Home Program	-	-	-	79	-	-	-	79
Total Revenue, Gains, and Other Support	21,761	678	19,561	1,317	8,805	11	838	56,203
OPERATING EXPENSES								
Health Care	11,628	1,008	6,349	-	3,302	-	-	22,287
Dietary	2,682	84	2,126	-	1,900	-	-	6,792
Maintenance, Housekeeping and Laundry	3,590	94	3,351	-	1,162	-	-	8,197
Laundry	-	-	-	-	-	-	-	-
General and Administrative	649	15	796	-	168	4,975	357	6,960
At Home Program	-	-	-	910	-	-	-	910
Depreciation	3,397	90	4,827	-	2,119	183	87	10,703
Amortization of Goodwill	-	-	-	-	1,694	-	-	1,694
Interest Expense	274	-	4,021	-	-	-	-	4,295
Total Operating Expenses	22,220	1,291	21,470	910	10,345	5,158	444	61,838
Operating Income (Loss)	(459)	(613)	(1,909)	407	(1,540)	(5,147)	394	(5,635)
NON-OPERATING LOSS								
Accreted Interest	-	-	-	-	(882)	-	-	(882)
Total Non-Operating Loss	-	-	-	-	(882)	-	-	(882)
Excess (Deficit) of Revenues over Expenses and Increase (Decrease) in Net Assets without Donor Restrictions	$ (459)	$ (613)	$ (1,909)	$ 407	$ (2,422)	$ (5,147)	$ 394	$ (6,517)

Source: Management

Note:

(1) Management has projected investment income at the consolidated level.

See Accompanying Independent Accountants' Compilation Report

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED DBA THRIVEMORE AND ITS CONSOLIDATED AFFILIATE
SUPPLEMENTAL PROJECTED CONSOLIDATING STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS NOTED ON PAGE 5
FOR THE YEAR ENDING SEPTEMBER 30, 2029
(In Thousands of Dollars)

	Brookridge Retirement Community	The Taylor House	The Gardens of Taylor Glen	ThriveMore at Home	Ardenwoods of North Carolina	Corporate	Foundation	Consolidated
REVENUES, GAINS, AND OTHER SUPPORT								
Resident Service Revenue	$ 20,251	$ 705	$ 16,706	$ -	$ 8,584	$ -	$ -	$ 46,246
Net Resident Service Revenue - At Home Program	-	-	-	929	-	-	-	929
Amortization of Deferred Revenue from Nonrefundable Advance Fees	2,042	-	3,409	-	413	-	-	5,864
Amortization of Deferred Revenue from Nonrefundable Advance Fees - At Home Program	-	-	-	656	-	-	-	656
Gifts, Including Gifts from Churches and Special Day Offerings	-	-	-	-	-	-	386	386
Income from Grants	-	-	-	-	-	-	50	50
Income from Estates and Trusts	-	-	-	-	-	-	410	410
Investment Income (1)	-	-	-	-	-	-	-	3,142
Other	98	-	114	-	137	12	-	361
Other - At Home Program	-	-	-	118	-	-	-	118
Total Revenue, Gains, and Other Support	22,391	705	20,229	1,703	9,134	12	846	58,162
OPERATING EXPENSES								
Health Care	12,093	1,049	6,603	-	3,434	-	-	23,179
Dietary	2,790	87	2,211	-	1,976	-	-	7,064
Maintenance, Housekeeping and Laundry	3,734	98	3,485	-	1,209	-	-	8,526
Laundry	-	-	-	-	-	-	-	-
General and Administrative	674	15	828		174	5,174	371	7,236
At Home Program	-	-	-	1,082	-	-	-	1,082
Depreciation	3,439	91	4,862	-	2,146	185	88	10,811
Amortization of Goodwill	-	-	-	-	1,694	-	-	1,694
Interest Expense	241	-	3,826	-	-	-	-	4,067
Total Operating Expenses	22,971	1,340	21,815	1,082	10,633	5,359	459	63,659
Operating Income (Loss)	(580)	(635)	(1,586)	621	(1,499)	(5,347)	387	(5,497)
NON-OPERATING LOSS								
Accreted Interest	-	-	-	-	(882)	-	-	(882)
Total Non-Operating Loss	-	-	-	-	(882)	-	-	(882)
Excess (Deficit) of Revenues over Expenses and Increase (Decrease) in Net Assets without Donor Restrictions	$ (580)	$ (635)	$ (1,586)	$ 621	$ (2,381)	$ (5,347)	$ 387	$ (6,379)

Source: Management

Note:

(1) Management has projected investment income at the consolidated level.

See Accompanying Independent Accountants' Compilation Report

ATTACHMENT IV

Residence and Services Agreement – Independent Living

RESIDENCE AND SERVICES AGREEMENT

This Residence and Services Agreement (together with all exhibits and schedules that are attached and are hereby incorporated herein, the "Agreement") is entered into between BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED dba THRIVEMORE ("ThriveMore") located in Forsyth County at 1912 Bethabara Road, Winston-Salem, NC 27106 and ____________________, ("you" or "Resident") effective this ___ day of ____________________ 202__ ("Effective Date"). If two persons enter into this Agreement as co-residents, the word "you" will apply to both unless the context requires otherwise. All residents that are parties to this Agreement shall be jointly and severally responsible for all fees, charges and obligations under this Agreement. In this paragraph and throughout the rest of the Agreement, the words "we", "us", "our" or "ThriveMore" refer to ThriveMore, and the words "you", "your", and "Resident(s)" refer to ___________________________.

Under the laws of the State of North Carolina, ThriveMore is organized as a nonprofit corporation and operates a continuing care retirement community commonly referred to as _____________________________ (the "Community") created to provide housing, recreation, health care and other services to people sixty-two (62) years of age or older.

ThriveMore is pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the nation. ThriveMore encourages, supports, and is committed to operating a community where there are no barriers or discrimination because of race, color, religion, sex, handicap, familial status or national origin.

Your residence in the Community ("Residence") and your "Date of Occupancy" of your Residence is as set forth on Exhibit A attached hereto.

All references in this Agreement to skilled nursing or skilled nursing facility shall only apply in the event the Community provides skilled nursing care or services or a skilled nursing facility on their campus.

THEREFORE, in consideration of the deposits, entrance fee, monthly fee and other fees and charges paid or payable by Resident stated hereafter, and in further consideration of the mutual covenants and agreements herein cited, the sufficiency of said consideration being hereby acknowledged, the parties hereto agree as follows:

I. Pledge of Service

ThriveMore will provide you the following services and facilities upon occupancy. Unless otherwise specified in this Agreement, there will be no additional charge made for any of these services and facilities other than payment of the Entry Fee and Monthly Fees, each of which is described in this Agreement, and outlined in Exhibit A. A "Schedule of Ancillary Charges" for certain services and items not covered by the Entry

Fee and Monthly Fees is included as Exhibit B. This schedule is updated periodically and will be made available to you each time it is updated.

A. Community Facilities:

You may use, along with other residents, the common facilities of the Community including, but not limited to, the dining rooms, lounges, lobbies, library, social and recreation rooms and designated outdoor activity areas.

B. Living Accommodations:

1. **Right to Reside** – You have a non-transferable right to reside in the independent living residence described in Exhibit A, subject to the terms and conditions of this Agreement.

2. **Furnishings** – ThriveMore provides standard carpeting, window coverings, refrigerator, range, garbage disposal, microwave, and dishwasher. A washer and dryer are provided for in cottages and may be included in some apartments. The Community will make available to residents outside of their residences washers and dryers for Resident's use. All other furnishings and personal property shall be provided by Resident.

3. **Changes to Your Residence** – ThriveMore allows limited, non-structural changes to personalize your residence. Any such changes must have prior written approval by ThriveMore.

   In addition, you are responsible for the cost of any custom changes and are required to use installers and contractors approved or provided by ThriveMore. You may select certain options and custom features in your residence for an additional charge. ThriveMore will present you with a written quote detailing the prices specific to your options and custom features requested. The cost of options and custom features selected will be paid by you at the time of selection and will become part of the Residence and the property of ThriveMore. The value of such improvements will not be considered in computing Entry Fee refunds, unless specifically agreed to in an Addendum to this Agreement. All options and custom features must be approved by ThriveMore administration in advance of the changes made. All such changes become the property of ThriveMore.

   You may be responsible for costs associated with restoring the residence to its standard condition prior to occupancy by a subsequent resident. You may also be responsible for the cost of repairing or replacing finishes or appliances damaged as the result of extraordinary wear and tear.

C. Services:

1. **Dining Services** - ThriveMore will provide a variety of meal plan options, which are subject to change from time to time, in the Community's dining venues, which are subject to change from time to time. Each meal plan will

specify those costs that are the responsibility of ThriveMore and those costs that are the responsibility of Resident.

2. **Utilities** – Water, sewer service, trash disposal, electricity, heat, air conditioning, basic cable television and wireless internet services are provided. Although telephone access is provided, if you elect to have telephone service, you are responsible for the establishment of telephone hook-up and ongoing service. Individual thermostatic control for heating and air conditioning, cable television outlets, telephone outlets, and smoke alarms are also provided.

3. **Housekeeping** – Housekeeping services ("Housekeeping Services") are provided twice monthly in apartments based upon the Housekeeping Services schedule. These services include vacuuming, dusting and cleaning of bathrooms and kitchens. Housekeeping Services may be provided twice monthly in cottages depending on the housekeeping plan elected by Resident and based upon the Housekeeping Services schedule. These services include vacuuming, dusting and cleaning of bathrooms and kitchens.

4. **Maintenance and Repairs** – ThriveMore performs the necessary repairs, maintenance, and reasonable replacement of its own property, common facilities and equipment. You will be responsible for the cost of repairing damage to property of ThriveMore caused by you, your pets or any of your guests, ordinary wear and tear excepted.

5. **Security** – ThriveMore will use reasonable care in providing security on the premises of the Community. Smoke detectors are provided in all residences. Twenty-four (24) hour security staffing, including regular security patrols, is provided. You are responsible for taking appropriate security measures to protect yourself and your property at the Community. Each residence will be provided with emergency response protocols, monitored twenty-four (24) hours a day. There may be a charge to Resident for certain emergency response protocols.

6. **Medical Emergency Response -** Follow community protocol or call 911.

7. **Groundskeeping** – Basic groundskeeping service, including lawn, tree, and shrubbery care, is provided. You may plant and maintain certain areas designated and approved by ThriveMore.

8. **Activities** – ThriveMore provides scheduled social, recreational, spiritual, educational and cultural activities, creative arts, exercise and wellness programs, and other activities designed to meet the interest of the residents. There may be a charge to the Resident associated with certain activities.

9. **Transportation** – Scheduled transportation is provided to shopping centers, public events, and other destinations as determined by the Community. Should transportation be desired at times or to places not included in the

standard schedule, the Community will assist with those transportation needs to the degree staff and equipment are available, and an additional charge may apply.

10. **Storage** – Limited storage space is provided.

11. **Parking** – One automobile parking space per independent residence is provided. Additional limited parking may be available.

12. **Wellness and Health Services** – ThriveMore offers assisted living and skilled nursing services (no skilled nursing services provided on Ardenwoods campus) and may provide oversight by a licensed physician serving as the Clinical Team in accordance with and subject to the provision of Section V of this Agreement.

13. **Insurance** – ThriveMore maintains insurance on all of its property and its operations to include general public liability insurance, property insurance, including coverage for acts of God, vandalism and theft, professional liability insurance and worker's compensation. You are encouraged to maintain a personal insurance policy for coverage of your personal belongings.

14. **Taxes** – Any real estate taxes are paid by ThriveMore.

D. **Optional Services** ThriveMore will make available to the Resident on an optional basis, at an additional cost to the Resident or Resident's insurance:

i. One or two additional meals per day in a dining venue at the Community;
ii. In case of temporary illness, tray service of meals in the Resident's residence;
iii. Additional housekeeping services as required;
iv. Transportation to certain extra-curricular events and locations;
v. Beauty and barber services;
vi. Regularly scheduled access to the on-site Health Clinic maintained by the Community.

II. Terms of Residency

A. Resident's Application

The Resident's Application for Residency is attached to this Agreement as Exhibit C and incorporated by reference herein. Resident represents and warrants that Exhibit C is true, complete and accurate in all material respects. Resident further certifies the continuing accuracy and completeness of the factual representations contained in the application. Resident understands and agrees that the representations contained in the Application for Residency, and in particular the financial representations, were made by Resident to induce ThriveMore to enter into this Agreement. Any material misrepresentations or omissions in the Application for Residency shall render this

Agreement voidable or terminable, including, the right to terminate the Resident's residency, at the option of ThriveMore.

Resident may be asked to provide ThriveMore accurate and complete financial and health care statements periodically when requested by ThriveMore.

B. Rights of Resident:

You have the right to occupy, use, and enjoy your assigned residence, together with the common areas, amenities, programs, and services of the Community during your lifetime, subject to the terms and conditions of this Agreement, unless this Agreement is terminated as provided herein. It is understood that this Agreement is not a lease and does not transfer or grant any interest in the real or personal property owned by ThriveMore other than the rights and privileges as described in this Agreement.

C. Policies, Rules and Regulations:

You agree to abide by the policies, rules, and regulations of ThriveMore including such changes as may be adopted from time to time. These policies, rules, and regulations will be made available to you prior to the execution of this Agreement, and at any time when they are updated.

D. Business and Health Care Directives:

You agree to execute and maintain in effect a North Carolina Durable Power of Attorney valid and enforceable in accord with the provisions of Chapter 32C of the General Statutes of North Carolina (or similar laws subsequently enacted). This Power of Attorney shall designate as your attorney-in-fact, a bank, a lawyer, relative or other responsible person or persons of your choice, to act for you in managing your financial affairs and filing for your insurance or other benefits as fully and completely as if you would be acting personally. It shall be in a form which survives your incapacity or disability and otherwise be satisfactory to ThriveMore. You will deliver a fully executed copy of this Power of Attorney to ThriveMore prior to the Date of Occupancy. Additionally, you further agree to provide ThriveMore with a copy of any Living Will, or Durable Power of Attorney for health care decisions which may be in existence, and to provide such documentations which may develop subsequent to the execution of this Agreement. ThriveMore strongly encourages all residents to designate a Health Care Attorney in Fact capable of making health care decisions in the case of incapacity or emergency.

E. Property:

To the maximum extent permitted by law, ThriveMore will not be responsible for the loss or damage of any property not belonging to ThriveMore due to any cause. It is understood by both parties that you will have the responsibility for providing insurance protection covering any such loss or damage of personal property. Upon termination of this Agreement, ThriveMore has the right to promptly (within thirty

(30) days) remove from the residence any and all of your property that remains therein or that is stored elsewhere on the property of ThriveMore, and ThriveMore may store such property either on or off the premises. You or your estate will be obligated for the payment of moving and storage charges and will reimburse ThriveMore for its incurred expenses.

Should such belongings remain stored for longer than ninety (90) days, ThriveMore shall have the right to sell such belongings and pay the proceeds from such sale to you or your estate, net of all expenses incurred to move, store and sell such property. If the proceeds are not adequate to fully reimburse ThriveMore for all such costs, you or your estate shall be responsible to ThriveMore for the deficiency.

F. Insurance:

1) Application for Benefits: Assignment of Benefits

You shall apply for any federal, state or local benefits for which you may be eligible or entitled upon request by ThriveMore. If requested by ThriveMore, any or all such benefits will be applied to the daily or monthly fee, as applicable, or other fees or charges incurred by you at ThriveMore.

You agree to assign to ThriveMore all insurance benefits received from third party payers for health services provided by ThriveMore. You agree to grant to ThriveMore a limited Power of Attorney for the purpose of permitting ThriveMore to act as your agent or attorney in fact in all matters relating to any such benefit.

2) Health Insurance:

You shall maintain eligible Medicare coverage (and supplemental health insurance coverage) and health insurance coverage that adequately covers hospital, medical, prescriptions and skilled nursing deductibles and co-payments required under your primary insurance policy. Your primary and secondary insurance coverage must recognize ThriveMore as a healthcare provider, or you shall be responsible for the cost of services rendered that otherwise could be covered by insurance. You agree to furnish ThriveMore with evidence of such coverage prior to the Date of Occupancy as stated in Exhibit A and also upon request.

If your health insurance coverage lapses, ThriveMore may require you to reapply for suitable insurance coverage. If you are unable to obtain suitable insurance coverage, you shall be responsible for the cost of any healthcare services rendered that otherwise could be covered by insurance. Upon request by ThriveMore, you shall provide evidence of health insurance coverage.

If Resident is ineligible for Medicare, Resident shall maintain equivalent health insurance in full force and effect, unless Resident demonstrates to ThriveMore's satisfaction that Resident is financially able to pay for those services that otherwise would be paid for by Medicare. Resident shall take such action and execute such forms as are reasonable and necessary to secure the payment to any hospital, nursing facility or other provider of health care services (including to ThriveMore for services provided by it), or to any physician, of any and all amounts payable in respect of services rendered to Resident and for which insurance is available.

However, notwithstanding any other provision in this Agreement, and to the extent allowed by law, Resident's failure to qualify for, obtain benefits under, or be reimbursed for any or all services set forth herein under a federal, state, or local grant, aid, benefit, or health care program or under any private health care insurer shall not effect Resident's and Responsible Party's direct obligation to pay the fees, costs and charges set forth herein.

3) Medicare-Certified Skilled Nursing Facility Beds, except at Ardenwoods:

The Community maintains a limited number of Medicare-certified beds in the skilled nursing facility, which are available for use by residents whose skilled nursing care would qualify for Medicare payment on an "if and as available" basis. In the event that you need admission and the admission would qualify for Medicare payment, then your financial responsibility to ThriveMore will depend upon the type of Medicare coverage you have and whether ThriveMore is a contractual provider for your coverage.

a) Medicare-certified bed is not available

In the event that there is not a Medicare-certified bed at the Community at the time you require admission, you may either choose to obtain skilled nursing care services at another healthcare facility at your cost until such time as a Medicare-certified bed becomes available at the Community (presuming you would use a facility that could provide a Medicare-certified bed) or be admitted to a bed in the skilled nursing facility at your cost which is not certified to accept Medicare payment until such time as a Medicare-certified bed becomes available at the Community.

b) Medicare-certified bed is available and you have traditional Medicare

If you are admitted to a Medicare-certified bed in the skilled nursing facility and you have traditional Medicare coverage, ThriveMore will accept the Medicare reimbursement amount of such care while you shall be responsible for any applicable deductible, co-payment and/or co-insurance amounts that are not paid by Medicare and any supplemental Medicare insurance that you maintain.

c) Medicare-certified bed is available and you have Medicare Advantage coverage for which ThriveMore is an in-network provider

In the event that ThriveMore is an in-network provider for your Medicare Advantage coverage, then ThriveMore will accept the reimbursement amount from your Medicare Advantage insurance carrier while you shall be responsible for any deductible, co-payment and/or co-insurance amounts that are not paid by the Medicare Advantage insurance that you maintain.

d) ***Medicare-certified bed is available and you have Medicare Advantage coverage for which ThriveMore is not an in-network provider***

ThriveMore will charge you the full private-payment amount for your admission into a Medicare-certified bed and credit against your financial obligation to ThriveMore the amount that is paid by your Medicare Advantage insurance if the insurance provides an out-of-pocket network benefit. A full private-pay resident in a Medicare-certified bed may be required by ThriveMore to relocate to a bed that is not Medicare-certified when such a bed becomes available.

G. Resident's Medical Examination:

You agree to be examined by a physician when there is reasonable cause for concern for your health and well-being.

H. Subrogation Rights:

In case of injury to you by a third party, ThriveMore shall have the right to subrogation for all of its costs and expenses incurred by reason of such injuries, and shall have the right, in your name or otherwise, to take all necessary steps and procedures to enforce the payment of the same by the person responsible for the injury. You agree to cooperate fully and to assist ThriveMore in recovering any such costs and expenses.

I. Resident Representation:

Residents have the right of self-organization through a residents' association which may convene to arrange social and recreational programs and to review the interests of the resident population.

J. Right of Entry:

ThriveMore recognizes your right to privacy, and ThriveMore shall limit entry to your Residence to legitimate emergencies and to scheduled work, including housekeeping, repairs, maintenance, and inspections. You hereby expressly authorize employees or agents of ThriveMore to enter your Residence upon reasonable notice for all such purposes.

K. Appliances:

ThriveMore is not obligated to determine your ability to safely utilize the appliances in your Residence. However, should ThriveMore determine that you have demonstrated an inability to safely operate the range, microwave, refrigerator, disposal unit, or any other appliances in your Residence, ThriveMore will have the right to turn off the power serving such appliance(s) and/or to remove any and all such appliances. In any such instance, you shall remain obligated to pay for any extra meals that you may incur due to the unavailability of any appliance.

L. Guests:

Guests are welcome at the Community subject to the Community's guest policies. Guests may also use the Community's guest room accommodations, subject to availability and based upon the Guest Room Reservation Policy in the Resident Handbook. At all times, you will be responsible for any injury to others, or damage to the property of others or of ThriveMore, caused by your guest(s). ThriveMore reserves the right and authority to limit or terminate the stay of any guest at any time and for any reason.

M. Emergency Notification:

You agree to provide ThriveMore with the following information prior to the Date of Occupancy:

- Names, addresses, and phone numbers of persons to notify in an emergency, or death
- Copy of current Durable Power of Attorney
- Copy of current Health Care Power of Attorney
- Copy of any Advance Directives
- Copy of current Insurance Coverages

ThriveMore shall not be responsible for funeral or burial arrangements or costs.

N. Compliance with Applicable Laws:

ThriveMore will operate in full compliance with all laws, rules, regulations, and ordinances promulgated by lawful governmental authorities. Notwithstanding any other provisions of this Agreement, ThriveMore shall have the right to change your Residence, and the terms of this Agreement, to meet the requirements of any law or regulation.

O. Relocation:

ThriveMore reserves the right to relocate you to another accommodation when deemed necessary in order for ThriveMore to fulfill its strategic plans, financial obligations or other obligations. ThriveMore will use reasonable efforts to relocate you to a similar or better accommodation. Any such decision to relocate you will be discussed thoroughly with you in order to enlist your understanding of the need for and cooperation with the relocation. ThriveMore will pay all required packing and moving costs, and all reasonable refurbishing costs necessary to achieve substantial comparability between your accommodation and any new accommodation to which you may be relocated.

III. Financial Provisions

A. Deposits:

Funds paid toward the Entry Fee may be refundable as outlined in Sections VI and VIII of this Agreement.

B. Entry Fee and Monthly Fee:

You agree to pay ThriveMore an Entry Fee (as indicated below) and the Monthly Fee for the selected residence as outlined in Exhibit A. Within five (5) days of the Effective Date of this Agreement, you agree to pay a ten percent (10%) deposit to secure the Residence as outlined in Exhibit A. You are then required to make the final balance payment of the Entry Fee at least fourteen (14) days prior to the Date of Occupancy, as stated on Exhibit A. You agree to pay all fees and charges as set forth in this Agreement.

You agree to pay ThriveMore one of the following Entry Fees (selected option checked below) as a condition of becoming a Resident of ThriveMore. This Entrance Fee is refundable in whole or in part as described below and in Section VI of this Agreement, subject to the terms and conditions of this Agreement.

Entrance Fee Option	**Entry Fee Option**	**Amount of Entry Fee**	**Amortization Schedule**
_______	Standard Refund Entry Fee	$ ______________________ 2nd Person________________	4% a month for 24 months less 4% non-refundable fee.
_______	50% Refund Entry Fee	$ _____________________ 2nd Person_______________	2% per month for 23 months less 4% non-refundable fee. Refund never less than 50% of original entrance fee.
_______	90% Refund Entry Fee	$ ______________________ 2nd Person_______________	1% per month for 6 months less 4% non-refundable fee. Refund never less than 90% of original entrance fee.

The Monthly Fee varies depending upon the type of residence. A Double Occupancy Monthly Fee is charged for Co-Residency. The Monthly Fee and costs for additional services are billed by the fifth (5th) business day of each calendar month, with payment due from you by the fifteenth (15th) of the same month. ThriveMore reserves the right, with thirty (30) days' notice, to change the billing date and the payment due date. For a partial first month, the Monthly Fee is pro-rated on a per diem basis. Thereafter, Monthly Fees are paid in advance and are not pro-rated at termination. If you fail to pay the Monthly Fee, ThriveMore reserves the right to terminate the Agreement. ThriveMore may add a service charge of one percent (1%) per month to fees and charges not paid by the fifteenth (15th) of the month. ThriveMore requires an automatic bank draft for the monthly charges.

C. Delayed Residency:

If you choose to defer occupancy, later than the Date of Occupancy as stated in Exhibit A, both the Entry Fee and the applicable Monthly Fee must still be paid as if you moved into ThriveMore on the Date of Occupancy. You will be credited as appropriate, with the Away Allowance as described in Section III. I. until such time that you move to ThriveMore. Additionally, any refund will be calculated as of the Date of Occupancy as stated in Exhibit A.

D. Fee Increases:

It is understood by both parties that ThriveMore is a nonprofit corporation dedicated to providing high quality services, facilities, and care at the lowest feasible cost. The parties also recognize the uncertain nature of future costs and expenses for goods and services and their mutual need to maintain a sound financial basis for the continued operation of the facility. You agree that ThriveMore may adjust the Monthly Fee and any and all other fees and charges upon a thirty (30) day written notice to you, as may be reasonably necessary according to the economic requirements and conditions, and the level of services offered. The decision to adjust the Monthly Fee and all other fees and charges is made, in its sole discretion, by the Board of Trustees of ThriveMore.

E. Financial Hardship:

It is the intent of ThriveMore to admit only those persons who are able to pay its current and projected Entry Fee, Monthly Fee and any additional fees and charges. Resident agrees to prudently conserve and maintain Resident's current and future income, resources, and assets in order to provide for payment of services to be provided by ThriveMore under this Agreement or otherwise. Resident agrees to provide ThriveMore thirty (30) days prior written notice of any material transfer of Resident's income, assets or resources, including the creation of any trust, any material expenditure of Resident's income, assets, or resources, or any change in Responsible Party. Resident shall promptly notify ThriveMore of any material change in Resident's medical or financial condition, including but not limited to Resident's qualification for and intention to seek assistance from any public assistance benefit program, as hereinafter defined.

Upon verification satisfactory to ThriveMore that Resident has complied with the foregoing obligations and that Resident's income, resources, and assets are insufficient to pay for services required, ThriveMore will endeavor to provide financial assistance to Resident, by prudent use of finite funds available to it for such purposes. ThriveMore has no legal obligation to provide such assistance and is unable to represent or guarantee with certainty that such assistance will be available to Resident. In any event, such assistance as may be available will be provided only after Resident has applied for and taken all necessary steps to qualify for Medicaid, public assistance, any public benefit program, or private funds or programs through which benefits ("public assistance benefits") may be available for payment of services required by Resident. ThriveMore's ability to subsidize residents who have encountered financial hardship is expressly limited by its obligation to meet its commitments to all residents, and to operate on a sound financial basis. If it is apparent to ThriveMore that you have voluntarily divested assets and resources, or have used resources in a manner other than to meet ordinary and customary living expenses, ThriveMore may refuse to subsidize your fees and charges, and may elect to terminate this Agreement if payments for all fees and charges are not received in a timely manner. The use of ThriveMore's funds to subsidize residents who have encountered financial hardship is at the sole discretion of ThriveMore.

You agree to provide, if requested, financial statements and current financial information and copies of your tax returns for the purpose of demonstrating capacity to meet financial obligations to ThriveMore and other providers arising out of or in connection with this Agreement.

Resident agrees that he or she have not and will not make gifts of real or personal property for the purpose of evading his or her financial obligations to ThriveMore.

F. Subsidy by ThriveMore:

Should ThriveMore elect to subsidize your fees and charges, or any other cost for services or care which ThriveMore under this Agreement is not obligated to pay on your behalf, the accumulated amount of any such subsidy shall be offset against any refund that might become due to you, and any unrecovered balance shall also be a valid claim against your estate. This paragraph shall apply whether or not you reside at ThriveMore at the time of death or termination of this Agreement.

G. Occupancy by Two Residents:

When two (2) Residents occupy a Residence and one of them is no longer domiciled in the Residence, whether as a result of death or otherwise, or in the event of the termination of this Agreement with respect to one of the Residents, this Agreement shall continue in effect for the remaining Resident. The remaining Resident will thereafter pay the Single Occupancy Monthly Fee associated with the Residence. No Entry Fee refunds shall be paid to the remaining Resident until the Residence is vacated as described in this Agreement. Section V.B.7. addresses Resident's obligations when Resident(s) is transferred to the Health Care Center.

H. Addition of a Second Resident to Share a Living Accommodation with a Current Resident:

If, after the Date of Occupancy indicated on Exhibit A, you choose to have a second resident share your residence, ThriveMore may charge the second resident an Entry Fee equal to the current applicable Single Occupancy Entry Fee for such living accommodation, or such lesser amount as ThriveMore may determine in its discretion. Thereafter, you are responsible for paying the applicable Double Occupancy Monthly Fee for the residence.

Second residents are subject to the same review and entrance requirements as initial residents and must sign a Residence and Services Agreement. If the second resident is an existing resident, the second resident is subject to the same entrance requirements as initial residents, except in regard to health status evaluation.

I. Away From the Community:

If Resident is away from the Community for thirty (30) consecutive days, Resident will receive a credit for up to 30 days based on Resident's meal plan selection. If Resident takes advantage of the away rate, no meal credits are accrued during the away time. If for any reason Resident returns to the Community for an overnight stay, he or she will be ineligible to take advantage of the away rate. The away rate can be taken for a maximum of three (3) months.

IV. Resident Moves and Transfers

It is understood that when you move from one independent living residence to another, or if you move from one level of care to another, your status or rights as a ThriveMore resident do not change. You may transfer and/or move on a temporary or a permanent basis, at the determination of ThriveMore.

A. Independent Internal Moves:

1. **Move to a Larger Independent Living Residence** – Should you desire to transfer to a larger independent living residence, an internal move request should be made in writing according to the Internal Move Policy in the Resident Handbook, which may be subject to change from time to time. An internal move fee may apply as noted in the policy. An additional Entry Fee equal to the difference between the then current Entry Fee for the larger residence and the Entry Fee you originally paid for the smaller residence will be due to ThriveMore prior to your move to the larger residence.

   Occupancy of the original residence (Exhibit A) for purposes of calculating any refund. You will also be responsible for the Monthly Fee associated with the larger residence from the Date of Occupancy for the larger residence, or the actual date of move-in, whichever is earlier. The Monthly Fee for the smaller residence is still in effect and will be charged until all personal belongings have been removed, and a final walk-through has been completed as per the Internal Move Policy.

2. **Move to a Smaller Independent Living Residence** – Should you desire to transfer to a smaller independent living residence, an internal move request should be made in writing according to the Internal Move Policy in the Resident Handbook. You will not be due any refund at the time of your transfer. Your refund, if any, shall be

calculated and paid in accordance with the provisions of this Agreement based on the independent living residence you initially occupied under this Agreement.

You will be responsible for the Monthly Fee associated with the smaller residence beginning on the Date of Occupancy of the smaller residence, or the actual date of move-in, whichever is earlier. You will also be responsible for the Monthly Fee for the larger residence until all personal belongings have been removed from the larger residence, and a final walk- through has been completed as per the Internal Move Policy.

B. Moves to the Health Care Center:

ThriveMore expressly reserves the right to move you to an accommodation that can best provide for your safety and care. If your physical or mental condition deteriorates so that, in the best judgment of ThriveMore and upon the recommendation of ThriveMore's Clinical Team, you are unable to live independently, or if you cannot live in an independent living residence without endangering yourself or the health or safety of others, ThriveMore may move you to a more appropriate accommodation. Such changes (if not at your request) shall be made only to protect your health or safety, or the general welfare of the residents of ThriveMore or others. Residents may request a meeting with ThriveMore for the discussion and consideration of any actions taken by ThriveMore. Should you fail or refuse to cooperate with any such move, ThriveMore has the right to terminate this Agreement and require you to leave the Community altogether.

If in the sole discretion of ThriveMore, it determines that your transfer is permanent, ThriveMore may assign your independent living residence to another resident. Should your condition subsequently improve to a point that you are able to live independently, you may apply for an independent living residence upon the same basis as existed before the transfer. You shall bear all costs of moving and storing your furniture and belongings in the case of such transfer. In addition, if ThriveMore determines that you can resume occupancy in an independent living residence, you will have priority for a similar residence as soon as one is available.

C. Limitations of Care/Transfer:

ThriveMore's facilities and services are not designed to care for persons who have an active psychiatric illness, who have a dangerous communicable disease or who are involved with drug or alcohol abuse. Should ThriveMore determine that your physical and/or mental condition becomes such that your continued presence at ThriveMore is dangerous or detrimental to your health or safety, or to others, ThriveMore may arrange for such transfer to a special service facility as may be required, and this Agreement will be terminated.

If you or your designee prefers a different institution or special service facility than that selected by ThriveMore, arrangements will be made to accommodate such preference with the understanding that ThriveMore is relieved of any financial responsibility associated with such transfer, or the costs of such a transfer.

V. Health Care Services

During the process of applying to ThriveMore, you have disclosed a true and correct health status and history, and have been approved by ThriveMore for independent living. You have disclosed any significant changes in your health status since your initial review. It is understood by both parties that your health condition may change and that you will inform ThriveMore of any significant changes. If there is reasonable cause for concern, you agree that a ThriveMore physician may examine you.

A. Health Care Center:

The Community's Health Care Center includes a primary care clinic, assisted living residences, skilled nursing residences, and residences offering special care/dementia services.

B. Continuing Care Services:

ThriveMore agrees to provide the health care services outlined below. These services are included in the Monthly Fee, except for those requiring additional payment as described below. ThriveMore will seek reimbursement from any and all third party payers to the fullest extent available.

1. **Wellness and Exercise Programs** – ThriveMore staff will conduct wellness and exercise programs for residents who wish to participate. Some special programs may require extra charges.

2. **Other Health Care Services**:

   a) **Primary Care** – ThriveMore will make available primary care services to you in the Health Care Center during regularly scheduled office hours. Trained health care personnel will be on-site twenty-four (24) hours a day. A physician will be available for scheduled office visits and is on call for Community residents twenty-four (24) hours a day, seven (7) days a week. The ThriveMore physician will refer you to specialists as needed. You will be responsible for the cost of care rendered by physicians not reimbursed by Medicare or other third party payer.

   b) **Laboratory Tests and Other Procedures** – Limited laboratory testing services and diagnostic procedures will be provided in the Health Care Center according to the Health Care Center's fee schedule. You will be responsible for the costs of such services and procedures not reimbursed by Medicare or other third party payer.

   c) **Visiting Nursing Services** – Visiting nursing services may be available for consultation and assistance to you in your residence on a short-term basis. Such services may require an additional charge.

d) **Special Services** – ThriveMore will provide facilities to accommodate some special services such as Dentistry, Physical Therapy, Occupational Therapy, Speech Therapy, and Pharmacy Services. You will be responsible for the cost of these, and other special services not reimbursed by Medicare or any other third party payer. You are responsible for the costs of medications procured through ThriveMore pharmacy service or elsewhere.

3. **Assistance with Insurance Claims** – ThriveMore will assist you with the filing of health care insurance claims for services rendered by ThriveMore. Whenever ThriveMore files insurance claims for you, you agree to promptly and fully cooperate in the filing of all such claims. Resident shall be responsible for all fees, costs and expenses should Resident's insurance be denied for any reason.

4. **Personal Assistants** – You may arrange for limited assistance to accomplish activities of daily living. Personal assistants may be required to be approved by ThriveMore before they are allowed access to ThriveMore facilities. You are responsible for any costs related to the services of any personal assistant. You are responsible for any injury to others or damage to the property of others or of ThriveMore by your assistant(s). ThriveMore may limit or terminate the services of any assistant and may refuse access to the grounds or facilities of ThriveMore by such assistant. You understand that arranging and receiving care from a personal assistant does not take the place of care that may best be provided in the Health Care Center (See Section IV.B).

5. **Hospitalization** – ThriveMore may assist you in arranging your inpatient hospital care when ordered by a physician. You will be responsible for all hospital charges not covered by Medicare or other third party payer.

6. **Health Care Services in ThriveMore Health Care Center** – ThriveMore will provide temporary or permanent assisted living services, skilled nursing services, and respite care services to you when ordered by a physician. Health care services are provided based upon a specific fee structure as outlined below:

   a) **Pre-Paid Days:** You are eligible for thirty (30) "free" days in the Health Care Center beginning with the initial Date of Occupancy at ThriveMore. Pre-paid days may also be used for a stay in an alternative health care facility. While residing in the Health Care Center or in an alternative health care facility (but only if such alternative health care facility is due to the Community's inability to provide the necessary care to Resident and not for an alternative health care facility that Resident has chosen) when pre-paid days are available, you continue to pay the current Monthly Fee. After the accrued pre-paid days have been used, the rates as outlined in paragraphs 7.b through 7.h below apply or the rates actually charged by the alternative health care facility.

   b) **Single Occupancy, Temporary Health Care Center:** When it is deemed by ThriveMore that you are a temporary resident of the Health Care Center, and after pre-paid days have been used, you will pay One Hundred Percent (100%) of the per diem rate for health care services published by ThriveMore in addition to the regular Monthly Fee. Resident that is temporarily transferred to the Health Care Center will receive a meal credit for up to 30 days based on Resident's meal plan selection.

c) **Single Occupancy, Permanent Health Care Center:** When it is deemed by ThriveMore that you are a permanent resident of the Health Care Center and after pre-paid days have been used, you will pay One Hundred Percent (100%) of the per diem rate for health care services published by ThriveMore. Once you become a permanent resident of the Health Care Center, all personal belongings have been removed from your independent living residence and a final walk-through has been completed, you will relinquish the independent living residence, and the Monthly Fee for the independent living residence will no longer be paid.

d) **Double Occupancy, One Resident Temporarily in Health Care Center:** After pre-paid days have been used, the resident temporarily transferred to the Health Care Center and the resident remaining in the independent living residence will continue to pay the Double Occupancy Monthly Fee, plus One Hundred Percent (100%) of the per diem rate for health care services published by ThriveMore. Resident that is temporarily transferred to the Health Care Center will receive a meal credit for up to 30 days based on Resident's meal plan selection.

e) **Double Occupancy, One Resident Permanently in Health Care Center:** After pre-paid days have been used, the resident permanently transferred to the Health Care Center and the resident remaining in the independent living residence will continue to pay the Single Occupancy Monthly Fee plus One Hundred Percent (100%) of the per diem rate for health care services published by ThriveMore.

f) **Double Occupancy, Both Residents Temporarily in Health Care Center:** After pre-paid days have been used, if both residents are temporarily transferred to the Health Care Center, each will pay One Hundred Percent (100%) of the per diem rate for health care services published by ThriveMore. In addition, the resident temporarily transferred to the Health Care Center and the resident remaining in the independent living residence will continue to pay the Double Occupancy Monthly Fee. Resident that is temporarily transferred to the Health Care Center will receive a meal credit for up to 30 days based on Resident's meal plan selection.

g) **Double Occupancy, Both Residents Permanently in Health Care Center:** After pre-paid days have been used, if both residents are permanently transferred to the Health Care Center, each will pay One Hundred Percent (100%) of the per diem rate for health care services published by ThriveMore. Once all personal belongings have been removed from the independent living residence, and a final walk-through has been completed, you will relinquish the independent living residence and the Monthly Fee will no longer be paid for the independent living residence.

h) **Double Occupancy, One Resident Temporarily in Health Care Center and One Resident Permanently in Health Care Center:** After pre-paid days have been used, if one resident is temporarily transferred to the Health Care Center, and the other resident is permanently transferred to the Health Care Center, the rates outlined in Section V.B.7.e will apply. In addition, the resident temporarily transferred to the Health Care Center will pay One Hundred Percent (100%) of the per diem rate for health care services published by ThriveMore. Resident that is temporarily transferred to the Health Care Center will receive a meal credit for up to 30 days based on Resident's meal plan selection.

If appropriate accommodations suited to meet your needs are not available, ThriveMore will be responsible for identifying alternative health care facilities for you, until such time as an appropriate accommodation is available in ThriveMore's Health Care Center.

Resident is responsible for the costs of care at the alternative health care facility. During the period of stay in an alternative health care facility, all costs of care will be billed to the Resident by the alternative health care facility. If such costs are not covered by Medicare or other third party payer, the Resident is responsible for the costs of care at the alternative health care facility and, the Resident may elect to use any available pre-paid days as described in paragraph 7.a above. Should you elect to use any available pre-paid days, ThriveMore will either reimburse you or credit your account for the scope of services that would otherwise be included in the per diem rate, provided that ThriveMore's obligation shall not exceed the current prevailing per diem rate.

C. Direct Admission to the Health Care Center:

After the execution of this Agreement and prior to the Date of Occupancy, you may be admitted directly to the Health Care Center should it be determined that your physical or mental condition precludes you from living independently. Under this circumstance, health care services will be delivered as outlined below. Financial support as described in Section III.E. will not apply unless a co-resident takes occupancy of an independent living residence. Should independent living status as determined by ThriveMore be regained, you will have a priority right to an independent living residence equivalent to the independent accommodation previously contracted, and you may move to the independent living residence by paying the balance of the current Entry Fee and the applicable Monthly Fee.

1. **Direct Admission to Skilled Nursing** – If after execution of this Agreement and prior to the Date of Occupancy, it is determined that you require skilled nursing services, you may be admitted directly to a skilled nursing residence if accommodations are available. You will pay the current daily skilled nursing rate, instead of the Entry Fee and Monthly Fees. Should you subsequently move to an independent living residence after having paid the remaining

portion of the Entry Fee and again require Health Care Center services, you would be eligible for the reduced rates outlined in Section V.B.7 of this Agreement, after an agreed upon, pre-determined time of independent residency has been established and met.

2. **Direct Admission to Assisted Living** – If after execution of this Agreement and prior to the Date of Occupancy it is determined that assisted living services are required, you may be admitted directly to an assisted living residence if accommodations are available. You will pay the current monthly assisted living rate instead of the Entry Fee and Monthly Fee. You may transfer to skilled nursing if more intensive care is needed and accommodations are available, and would then be charged the current daily skilled nursing rate. Should you move to an independent living residence after having paid the remaining portion of the Entry Fee and again require Health Care Center services, you would be eligible for the reduced rates outlined in Section V.B.7. of this Agreement, after an agreed upon, pre-determined time of independent residency has been established and met.

3. **Double Occupancy and Direct Admission** – In the case of double occupancy, a resident entering an independent living residence with a co-resident directly admitted to the Health Care Center will pay the Single Occupancy Entry Fee and Single Occupancy Monthly Fee for the independent living residence.

VI. Termination Prior to Occupancy and Terms of Refund

A. Termination by the Resident:

1. **Termination Within the Thirty (30) Day Right of Rescission Period** – You may rescind this Agreement prior to the Date of Occupancy, or after occupancy, by giving written notice to ThriveMore within thirty (30) days following the later of the execution of this Agreement or of the date that you received the Disclosure Statement as required by Section 58-64-1, et. seq. of the North Carolina General Statutes. You will receive a full refund equal to the funds paid toward the Entry Fee without interest, less any non-standard costs incurred by ThriveMore at your request and less any other costs and expenses incurred by you but not paid. Your refund will be paid within sixty (60) days of receipt of your written notice to terminate. You are not required to take occupancy before the end of the thirty (30) day rescission period.

2. **Termination After the Thirty (30) Day Right of Rescission Period** – After the thirty (30) day rescission period and prior to the Date of Occupancy, if you terminate this Agreement, you will receive a refund equal to the funds paid toward the Entry Fee without interest, less an administrative fee equal to two percent (2%) of the Entry Fee for the independent living residence selected, less any non-standard costs incurred by ThriveMore at your request and less any other costs and expenses incurred by you but not paid. Your refund will be paid within sixty (60) days of receipt of your written notice to terminate.

B. Termination by ThriveMore:

The Agreement may be terminated by ThriveMore if it is determined by ThriveMore that you have misrepresented or omitted medical, financial, or other information given to ThriveMore during the application process, or if your financial status changes prior to the Date of Occupancy such that you no longer meet ThriveMore's financial requirements for admission. In such event, you will be due a refund equal to the total amount of funds paid toward the Entry Fee without interest, less an administrative fee equal to two percent (2%) of the Entry Fee based on the independent living residence selected, less any non-standard costs incurred by ThriveMore at your request and less any other costs and expenses incurred by you but not paid. Your refund will be paid within sixty (60) days of written notice to terminate.

C. Termination as a Result of Death or Illness of Resident:

Prior to the Date of Occupancy, should you die, become ill, be injured or otherwise incapacitated such that ThriveMore determines that independent living is not possible, this Agreement will automatically be terminated and a refund shall be due to you within sixty (60) days, equal to the funds paid toward the Entry Fee without interest, less any non-standard costs incurred by ThriveMore at your request and less any other costs and expenses incurred by you but not paid. In lieu of terminating this Agreement, you may elect to enter the Community's Health Care Center under the terms of the direct admissions policy outline in Section V.C.

D. Termination of Residency If Listed on a Sex Offender Registry

Resident hereby acknowledges that it is the policy of ThriveMore to conduct sex offender screening for every prospective resident, regardless of independent status or level of care, at the time of application for admission to ThriveMore and again prior to entering into a Residence and Services Agreement. If the screening shows that the prospective resident is identified as a sex offender, ThriveMore will deny admission of Resident on that basis and not execute a Residence and Services Agreement. In addition, Resident hereby acknowledges and agrees that if, after ThriveMore and Resident have entered into a Residence and Services Agreement, ThriveMore becomes aware that Resident is listed on any sex offender registry, ThriveMore may terminate this Agreement with Resident and remove Resident from the Community. If there is more than one resident who is a party to this Agreement, the termination of this Agreement in such instance shall only apply to the resident listed on the sex offender registry.

VII. Conditions of Termination After Occupancy

A. Termination by the Resident: In addition to Section VI., this Agreement may be terminated by you in accordance with the following conditions:

1. The Agreement will be terminated upon your death, or the death of the surviving resident in the case of co-residency.

2. A permanent move to the Health Care Center is not considered a contract termination, and therefore a refund is not applicable. Refunds may only apply upon the termination of the Agreement. The Termination Date will be determined in accordance with Section VII.C. below.

3. Except in the case of death, you must give ThriveMore sixty (60) days written notice of your intent to terminate the Agreement.

4. You must leave the Residence in a condition satisfactory to ThriveMore. ThriveMore may charge you for the cost of work required to restore the Residence to its standard condition, with the exception of reasonable wear and tear.

5. Refunds to you shall be reduced by the amount of your outstanding fees and charges due to ThriveMore.

B. Termination by ThriveMore: ThriveMore may terminate the Agreement with you if you breach this Agreement, or if you fail to pay the Monthly Fee and any other ancillary charges, or fail to follow the standard policies or procedures of ThriveMore, or refuse to relocate as required by this Agreement, or engage in activities or conduct disruptive to the Community, or if you interfere with the health and safety of the Community, or if you have misrepresented or omitted medical, financial or other information given to ThriveMore during the application process. ThriveMore will be required to give you at least sixty (60) days written notice to vacate your residence.

You must leave the Residence in condition satisfactory to ThriveMore. ThriveMore may charge you for the cost of work required to restore the Residence to its standard condition, with the exception of reasonable wear and tear.

Refunds to you shall be reduced by the amount of your outstanding fees and charges due to ThriveMore.

C. Termination Date: The “Termination Date” of this Agreement will be the date on which your personal property has been removed from the residence or sixty (60) days following written notice, whichever is later. You will be required to continue paying the Monthly Fee until the Termination Date or until your personal belongings have been removed and a walk-through has been completed by you or your designee and management, whichever is later.

VIII. Conditions for Refund After Occupancy

A. Termination of Standard Agreement by Resident or by Death: You may be entitled to a refund of the Entry Fee. If Resident dies or terminates this Agreement during the first twenty-four (24) months of this Agreement, you or your estate may be entitled to a partial refund of the Entry Fee. You or your estate will receive a refund in the amount equal to: (i) the Entry Fee; less (ii) four percent (4%) of the Entry Fee on the Occupancy Date and then four percent (4%) of the Entry Fee for each month that this Agreement has been in effect for up to twenty-four (24) months; less (iii) any amounts due to ThriveMore. After twenty-four (24) months, there is no refund of the Entry Fee. Entry Fees will not be pro-rated for a period less than one month.

B. Termination of Standard Agreement by ThriveMore: If ThriveMore terminates this Agreement pursuant to Section VII.B, you may be entitled to a refund of the Entry Fee. If termination of this Agreement occurs during the first twenty-four (24) months of this Agreement, you or your estate may be entitled to a partial refund of the Entry Fee. You or your estate will receive a refund in the amount equal to: (i) the Entry Fee; less (ii) four percent (4%) of the Entry Fee on the Occupancy Date and then four percent (4%) of the Entry Fee for each month that this Agreement has been in effect for up to twenty-four (24) months; less (iii) any amounts due to ThriveMore. After twenty-four (24) months, there is no refund of the Entry Fee. Entry Fees will not be pro-rated for a period less than one month.

C. Payment of Refunds: Any refund of the Entry Fee will be paid after all outstanding fees and charges due to ThriveMore by you have been paid, your personal belongings have been removed, and a final walk-through has been completed. Such payment shall be deferred until the earlier of (i) thirty (30) days after the independent living residence formerly occupied by you is re-occupied and a full Entry Fee is received by ThriveMore for the residence and (ii) the Twenty-Four (24) month anniversary of the effective date of the termination of this Agreement. Refunds will be paid to you, or in the event of your death, to your estate or if this Agreement has been amended to provide that the refund will be paid to trustee(s) of the revocable trust(s) of Resident, the refund shall be paid to the trustee(s) rather than to Resident's estate. ThriveMore shall have the right to offset any fees and charges owed to ThriveMore with any refund due to you or your estate.

D. Release upon Termination: Upon termination of this Agreement, ThriveMore is released from any further obligations to you except for the payment of any refund which may be due under Sections VI and VIII of this Agreement.

IX. Miscellaneous

A. ThriveMore's Disclosure Requirements: In keeping with North Carolina requirements for disclosure of financial information to the public and to ThriveMore's residents, ThriveMore will file an annual disclosure statement with the North Carolina Department of Insurance ("Disclosure Statement"). A copy of the most recent Disclosure Statement will be delivered to you prior to the execution of this Agreement and a copy of each subsequent Disclosure Statement shall be made available to you so long as you reside at ThriveMore.

B. The Resident's Disclosure Requirements: During the process of applying for admission, you have disclosed your complete health status and history, and your complete financial position to ThriveMore as of the date of this Agreement.

ThriveMore will not be responsible for any financial support, or for the cost of your care if the true and correct nature of your financial position and/or medical condition has not been revealed to ThriveMore as of the date of this Agreement or subsequent to the date of this Agreement based upon information you provided to ThriveMore, at its request. Upon the request of ThriveMore, you are obligated to provide us the current status of your health and/or financial position so long as you remain a resident of ThriveMore.

C. **Rights, Privileges and Limitations**: The rights and privileges to you under this Agreement for living accommodations, facilities, and services are personal and non-transferable and do not include any proprietary interest in the properties or assets of ThriveMore.

Your rights shall at all times be subordinate to any obligations of ThriveMore. Upon request by ThriveMore, you agree to execute and deliver a subordination agreement to establish the priority of such obligations as a lien or liens against the property.

D. **Management of The Community**: The absolute rights of management are reserved by ThriveMore and its Board of Trustees. ThriveMore reserves the right to accept or reject any person as a resident. Residents do not have the right to determine admission or terms of acceptance of any other resident.

E. **Assignment**: This Agreement and the rights and privileges of Resident under this Agreement to a residence, facilities and services, and any other rights and privileges hereunder, are personal to Resident and cannot be transferred or assigned by act of Resident, or by any proceeding at law, or otherwise.

F. **Successors and Assigns**: Except as set forth herein, this Agreement will bind and inure to the benefit of the successors and assigns of ThriveMore and your heirs, executors, administrators and permitted assigns.

G. **Uncontrollable Interruption of Service**: No breach of ThriveMore’s obligations under this Agreement and no liability for injury to you shall result from an interruption of, or failure to provide, contracted service due to an act of God or other cause beyond the reasonable control of ThriveMore, specifically including strikes or other forms of labor disturbances, government regulations and/or embargoes, pandemic or epidemic, shortages of labor or materials, fire, flood, earthquake, inclement weather or acts of the resident. ThriveMore shall make reasonable efforts to continue to provide the usual services in such event.

H. **Confidentiality**: ThriveMore has the responsibility to keep all of the personal, medical and financial information you have supplied confidential. You agree that ThriveMore can disclose such information to those who have a need, in ThriveMore’s judgment, or the right to know.

I. **Indemnity**: You agree to indemnify, defend and hold ThriveMore harmless from claims, damages or expenses, including attorneys’ fees and court costs, resulting from any injury or death to persons and any damages to property caused by, resulting from, attributable to or in any way connected with your acts or omissions or those of your guests, including private duty nurses or any other third party service contracted by you. This Section shall survive termination of this Agreement.

J. **Affiliation**: ThriveMore has an historical relationship to the Baptist State Convention of North Carolina. The Baptist State Convention of North Carolina is not responsible for the financial or contractual obligations of ThriveMore. ThriveMore holds membership in LeadingAge and LeadingAge NC.

K. **Subordination to Financing**: The rights of Resident are limited to those rights and privileges expressly granted by the terms of this Agreement. The Community or other ThriveMore facilities, properties, assets or revenues are or may be subject to a first deed of trust or other security instrument or serve as security for various financing arrangements. Certain legal rights of the lender, including any right of foreclosure in the event of default, are superior to the rights and privileges granted the Resident by this Agreement.

L. **Waiver of Breach**: The failure of ThriveMore in any one or more instances to insist upon the strict performance, observance, or compliance by you with any of the terms or provisions of this Agreement, or its waiver of a breach by you of any terms or provisions of this Agreement, shall not be construed as a waiver or relinquishment by ThriveMore of its right to insist upon strict compliance by you with all terms or provisions of this Agreement.

M. **Rules Adopted by ThriveMore**: ThriveMore reserves the right to adopt policies, procedures and rules regarding the Community, ThriveMore, residents, residency, and/or services. You agree to observe the policies, procedures and rules adopted by ThriveMore for the convenience, comfort, and safety of all.

N. **Amendment of Residence and Services Agreement and General Conditions**: ThriveMore reserves the right, upon thirty (30) days prior written notice to all residents, to modify or amend the Residence and Services Agreement whenever doing so is necessary to correct errors, omissions, or inconsistencies, to provide clarification of intent, or to conform the documents to the requirements of local, state, or federal laws and regulations applicable to ThriveMore, in particular, or to residential life care communities, in general, or whenever doing so is deemed by the Board of Directors of ThriveMore to be in the best interest of ThriveMore and the residents in light of changes in health insurance laws and coverages and/or local, state or federal tax laws or regulations.

O. **Entire Contract in this Agreement**: This Agreement, Exhibit A, Exhibit B, Exhibit C and any attached Exhibits, Schedules, Addenda, Application Forms, and Requests for Changes to the Living Residence constitute the entire contract between ThriveMore and you. ThriveMore is not liable for, not bound in any manner by any statements, representations, or promises made by any person representing or purporting to represent ThriveMore unless such statements, representations, or promises are set forth in this Agreement. Except as set forth in Section IX. N., this

Agreement may not be amended or modified except by written agreement signed by the parties hereto and incorporated herein by reference.

P. **Governing Law: Venue**: This Agreement shall be governed by, interpreted, construed and enforced in accordance with the laws of the State of North Carolina, without giving effect to any choice of law or conflict of law rules or provisions that would cause the application of laws or any jurisdiction other than North Carolina. Except to the extent that the parties have agreed to an alternative mechanism for the resolution of a dispute, to the full extent permitted by law, any action, suit or proceeding arising out of or relating to this Agreement shall be brought and enforced in the courts of the State of North Carolina located in Forsyth County or the United States District Court for the Western District of North Carolina, and the parties hereby irrevocably submit to the exclusive jurisdiction of such courts and irrevocably waive any objection that they may now or hereafter have to the laying of venue of any such action or proceeding in such courts. In the event of any such dispute, the non-prevailing party shall pay all reasonable costs, expenses and attorneys' fees incurred by the prevailing party.

Q. **Notice Provisions**: Any notices, consents, or other communications to ThriveMore shall be in writing and addressed as follows:

President and CEO
Baptist Retirement Homes of North Carolina, Incorporated dba ThriveMore
1912 Bethabara Road
Winston-Salem, NC 27106

Your address for the purpose of giving notice prior to your move to ThriveMore is the address appearing after your signature on the following page or other such address you provide to ThriveMore in writing.

R. Counterparts: This Agreement may be executed in two or more counterparts, and by the different parties in separate counterparts, and executed and delivered by facsimile, .pdf, DocuSign, Senior Sign or any other electronic means, each of which when executed will be deemed to be an original, but all of which taken together will constitute on and the same agreement.

[Signature page follows.]

NOTICE

BECAUSE THE AUTHORITY TO ENTER 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.

Acknowledgements

Your signature below certifies that you have received, read, understand, and accept this Residence and Services Agreement and the current Disclosure Statement for ThriveMore.

____
Resident's Signature

____
Current Address: Street/P.O. Box

____
City, State, Zip Code

____
Telephone

____
Co-Resident's Signature

____
Current Address: Street/P.O. Box

____
City, State, Zip Code

____
Telephone

By______________________________________
President/CEO

EXHIBIT A

Your signature below certifies that you understand and accept the following terms:

DATE OF OCCUPANCY: ______________________________

RESIDENCE NUMBER/TYPE: ______________________________

REFUND PLAN: (   ) Standard Amortized (   ) 50% Refundable (   ) 90% Refundable

RESIDENCY: (   ) Single Occupancy (   ) Double Occupancy

TOTAL ENTRY FEE: ______________________________

LESS; WAITLIST DEPOSIT: ______________________________

LESS: RESERVATION DEPOSIT: ______________________________

LESS: 10% DEPOSIT: ______________________________

CURRENT MONTHLY FEE: ______________________________

ADDENDA: ____

____

Resident's Signature **Date**

____

Co-Resident's Signature **Date**

By____

President/CEO **Date**

EXHIBIT B

Schedule of Ancillary Charges
[Date]

EXHIBIT C

Resident's Application

See attached.

ATTACHMENT IV-A

Amendment to Residence and Services Agreement; Promissory Note

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INC.
d/b/a THRIVEMORE, INC.
PROMISSORY NOTE

Amount:________________ Date: ________________

FOR VALUE RECEIVED,__________________________("Maker"), hereby promises to pay to the order of Baptist Retirement Homes of North Carolina, Incorporated, a nonprofit corporation duly organized under the laws of the State of North Carolina and its successors and assigns (collectively, "Holder"), at Baptist Retirement Homes of North Carolina, Incorporated, P.O. Box 11024, Winston- Salem, NC 27116-1024, or at such other place as may be designated by Holder, the principal amount of __________________________ (the "Principal Amount"), in immediately available funds, pursuant to the terms and conditions contained in this promissory note ("Note").

1. **Initial Deposit:** Maker shall pay an initial 10% deposit (or $__________) upon move-in and remaining Note will be remitted to the Holder per instructions as noted below in bullet point 2.

2. **Repayment Terms:** Maker shall pay the remaining Principal Amount due to Holder (of $___________) at the time of sale of primary residence prior to residing in a ThriveMore community or within the subsequent 12-month period after the signing of this Note, whichever date comes first. All payments shall be made to the Holder by check, bank wire or by certified check.

3. **Interest Rate:** No interest shall accrue or be payable on the unpaid Principal Amount of this Note for the first 90 days where the Note is in effect. After the initial 90-day deferral period the outstanding Principal Amount shall bear interest at the current U.S. Prime Rate of interest as published (daily) by the Wall Street Journal. Interest will not be payable for day the Note is paid in full.

4. **Waivers, Consents and Covenants:** Maker waives, to the extent permitted by applicable law, presentment, demand and protest, in connection with the delivery, acceptance, performance, default or enforcement of this Note.

5. **Right of Prepayment:** Prior to the Maturity Date, Maker may prepay this Note without penalty at any time.

6. **Events of Default:** The occurrence of one or more of the following events shall be "Events of Default" under this Note, and the term "Event of Default" shall mean, whenever used in this Note, any one or more of the following events:

    (a) **Failure to Pay:** Maker shall fail to fully pay the Principal Amount in accordance with the terms of this Note on or before the Maturity Date.

    (b) **Other Defaults:** Maker shall fail in the due observance or performance of any other term, covenant or agreement in this Note, which default shall remain unremedied for ten (10) days after written notice thereof to Maker by Holder.

    (c) **Receiver; Bankruptcy:** Maker shall (i) apply for or consent to the appointment of a receiver, trustee or liquidator of itself or any of his or her property, (ii) make a general assignment for the benefit of creditors, (iii) be adjudicated as bankrupt or be insolvent, (iv) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against him or her in any proceeding under any such law, or (v) by any act indicate his or her consent to, approval of or acquiescence in any such proceeding or the appointment of any receiver of or trustee for any of his or her property, or suffer any such receivership, trusteeship or proceeding to continue undischarged for a period of sixty (60) days.

7. **Remedies Upon Default:** Upon the occurrence of an Event of Default, and until such Event of Default shall have been cured, Holder may, at its option and without further notice or demand, (i) declare the outstanding Principal Amount of this Note, including any Default Interest accrued but unpaid, at once due and payable, (ii) pursue any and all rights, remedies and recourses available to the Holder at law or in equity, or (iii) pursue any combination of the foregoing.

8. **Residence Agreement:** This Note has been delivered pursuant to the Residence Agreement between Maker and Holder, as amended (the "Residence Agreement").

9. **Non-Waiver:** The failure at any time of Holder to exercise any of its options or any other rights hereunder shall not constitute a waiver thereof, nor shall it be a bar to the exercise of any of its options or rights at a later date. All rights and remedies of Holder shall be cumulative and may be pursued singly, successively, or together, at the option of Holder. The acceptance by Holder of any partial payment shall not constitute a waiver of any default or of any of Holder's rights under this Note. No waiver of any of its rights hereunder, and no modification or amendment of this Note, shall be deemed to be made by either party unless the same shall be in writing, duly signed by each party; each such waiver shall apply only with respect to the specific instance involved, and shall in no way impair the rights of Holder or the obligations of Maker to Holder in any other respect at any other time.

10. **Applicable Law**: This Note and the rights and obligations of Maker and Holder shall be governed by and interpreted in accordance with the laws of the State of North Carolina.

11. **Partial Invalidity:** The unenforceability or invalidity of any provision of this Note shall not affect the enforceability or validity of any other provision herein, and the invalidity or unenforceability of any provision of this Note to any person or circumstance shall not affect the enforceability or validity of such provision as it may apply to other persons or circumstances.

12. **Binding Effec**t: This Note shall be binding upon and inure to the benefit of Maker and his or her heirs, successors, and permitted assigns and Holder and its successors and assigns.

13. **Costs/Attorney's Fees:** In the event default is made in the prompt payment of this Note when due or declared due, and this Note is placed in the hands of an attorney for collection, or suit is brought on the same, or the same is collected through probate, bankruptcy or other judicial proceedings, then Maker shall pay on demand all costs of collection, including reasonable attorney's fees.

14. **Manner and Method of Payment:** All payments called for in this Note shall be made in lawful money of the United States of America by wire transfer to an account designated by Holder, which account may be changed by Holder from time to time upon notice to Maker pursuant to Section 15 hereof, or by certified check.

15. **<u>No Usury Intended, Usury Savings Clause</u>:** In no event shall interest contracted for, charged, or received hereunder, plus any other charges in connection herewith which constitute interest, exceed the maximum interest permitted by applicable law. The amounts of such interest or other charges previously paid to the holder of the Note in excess of the amounts permitted by applicable law shall be applied by the holder of the Note to reduce the principal of the indebtedness evidenced by the Note, or, at the option of Holder, be refunded. To the extent permitted by applicable law, determination of the legal maximum amount of interest shall at all times be made by amortizing, prorating, allocating and spreading in equal parts during the period of the full stated term of the Note, all interest at any time contracted for,charged or received from Maker hereof in connection with the loan and indebtedness evidenced hereby, so that the actual rate of interest on account of such indebtedness is uniform throughout the term hereof.

16. **<u>Notices</u>:** All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered, mailed or transmitted, and shall be effective (i) upon receipt or refusal of delivery, if delivered personally, mailed by registered or certified mail (postage prepaid, return receipt requested), or delivered by courier service or overnight mail to the parties at the following addresses (or at such other address for a party as shall be communicated by such party pursuant hereto) or (ii) upon receipt if sent by electronic transmission to the telecopier number specified below (or at such other telecopier number for a party as shall be communicated by such party pursuant hereto) provided that a copy of such notice or other communication is delivered personally or by courier service within two (2) business days following such electronic transmission:

(a) If to Maker:

____
____
____

(b) If to Holder:

Baptist Retirement Homes of North Carolina, Incorporated
d/b/a ThriveMore, Inc.
P.O. Box 11024
Winston-Salem, NC 27116-1024
Attn: Michael J. Brady, CFO

17. **<u>Transfer</u>:** This Note may be transferred or otherwise assigned by Holder, provided Holder gives prior written notice thereof to Maker.

[Signature Page Immediately Follows]

IN WITNESS WHEREOF, Maker has caused this Note to be executed as of the day and year first above written.

MAKER:

____
[Name]
Date: ____________________________

-

HOLDER:

____
[Name]
Title:____________________________
Date: ____________________________

Signature Page to Promissory Note to
to Baptist Retirement Homes of North Carolina,Incorporated,
dated________________, 20___

ATTACHMENT V

Resident Care Agreement – Adult Care Home Residence

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FINANCIAL AND ADMISSION AGREEMENT

Baptist Retirement Homes of North Carolina, Incorporated dba ThriveMore and (patient/resident name), on (date) do hereby agree to the following financial terms and arrangements providing for the medical, nursing and personal care of (patient/resident) at ThriveMore (the "Community"). This Financial and Admission Agreement is an addendum to resident's Residence and Services Agreement if one already exists at the time this Financial and Admission Agreement is entered into by and between the Community and the resident. This Financial and Admission Agreement, together with the Residence and Services Agreement and any exhibits, addenda, schedules, and application forms attached thereto, and any other documents incorporated herein or therein by reference, represent the entire understanding and agreement between the parties with respect to the subject matter hereof. Nothing herein contained shall waive, annul, vary or affect any provision, condition, covenant or agreement contained in the Residence and Services Agreement, except as herein provided, nor affect nor impair any rights, powers or remedies under the Residence and Services Agreement as hereby amended. In the event, and to the extent, that any terms or provisions of the Residence and Services Agreement are inconsistent with or contrary to the terms of this Financial and Admission Agreement, the terms and provisions of this Financial and Admission Agreement shall control.

Med Rec#: MR#

ASSISTED LIVING AND NURSING COMMUNITY AGREEMENT

1. Community shall use reasonable efforts to assist the resident in obtaining financial aid such as Medicare and Medicaid.
2. Community shall furnish room, board, linens and bedding and routine nursing care as may be required for the health, safety and wellbeing of the Resident, at the current cost as determined by the Resident's level of care and type of room.
3. The Community shall provide Resident personal laundry services, toilet articles, and non-prescription medications as may be required by the Resident.
4. The Resident shall obtain the services of a licensed physician of the Resident's choosing whenever necessary, or if such a physician has not been chosen by the Resident, then the Medical Director of the Community shall serve as the Resident's physician.
5. Community shall obtain such medications as the physician may order (to be billed by the providing pharmacy to applicable payor).
6. Community shall arrange for emergency transfer of the Resident to the hospital of the Resident's choosing when hospitalization is ordered by the Resident's attending physician. Community shall immediately notify the Resident's legal representative and/or responsible party in the event of Resident's transfer to hospital.
7. Community shall make refunds within sixty (60) days after all third-party balances have been resolved for all monies received in excess of total charges.
8. Community shall make available upon request a listing of all current charges not included in the daily rate.
9. Community shall pay all interest on Resident trust account each month.
10. Community shall photograph Resident for medical record identification.
11. Community shall provide a locked drawer or closet for personal use upon request, consistent with resident rights).

AGREEMENT OF RESIDENT, SPONSOR OR LEGAL REPRESENTATIVE

The Resident, their legal representative or any individual signing this Agreement as the "Responsible Party" shall be responsible for the following:

1. To provide such personal clothing as needed or desired by the Resident.
2. To provide personal funds as needed by the Resident for "personal spending money."
3. Payment of all hospital charges, if hospitalization of the Resident becomes necessary, and transportation to the hospital, if not covered by a third-party payor.
4. Payment of physician's fees, pharmacy charges, and supplies or aids required or desired by the Resident, if not covered by a third-party payor, as well as applicable Medicaid liabilities and Medicare co-pays.
5. Transportation to and from a consulting physician, any agency or outside referred services, as ordered or requested for the Residents' plan of care. Transportation may be provided by the Community if the Resident is able to be transported by car or van and if the Community vehicles are available.

6. Payment in advance the monthly rate as determined by the Residents' level of care and type of room, unless the cost of care is paid by a Community-approved third party. The current rates are listed on the attached "Rates and Charges Form."
7. Payment of any applicable returned check fees. After the second returned check, the Resident, the Resident's legal representative and/or the Resident's responsible party will be required to make payments by money order, cashier's check or other form of payment approved by the Administrator of the Community, with the exception of personal checks.
8. Payment of any other costs as stated on the "Rates and Charges Form". In the event the undersigned fails to pay on demand or in monthly payments established and approved by the Community, the Community reserves the right to refer the account to an attorney or professional collection agency, and the undersigned shall pay all reasonable attorneys' fees and collection agency expenses.

STANDARD ADMISSION WAIVER

1. The Community shall not be responsible for lost, missing or damages to personal articles or belongings, such as, though not limited to, dentures, glasses, hearing aids, furniture, equipment or clothing.
2. The Community shall not be responsible for any valuables or money left in possession of the Resident of this Community.
3. The Community shall exercise such reasonable care towards the Resident as his/her known condition may require; however, the Community does not represent, claim or promise that a Community employee or representative will be with the Resident at all times. Resident, the Resident's legal representative and/or the Resident's Responsible Party understand that the Community will not be able to prevent falls or other accidents brought about by the Resident's own activities.

.

DURATION OF AGREEMENT

The resident, sponsor, or legal representative may terminate this Agreement with an appropriate notice. A thirty (30) day notice is requested in order to give the Community, the resident and/or responsible family members time to make necessary arrangements. Otherwise, this Agreement will remain in effect until a different agreement is executed. However, this does not mean that the resident will be forced to remain in this Nursing Community against his or her will for any length of time. Community may discharge resident with appropriate notice if resident no longer requires services provided by the Community or resident's needs can no longer be met by the Community or the safety of individuals in the Community is endangered, or the health of the individuals in the Community would otherwise be endangered, or failure to pay for services provided. Discharge shall be proceeded by thirty (30) days written notice to the Resident or Legal Representative except where an emergency discharge or transfer is mandated by the Resident's health care needs or by the physical safety of other residents or Community employees, in which cases the Resident and Legal Representative hereby authorize the Community to immediately transfer or discharge the Resident.

HOLDING ROOM PROVISION

If the Resident is transferred to the hospital for admission, the Resident or their legal representative shall notify the Community within twenty-four (24) hours following transfer if they desire to request that the Resident's bed be reserved. If the Community is not notified within the twenty-four (24) hour period, then the room will be automatically released by the Community for use. If the Resident or their legal representative desires to hold the bed for the Resident, then an advance payment for a five (5) day period at the full regular room rate must be made (the "Room Hold Charge"). The Room Hold Charge begins the day the Resident goes to the hospital, however, there will not be any charge for the day the Resident returns to the Community. Except in special circumstances, residents are not normally re-admitted on weekend or holidays.

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Out of Community Visits

Residents may leave the Community, but please notify the nurse when you leave and when you plan on returning. Residents whose stay is being paid by Medicare cannot leave for extended periods of time and cannot stay out overnight. Residents who leave without telling staff or who stay out overnight may be considered discharged against medical advice.

The Community and (patient/resident) on (date) do hereby agree to the following financial terms and arrangements providing for the medical, nursing and personal care of (patient/resident):

PAYMENT GUARANTEE

The Community will not require that the legal representative of the Resident or the person signing this Agreement as the "Responsible Party" of the Resident guarantee payment as a condition of admission, or to expedite the admission. However, an individual or legal representative who has access to the Resident's income and/or other assets will be required to sign this Admission Agreement guaranteeing payment from such funds or assets for the care and services provided to the Resident by Community.

The execution of this Agreement will constitute an acceptance on the part of the Community, the Resident, the legal representative of the Resident and the person signing this Agreement as the "Responsible Party" of the Resident to undertake faithfully all the obligations of this Agreement.

"I have been informed that this nursing home/adult care home is licensed by the State of North Carolina and as such it is subject to inspections and investigations by the North Carolina Department of Human Resources to determine compliance with the North Carolina Licensure Act and licensure rules adopted pursuant to the Act." I have also been informed that my consent in writing is necessary for the release of information or review of records pertaining to me or the care and services provided to me and that by providing consent in writing I may allow the inspection or release of the records, except I understand that my consent is not required when I am transferred to another health care institution or when record release is required by law.

May we contact you by Email? Email Address: ______________________________

___ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian of Person

Printed Name: _______________________________________

Signature: ____ Date: _______________

Authorization to Release Records and Assignment of Benefits

I hereby authorize the release of medical records and other information to authorized payment sources; to include, but not limited to, Medicare, Medicaid, third party insurance companies.

I also authorize payment of medical benefits to the above supplier/provider for services rendered (to include those services which may be billed on an outpatient basis, i.e. PT, OT, SLP, Tube Feeding, and those services rendered at an outside provider) that are the responsibility of the above provider to bill during my stay at the above Community.

Signature ____ (sealed) Date ________________________________

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ADMISSION PACKET

This packet includes a list of all polices and forms and is signed in conjunction with the new Resident Welcome Guide. The Welcome Guide outlines the rules and regulations within the community.

ACKNOWLEDGEMENTS

Please accept this as notice that I have received copies of the following and have had an opportunity to review and ask questions about the items listed below.

1. General Guidelines
   a. Grievance Resolution Program
   b. Declaration of NC Patient's Rights with the procedures as to how it will be accomplished (G.S. 131E-117)
   c. Federal Residents' Rights (HCFA 42CFR Part 483.10 through 483.15 "Medicare and Medicaid Requirements for Long Term Care Facilities")
   d. Privacy Act Notification Statement.
   e. Smoking Policy
   f. Community Privacy Notification and Southern LTC Pharmacy Privacy Notification

2. Patient Care Guidelines
   a. Advanced Directives Policy
   b. Written Explanation prepared by NC Division of Medical Assistance explaining a resident's rights under NC law to direct the course of their medical care and to execute Advanced Directives.
   c. Brochure "Advance Directives – What you should know"
   d. Patient Care Review Committee
   e. Restraint Policy
   f. Abuse Prohibition Protocol
   g. Resident to Resident Abuse Protocol

3. Patient Financing Guidelines
   a. Health Care Community Financial and Admission Agreement
   b. Room-Hold Policy
   c. Daily Room Rates (Rates and Charges Sheet)
   d. Charges Not covered
   e. Medicare & Medicaid Basic Information Received

____________________________ ___ Resident ___ Responsible Party ___ POA
Printed Name
___ Legal Representative ___ Guardian of Person
________________________________ Signature

_______________________Date
Signature of Witness (if applicable): ______________________________ Date: ________________

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Consent for Treatment

Resident's Name: (patient/resident)
Med. Rec. #: (MR#)

I hereby authorize the above named Community to provide or obtain any medical, surgical, or dental treatment necessary as ordered by the physician for me, the above named resident, during my stay at the Community.
I also authorize the Community to release any information as needed to any health institution, insurance company, or similar institution or organization concerning my welfare in connection with my stay at the Community.

I understand that if a physician issues an order to transfer me to a hospital, the Community will contact the appropriate ambulance service for transportation.

Release and/or Review of Medical Information

I have been informed that this Community is licensed by the State of North Carolina and as such it is subject to inspection and investigation by the North Carolina Department of Human Resources to determine compliance with the North Carolina Nursing Home/Adult Care Home Licensure Act.

I hereby authorize the Community to furnish such professional information as may be necessary for the completion of health claims for third party payee, i.e. Medicare, Medicaid, VA or private insurance. I release the Community from legal liability that may arise from the release of this information.

Medical Care and Services

____ I agree to receive general medical care and specialized rehabilitation services provided by the Community, as directed by my physician.

____ I give permission to the Community to arrange for the following services to be provided if required by my physician and/or plan of care, and I understand the costs are not included in the daily rate.

Dental ___ Yes ___ No PPD (annually) ___ Yes ___ No Therapy ___Yes ___ No Optometry ___ Yes ___ No

Mental Health ___ Yes ___ No Mental Health Provider: Life Source, LLC

Audiology ___ Yes ___ No Podiatry ___ Yes ___ No

Freedom of Choice of Physician and Pharmacy

I understand that all medications must be prescribed by a licensed physician and administered by licensed nurses or other persons who have been approved in accordance with state regulations unless I request to be evaluated for self-administration of medications. Medications must be ordered by the Community and delivered directly from the pharmacy to the Community. I also understand that medication should not be brought into the Community unless ordered by the physician. This includes Over-The-Counter Medications as well as prescription medications.

___ I choose to use the Community's designated pharmacy, Southern Pharmacy

___ I prefer to use ________________________ Pharmacy that provides 24-hour delivery.

___ I understand that upon release or discharge, **medications that have been covered by my Part D plan**, including controlled drugs, will be released to me or my legal representative only by order of my physician.

___ My chosen treating physician is: ____

____________________________ ___ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian of Person
Printed Name

____________________________ ____________________
Signature Date

Signature of Witness (if applicable): ___________________________________ Date: _______________

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Advance Directive and Self Administration of Medication

_____ I request to be evaluated for self-administration of Medication.

_____ I have read the CPR policy and elect the following Code Status:
(following the MD approval and signature on the necessary DNR community forms)

_________ No Code   _________ Full Code

________________________________   ____ Resident ___ Responsible Party ___ POA

Printed Name

___ Legal Representative ___ Guardian of Person

____

Signature

____

Date

Unable to sign:

____ Medical Incapacity ___ Physical Incapacity

Telephone Consent (Complete the top portion of the form and then complete and sign this section):

Person contacted: _________________________   Date: _________________________

Person Receiving Consent Signature: ____

Witness Signature: ____

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Policy Title: Resident Pneumococcal Vaccination Consent Record

Section 1: Information regarding Resident

MR#: MR#

Resident's Full Name: (patient) DOB: DOB

Section 2: Screening for vaccine eligibility. Check the correct answers.

If yes is answered to **any** of the below three questions, then the resident may not be eligible to receive the influenza vaccine. We will need to discuss your options with your MD.

1. Do you have any **serious** allergies? **Yes** **No** Please List if any:
2. Have you ever had a serious reaction to a previous flu or Pneumonia vaccine? **Yes** **No**
3. Have you ever received the Pneumonia vaccine? **Yes** **No If yes, please provide the dates.**
   Date received PCV13 _______________ Date received PPSV23 ______________.
   _____ check if unknown.

Section 3: Consent or Declination

I have read or had explained to me the Pneumococcal Conjugate (PCV13 11/05/2015) and the Pneumococcal Polysaccharide (PPSV23 04/24/2015) Vaccine Information Sheet and understand the risk and benefits.

I **GIVE CONSENT** to this Community and its staff to administer the Pneumococcal vaccine.

OR

I **DO NOT GIVE CONSENT** to this Community and its staff to administer the Pneumococcal Vaccine.

Important facts to consider if you decline the Pneumococcal vaccine:

- Pneumococcal disease can lead to serious infections of the Lungs (pneumonia), Blood (bacteremia) and Brain (meningitis).
- Pneumococcal pneumonia kills about 1 out of 20 people who get it. Bacteremia kills about 1 in 5, and meningitis about 3 people in 10.
- Pneumococcal polysaccharide vaccine protects against 23 types of pneumococcal bacteria, including those most likely to cause serious disease.

I understand that I can change my mind at any time and give consent for the Pneumococcal Vaccine. I have read and fully understand the information regarding declination of the Pneumococcal vaccine.

____ Resident ___ Responsible Party___ POA___ Legal Representative___ Guardian

Printed Name: ____

Signature: _______________________________ Date: ______________________

Policy Title: Resident Pneumococcal Vaccination Consent Record

<u>Telephone Consent/Declination (Circle One)</u>

Person consenting or declining: ___________________________________ Date: _________

Employee Witness: ____ Date: __________

<u>For Health Professional use below</u>

Medical provider decision regarding any yes or unknown answers in Section 2.

Date of notification: __________________

Administer the following vaccine: PCV13 or PPSV23

____

Signature of medical provider or nurse receiving verbal order

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Resident Influenza Vaccination Consent Record

Section 1: Information regarding Resident MR#: MR#
Resident's Full Name: (patient) DOB: DOB

Section 2a: Screening for vaccine eligibility. Check the correct answers.

1. **Do you have an allergy to eggs?** Yes _____ No _____

Persons with a history of egg allergy who have experienced hives after exposure to eggs should receive the influenza vaccine. Persons who report having had reactions to eggs involving symptoms other than hives such as angioedema, respiratory distress, light headiness, or recurrent emesis; or who required epinephrine or other emergency medical intervention may similarly receive any licensed and recommended influenza vaccine (i.e. any IIV or RIV) that is otherwise appropriate for the recipient's age and health status.

Section 2b: If yes is answered to **any** of the below three questions, then the resident may not be eligible to receive the influenza vaccine. **We will need to discuss your options with your MD**.

1. **Do you have any serious allergies?** Yes _____ No _____ Please List if any: ___________________________
2. **Have you ever had a serious reaction to a previous dose of flu vaccine?** Yes _____ No _____
3. **Have you ever had Guillain-Barre' Syndrome (a type of temporary severe muscle weakness) within 6 weeks after receiving a flu vaccine?** Yes _____ No _____

Section 3: Consent or Declination

<u>**Consent Signature:**</u>
I have received or had explained to me the 08/15/2019 Influenza (Flu) Vaccine (Inactivated or Recombinant): Vaccine Information Sheet and understand the **risk and benefits**.

_____ I **GIVE CONSENT** to this community and its staff to administer the Flu vaccine.

-OR-

Important facts to consider if you decline the flu vaccine:

- Influenza is a serious respiratory disease that kills on average 36,000 persons and hospitalizes more than 200,000 persons in the US each year.
- If you contract influenza, you will shed the virus for 24-48 hours before symptoms appear which puts others at risk.
- The strains of virus that cause influenza infection change almost every year, which is why a different influenza vaccine is required each year.
- You cannot get influenza from the vaccine.
- The consequences of refusing the influenza vaccine could have life threatening consequences to your health and the health of others of whom you have contact, including: other resident's, family and your community.

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R

Resident Influenza Vaccination Consent Record

Declination Signature

_____ I **DO NOT GIVE CONSENT** to this community and its staff to administer the Flu vaccine.

I understand that I can change my mind at any time and give consent for the influenza vaccine, if the vaccine is available. I have read and fully understand the information regarding declination of the influenza vaccine.

Printed Name: ____________________________

___ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian

Signature:________________________________ Date: ________________________

Telephone Consent/Declination (Circle One)

Person consenting or declining: _______________________________________ Date: ___/___/___

Employee Witness: ____ Date: ____/____/____

For Health Professional use below.

Medical provider decision regarding any yes answers in section 2b.

Date of notification: ______/______/______

Administer flu vaccine: (Check one) Yes No

____

Signature of medical provider or nurse receiving verbal order

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COVID-19 Vaccine Consent Form

Section 1: Information about Person to Receive Vaccine (please print)

RESIDENT'S NAME (Last)	(First)	(M.I.)	**RESIDENT'S DATE OF BIRTH** **month** **day** **year**
AUTHORIZED POWER OF ATTORNEY (POA) /LEGAL GUARDIAN NAME (Last)	(First)	(M.I.)	**RESIDENT'S AGE** / **RESIDENT'S GENDER** ☐ **M** / ☐ **F**
CITY / **STATE**	**ZIP**		**AUTHORIZED POA PHONE NUMBER:**
RESIDENT'S PRIMARY CARE PROVIDER'S NAME (Last)	(First)		(Middle Initial)
FACILITY NAME	**ROOM NUMBER**		
MEDICARE NUMBER		**MEDICAID NUMBER**	
EMPLOYEE INSURANCE CO. NAME	**EMPLOYEE INS ID**	**EMPLOYEE INS BIN**	**EMPLOYEE INS PCN**

Section 2: Screening for Vaccine Eligibility

1. Has this person been vaccinated with the COVID-19 vaccine? YES ☐ NO ☐

If yes to above, there are multiple kinds of COVID-19 vaccine. Your answers to the following questions will help us understand which vaccine (or step) to provide.
Vaccine Brand (**Pfizer, Moderna, Astra Zeneca, Johnson and Johnson**): ________________
Date dose #1 given: *Month*________ *Day*________ *Year* ________
Date dose #2 (*if necc*) given: *Month*________ *Day*________ *Year* ________

Section 3: Consent

I understand I will be provided an Emergency Use Authorization Fact Sheet or a Vaccine Information Statement prior to the date of the vaccination and have the ability to revoke consent at any time

☐ **I GIVE CONSENT** to the________________*NAME OF ORGANIZATION CONDUCTING CLINIC* and its staff for my person named at the top of this form to be vaccinated with this vaccine. (If this consent form is not signed, then this person will not be vaccinated)

☐ **I DO NOT GIVE CONSENT** to the________________*NAME OF ORGANIZATION CONDUCTING CLINIC* and its staff for this person named at the top of this form to be vaccinated with this vaccine.

Resident signature OR Signature/Printed Name of Health POA OR Name of Health POA/verbally acknowledged by licensed staff (sign & print name & credentials)

____

Date: *Month*________ *Day*________ *Year* ________

Services Offered

Field Trips and Appointments for Residents

___I do ___do not consent to being taken from the community by the Activities Coordinator and/or transportation staff for the purpose of physician visits, test procedures or activities sponsored in the Community such as shopping, fishing, rides, etc.

Patient's Personal Laundry

___ I do ___do not wish to request the Community to do my personal laundry.

I will assure that all patient clothing is identifiable and made of wash and wear material. I will mark all clothing with the resident's name. The Community staff will make every effort possible to insure clothing will not be lost or misplaced; however, we cannot be responsible for financially replacing lost or misplaced articles.
If I do not choose personal laundry services, I will assure that sufficient amount of clean clothes will always be available and a laundry hamper will be provided for soiled clothing. Soiled laundry will need to be picked up on a regular basis (preferably every two (2) days, no less than weekly).

Telephone / Cable Services

_____ I understand I must call the local telephone company or local cable company and request these services be activated and I am responsible to pay them directly to the providing company.

_____ If community provides these services directly, I elect to have:

________ Telephone service at a cost of __________ per __________

________ TV/Cable service at a cost of ___________ per ___________ (Remote Charge Separate)

(Please refer to Rates and Charges sheet)

Personal Needs and Other

___I do ___do not request the Community to provide all personal care items for me.

___ I elect a Private Room. I understand this is not covered by third party and will be billed privately per Rate & Charges Sheet.

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<u>**Release of Photographs and General Information**</u>

___ I do ___ do not agree that photographs and general information may be released at the discretion of the Community to public newspapers, newsletters, and in-house activities.

I hereby authorize and grant Baptist Retirement Homes of North Carolina, Incorporated and any of its subsidiaries, affiliates, managing agents and representatives (hereinafter collectively referred to as "Baptist Retirement Homes" or "BRH") to use my name, voice and likeness, including, but not necessarily limited to, photographic, video or digital images for purposes of public relations, promotion and marketing of Baptist Retirement Homes.

I further grant to Baptist Retirement Homes the right to reproduce, use, exhibit, display, broadcast and distribute and create derivative works of these images and recordings in any media now known or later developed for promoting, publicizing or explaining BRH and its services. I acknowledge that BRH owns all rights to the images and recordings.

Waiver, Indemnity and Release

I hereby waive any right to inspect or approve the use of the images or recordings or of any written copy. I also waive any right to royalties or other compensation arising from or related to the use of the images, recordings, or materials.

I hereby release, defend, indemnify and hold harmless BRH, its employees, agents, representatives, officers and owners from and against any claims, damages or liability arising from or related to the use of the images, recordings or materials, including but not limited to claims of defamation, invasion of privacy, or rights of publicity or copyright infringement, or any misuse, distortion, blurring, alteration, optical illusion or use in composite form that may occur or be produced in taking, processing, reduction or production of the finished product, its publication or distribution.

I am 18 years of age or older and I am competent to contract in my own name. I have read this document before signing below, and I fully understand the contents, meaning and impact of this consent, waiver, indemnity and release. This consent, waiver, indemnity and release is binding on me, my heirs, executors, administrators and assigns.

I HEREBY SIGN THIS WAIVER AND RELEASE OF MY OWN FREE WILL AND NOT AS A RESULT OF ANY COERCION, UNDUE INFLUENCE, PRESSURE OR CONDITIONS SET.

Printed Name: ____________________________

___ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian of Person

Signature: ______________________________ Date:______________________

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Resident Directory Instructions

___ I do ___ do not want my name included as part of the Community's Resident Directory.

I understand that if I do not consent to this disclosure, visitors such as family and friends, outside phone callers, and delivery people, may not be able to contact me.

___ I do ___ do not want my location included as part of the Community's directory Resident Directory.
___ I do ___ do not want my name posted outside my door at the Nursing Home/Assisted Living.
___ I do ___ do not consent to the disclosure of my religious affiliation to members of the clergy.

I understand that if I do not consent to this disclosure, members of the clergy who do not know to ask for me by name may not be able to contact me.

Residents Rights

____ I acknowledge that the Resident's rights have been explained to me and I have received a copy in writing.

If the resident is unable to sign or make their mark, the Social Worker/Admissions must have one other witness present to validate that the resident did receive a copy of such documents. If due to their physical or mental state, the resident cannot comprehend these documents, only then may the Legal Representative sign for such documents.

_____These have been explained to me and I have received a copy of the documents.

Smoking / Non-Smoking Policy

Policy: It is the policy of this community that smoking is not allowed in the common areas of the community by residents or staff. Residents are allowed to smoke outside in designated areas if the criteria outlined in the "full policy" are followed.

Procedure:
All new admits are given a copy of this policy on admission.
If a resident is thought to smoke on the campus a care plan meeting will be held to discuss with the resident the concerns about smoking. If the resident continues not to follow the safety rules additional interventions may include a 30 day discharge notice depending on the care plan team findings.

I have read and understand the policy as described above.

_____ I have been informed that this is a TOBACCO FREE CAMPUS

___ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian of Person

Print Name: ____________________________________

________________________________ ______________________
Signature Date

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Addendum Brookridge Retirement Community

Bedrail Policy

It is the policy of this community not to use bedrails. This is due to the possible risk and negative outcomes that can be involved with utilization. Bedrails may involve risk such as getting caught in the rail, getting caught between the rail and mattress, strangulation, suffocation, hitting against the rail causing bruising and/or skin tears and crawling over the top of the rail risking a fall from a higher level with a risk for greater injury or death. Other negative outcomes may still occur regardless of bedrail use.

If you request a bedrail, an interdisciplinary team will evaluate your care and request and educate you on the risk vs benefits of bedrail utilization.

___ I understand the risk described above and do not request a bedrail.

___ I would like for an interdisciplinary team to evaluate and consider use of a bedrail despite the risk described above.

Lost/Damaged Dentures

The community will assume responsibility for replacing/repairing lost or damaged dentures if after a thorough investigation the faculty determines the community staff were responsible for not properly storing, caring for and/or handling the resident's dentures.

___________________________ ___ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian
Printed Name

___________________________ ____
Signature Date

ATTACHMENT VI

Nursing Care Agreement

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FINANCIAL AND ADMISSION AGREEMENT

Baptist Retirement Homes of North Carolina, Incorporated dba ThriveMore and (patient/resident name), on (date) do hereby agree to the following financial terms and arrangements providing for the medical, nursing and personal care of (patient/resident) at ThriveMore (the "Community"). This Financial and Admission Agreement is an addendum to resident's Residence and Services Agreement if one already exists at the time this Financial and Admission Agreement is entered into by and between the Community and the resident. This Financial and Admission Agreement, together with the Residence and Services Agreement and any exhibits, addenda, schedules, and application forms attached thereto, and any other documents incorporated herein or therein by reference, represent the entire understanding and agreement between the parties with respect to the subject matter hereof. Nothing herein contained shall waive, annul, vary or affect any provision, condition, covenant or agreement contained in the Residence and Services Agreement, except as herein provided, nor affect nor impair any rights, powers or remedies under the Residence and Services Agreement as hereby amended. In the event, and to the extent, that any terms or provisions of the Residence and Services Agreement are inconsistent with or contrary to the terms of this Financial and Admission Agreement, the terms and provisions of this Financial and Admission Agreement shall control.

Med Rec#: MR#

ASSISTED LIVING AND NURSING COMMUNITY AGREEMENT

1. Community shall use reasonable efforts to assist the resident in obtaining financial aid such as Medicare and Medicaid.
2. Community shall furnish room, board, linens and bedding and routine nursing care as may be required for the health, safety and wellbeing of the Resident, at the current cost as determined by the Resident's level of care and type of room.
3. The Community shall provide Resident personal laundry services, toilet articles, and non-prescription medications as may be required by the Resident.
4. The Resident shall obtain the services of a licensed physician of the Resident's choosing whenever necessary, or if such a physician has not been chosen by the Resident, then the Medical Director of the Community shall serve as the Resident's physician.
5. Community shall obtain such medications as the physician may order (to be billed by the providing pharmacy to applicable payor).
6. Community shall arrange for emergency transfer of the Resident to the hospital of the Resident's choosing when hospitalization is ordered by the Resident's attending physician. Community shall immediately notify the Resident's legal representative and/or responsible party in the event of Resident's transfer to hospital.
7. Community shall make refunds within sixty (60) days after all third-party balances have been resolved for all monies received in excess of total charges.
8. Community shall make available upon request a listing of all current charges not included in the daily rate.
9. Community shall pay all interest on Resident trust account each month.
10. Community shall photograph Resident for medical record identification.
11. Community shall provide a locked drawer or closet for personal use upon request, consistent with resident rights).

AGREEMENT OF RESIDENT, SPONSOR OR LEGAL REPRESENTATIVE

The Resident, their legal representative or any individual signing this Agreement as the "Responsible Party" shall be responsible for the following:

1. To provide such personal clothing as needed or desired by the Resident.
2. To provide personal funds as needed by the Resident for "personal spending money."
3. Payment of all hospital charges, if hospitalization of the Resident becomes necessary, and transportation to the hospital, if not covered by a third-party payor.
4. Payment of physician's fees, pharmacy charges, and supplies or aids required or desired by the Resident, if not covered by a third-party payor, as well as applicable Medicaid liabilities and Medicare co-pays.
5. Transportation to and from a consulting physician, any agency or outside referred services, as ordered or requested for the Residents' plan of care. Transportation may be provided by the Community if the Resident is able to be transported by car or van and if the Community vehicles are available.

6. Payment in advance the monthly rate as determined by the Residents' level of care and type of room, unless the cost of care is paid by a Community-approved third party. The current rates are listed on the attached "Rates and Charges Form."
7. Payment of any applicable returned check fees. After the second returned check, the Resident, the Resident's legal representative and/or the Resident's responsible party will be required to make payments by money order, cashier's check or other form of payment approved by the Administrator of the Community, with the exception of personal checks.
8. Payment of any other costs as stated on the "Rates and Charges Form". In the event the undersigned fails to pay on demand or in monthly payments established and approved by the Community, the Community reserves the right to refer the account to an attorney or professional collection agency, and the undersigned shall pay all reasonable attorneys' fees and collection agency expenses.

STANDARD ADMISSION WAIVER

1. The Community shall not be responsible for lost, missing or damages to personal articles or belongings, such as, though not limited to, dentures, glasses, hearing aids, furniture, equipment or clothing.
2. The Community shall not be responsible for any valuables or money left in possession of the Resident of this Community.
3. The Community shall exercise such reasonable care towards the Resident as his/her known condition may require; however, the Community does not represent, claim or promise that a Community employee or representative will be with the Resident at all times. Resident, the Resident's legal representative and/or the Resident's Responsible Party understand that the Community will not be able to prevent falls or other accidents brought about by the Resident's own activities.

.

DURATION OF AGREEMENT

The resident, sponsor, or legal representative may terminate this Agreement with an appropriate notice. A thirty (30) day notice is requested in order to give the Community, the resident and/or responsible family members time to make necessary arrangements. Otherwise, this Agreement will remain in effect until a different agreement is executed. However, this does not mean that the resident will be forced to remain in this Nursing Community against his or her will for any length of time. Community may discharge resident with appropriate notice if resident no longer requires services provided by the Community or resident's needs can no longer be met by the Community or the safety of individuals in the Community is endangered, or the health of the individuals in the Community would otherwise be endangered, or failure to pay for services provided. Discharge shall be proceeded by thirty (30) days written notice to the Resident or Legal Representative except where an emergency discharge or transfer is mandated by the Resident's health care needs or by the physical safety of other residents or Community employees, in which cases the Resident and Legal Representative hereby authorize the Community to immediately transfer or discharge the Resident.

HOLDING ROOM PROVISION

If the Resident is transferred to the hospital for admission, the Resident or their legal representative shall notify the Community within twenty-four (24) hours following transfer if they desire to request that the Resident's bed be reserved. If the Community is not notified within the twenty-four (24) hour period, then the room will be automatically released by the Community for use. If the Resident or their legal representative desires to hold the bed for the Resident, then an advance payment for a five (5) day period at the full regular room rate must be made (the "Room Hold Charge"). The Room Hold Charge begins the day the Resident goes to the hospital, however, there will not be any charge for the day the Resident returns to the Community. Except in special circumstances, residents are not normally re-admitted on weekend or holidays.

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Out of Community Visits

Residents may leave the Community, but please notify the nurse when you leave and when you plan on returning. Residents whose stay is being paid by Medicare cannot leave for extended periods of time and cannot stay out overnight. Residents who leave without telling staff or who stay out overnight may be considered discharged against medical advice.

The Community and (patient/resident) on (date) do hereby agree to the following financial terms and arrangements providing for the medical, nursing and personal care of (patient/resident):

PAYMENT GUARANTEE

The Community will not require that the legal representative of the Resident or the person signing this Agreement as the "Responsible Party" of the Resident guarantee payment as a condition of admission, or to expedite the admission. However, an individual or legal representative who has access to the Resident's income and/or other assets will be required to sign this Admission Agreement guaranteeing payment from such funds or assets for the care and services provided to the Resident by Community.

The execution of this Agreement will constitute an acceptance on the part of the Community, the Resident, the legal representative of the Resident and the person signing this Agreement as the "Responsible Party" of the Resident to undertake faithfully all the obligations of this Agreement.

"I have been informed that this nursing home/adult care home is licensed by the State of North Carolina and as such it is subject to inspections and investigations by the North Carolina Department of Human Resources to determine compliance with the North Carolina Licensure Act and licensure rules adopted pursuant to the Act." I have also been informed that my consent in writing is necessary for the release of information or review of records pertaining to me or the care and services provided to me and that by providing consent in writing I may allow the inspection or release of the records, except I understand that my consent is not required when I am transferred to another health care institution or when record release is required by law.

May we contact you by Email? Email Address: ______________________________

___ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian of Person

Printed Name: ______________________________________

Signature: ____ Date: _______________

Authorization to Release Records and Assignment of Benefits

I hereby authorize the release of medical records and other information to authorized payment sources; to include, but not limited to, Medicare, Medicaid, third party insurance companies.

I also authorize payment of medical benefits to the above supplier/provider for services rendered (to include those services which may be billed on an outpatient basis, i.e. PT, OT, SLP, Tube Feeding, and those services rendered at an outside provider) that are the responsibility of the above provider to bill during my stay at the above Community.

Signature ____ (sealed) Date ________________________________

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ADMISSION PACKET

This packet includes a list of all polices and forms and is signed in conjunction with the new Resident Welcome Guide. The Welcome Guide outlines the rules and regulations within the community.

ACKNOWLEDGEMENTS

Please accept this as notice that I have received copies of the following and have had an opportunity to review and ask questions about the items listed below.

1. General Guidelines
    a. Grievance Resolution Program
    b. Declaration of NC Patient's Rights with the procedures as to how it will be accomplished (G.S. 131E-117)
    c. Federal Residents' Rights (HCFA 42CFR Part 483.10 through 483.15 "Medicare and Medicaid Requirements for Long Term Care Facilities")
    d. Privacy Act Notification Statement.
    e. Smoking Policy
    f. Community Privacy Notification and Southern LTC Pharmacy Privacy Notification

2. Patient Care Guidelines
    a. Advanced Directives Policy
    b. Written Explanation prepared by NC Division of Medical Assistance explaining a resident's rights under NC law to direct the course of their medical care and to execute Advanced Directives.
    c. Brochure "Advance Directives – What you should know"
    d. Patient Care Review Committee
    e. Restraint Policy
    f. Abuse Prohibition Protocol
    g. Resident to Resident Abuse Protocol

3. Patient Financing Guidelines
    a. Health Care Community Financial and Admission Agreement
    b. Room-Hold Policy
    c. Daily Room Rates (Rates and Charges Sheet)
    d. Charges Not covered
    e. Medicare & Medicaid Basic Information Received

____________________________ ___ Resident ___ Responsible Party ___ POA
Printed Name
___ Legal Representative ___ Guardian of Person
________________________________ Signature

______________________Date
Signature of Witness (if applicable): ______________________________ Date: ________________

Consent for Treatment

Resident's Name: (patient/resident)
Med. Rec. #: (MR#)

I hereby authorize the above named Community to provide or obtain any medical, surgical, or dental treatment necessary as ordered by the physician for me, the above named resident, during my stay at the Community.

I also authorize the Community to release any information as needed to any health institution, insurance company, or similar institution or organization concerning my welfare in connection with my stay at the Community.

I understand that if a physician issues an order to transfer me to a hospital, the Community will contact the appropriate ambulance service for transportation.

Release and/or Review of Medical Information

I have been informed that this Community is licensed by the State of North Carolina and as such it is subject to inspection and investigation by the North Carolina Department of Human Resources to determine compliance with the North Carolina Nursing Home/Adult Care Home Licensure Act.

I hereby authorize the Community to furnish such professional information as may be necessary for the completion of health claims for third party payee, i.e. Medicare, Medicaid, VA or private insurance. I release the Community from legal liability that may arise from the release of this information.

Medical Care and Services

____ I agree to receive general medical care and specialized rehabilitation services provided by the Community, as directed by my physician.

____ I give permission to the Community to arrange for the following services to be provided if required by my physician and/or plan of care, and I understand the costs are not included in the daily rate.

Dental ___ Yes ___ No PPD (annually) ___ Yes ___ No Therapy ___Yes ___ No Optometry ___ Yes ___ No

Mental Health ___ Yes ___ No Mental Health Provider: Life Source, LLC

Audiology ___ Yes ___ No Podiatry ___ Yes ___ No

Freedom of Choice of Physician and Pharmacy

I understand that all medications must be prescribed by a licensed physician and administered by licensed nurses or other persons who have been approved in accordance with state regulations unless I request to be evaluated for self-administration of medications. Medications must be ordered by the Community and delivered directly from the pharmacy to the Community. I also understand that medication should not be brought into the Community unless ordered by the physician. This includes Over-The-Counter Medications as well as prescription medications.

___ I choose to use the Community's designated pharmacy, Southern Pharmacy

___ I prefer to use ________________________ Pharmacy that provides 24-hour delivery.

___ I understand that upon release or discharge, **medications that have been covered by my Part D plan**, including controlled drugs, will be released to me or my legal representative only by order of my physician.

___ My chosen treating physician is: ____

____________________________ ___ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian of Person
Printed Name

____________________________ ____________________
Signature Date

Signature of Witness (if applicable): ___________________________________ Date: _______________

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Advance Directive and Self Administration of Medication

_____ I request to be evaluated for self-administration of Medication.

_____ I have read the CPR policy and elect the following Code Status:
(following the MD approval and signature on the necessary DNR community forms)

_________ No Code _________ Full Code

________________________________ ___ Resident ___ Responsible Party ___ POA
Printed Name
___ Legal Representative ___ Guardian of Person

____
Signature

____
Date

Unable to sign:

____ Medical Incapacity ___ Physical Incapacity

Telephone Consent (Complete the top portion of the form and then complete and sign this section):

Person contacted: _________________________ Date: _________________________

Person Receiving Consent Signature: ____
Witness Signature: ____

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Policy Title: Resident Pneumococcal Vaccination Consent Record

---

Section 1: Information regarding Resident
MR#: MR#
Resident's Full Name: (patient) DOB: DOB

Section 2: Screening for vaccine eligibility. Check the correct answers.
If yes is answered to **any** of the below three questions, then the resident may not be eligible to receive the influenza vaccine. We will need to discuss your options with your MD.

1. Do you have any **serious** allergies? **Yes** **No** Please List if any:
2. Have you ever had a serious reaction to a previous flu or Pneumonia vaccine? **Yes** **No**
3. Have you ever received the Pneumonia vaccine? **Yes** **No If yes, please provide the dates.**
   Date received PCV13 _______________ Date received PPSV23 ______________.
   _____ check if unknown.

Section 3: Consent or Declination
I have read or had explained to me the Pneumococcal Conjugate (PCV13 11/05/2015) and the Pneumococcal Polysaccharide (PPSV23 04/24/2015) Vaccine Information Sheet and understand the risk and benefits.

I **GIVE CONSENT** to this Community and its staff to administer the Pneumococcal vaccine.

OR

I **DO NOT GIVE CONSENT** to this Community and its staff to administer the Pneumococcal Vaccine.

Important facts to consider if you decline the Pneumococcal vaccine:

- Pneumococcal disease can lead to serious infections of the Lungs (pneumonia), Blood (bacteremia) and Brain (meningitis).
- Pneumococcal pneumonia kills about 1 out of 20 people who get it. Bacteremia kills about 1 in 5, and meningitis about 3 people in 10.
- Pneumococcal polysaccharide vaccine protects against 23 types of pneumococcal bacteria, including those most likely to cause serious disease.

I understand that I can change my mind at any time and give consent for the Pneumococcal Vaccine. I have read and fully understand the information regarding declination of the Pneumococcal vaccine.

____ Resident ___ Responsible Party___ POA___ Legal Representative___ Guardian

Printed Name: ____

Signature: _______________________________ Date: ______________________

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Policy Title: Resident Pneumococcal Vaccination Consent Record

Telephone Consent/Declination (Circle One)

Person consenting or declining: ____________________________________ Date: _________

Employee Witness: ____ Date: __________

For Health Professional use below

Medical provider decision regarding any yes or unknown answers in Section 2.

Date of notification: __________________

Administer the following vaccine: PCV13 or PPSV23

____
Signature of medical provider or nurse receiving verbal order

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Resident Influenza Vaccination Consent Record

Section 1: Information regarding Resident MR#: MR#
Resident's Full Name: (patient) DOB: DOB

Section 2a: Screening for vaccine eligibility. Check the correct answers.

1. **Do you have an allergy to eggs?** Yes _____ No _____

Persons with a history of egg allergy who have experienced hives after exposure to eggs should receive the influenza vaccine. Persons who report having had reactions to eggs involving symptoms other than hives such as angioedema, respiratory distress, light headiness, or recurrent emesis; or who required epinephrine or other emergency medical intervention may similarly receive any licensed and recommended influenza vaccine (i.e. any IIV or RIV) that is otherwise appropriate for the recipient's age and health status.

Section 2b: If yes is answered to **any** of the below three questions, then the resident may not be eligible to receive the influenza vaccine. **We will need to discuss your options with your MD**.

1. **Do you have any serious allergies?** Yes _____ No _____ Please List if any: ___________________________
2. **Have you ever had a serious reaction to a previous dose of flu vaccine?** Yes _____ No _____
3. **Have you ever had Guillain-Barre' Syndrome (a type of temporary severe muscle weakness) within 6 weeks after receiving a flu vaccine?** Yes _____ No _____

Section 3: Consent or Declination

Consent Signature:
I have received or had explained to me the 08/15/2019 Influenza (Flu) Vaccine (Inactivated or Recombinant): Vaccine Information Sheet and understand the **risk and benefits**.

_____ I **GIVE CONSENT** to this community and its staff to administer the Flu vaccine.

-OR-

Important facts to consider if you decline the flu vaccine:

- Influenza is a serious respiratory disease that kills on average 36,000 persons and hospitalizes more than 200,000 persons in the US each year.
- If you contract influenza, you will shed the virus for 24-48 hours before symptoms appear which puts others at risk.
- The strains of virus that cause influenza infection change almost every year, which is why a different influenza vaccine is required each year.
- You cannot get influenza from the vaccine.
- The consequences of refusing the influenza vaccine could have life threatening consequences to your health and the health of others of whom you have contact, including: other resident's, family and your community.

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R

Resident Influenza Vaccination Consent Record

Declination Signature

_____ I **DO NOT GIVE CONSENT** to this community and its staff to administer the Flu vaccine.

I understand that I can change my mind at any time and give consent for the influenza vaccine, if the vaccine is available. I have read and fully understand the information regarding declination of the influenza vaccine.

Printed Name: ___________________________

___ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian

Signature:_______________________________ Date: _______________________

Telephone Consent/Declination (Circle One)

Person consenting or declining: ______________________________________ Date: ___/___/___

Employee Witness: ____ Date: ____/____/____

For Health Professional use below.

Medical provider decision regarding any yes answers in section 2b.

Date of notification: ______/______/______

Administer flu vaccine: (Check one) Yes No

____
Signature of medical provider or nurse receiving verbal order

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COVID-19 Vaccine Consent Form

Section 1: Information about Person to Receive Vaccine (please print)

RESIDENT'S NAME (Last)	(First)	(M.I.)	**RESIDENT'S DATE OF BIRTH** **month** **day** **year**	
AUTHORIZED POWER OF ATTORNEY (POA) /LEGAL GUARDIAN NAME (Last)	(First)	(M.I.)	**RESIDENT'S AGE**	**RESIDENT'S GENDER** ☐ **M** / ☐ **F**
CITY	**STATE**	**ZIP**	**AUTHORIZED POA PHONE NUMBER:**	
RESIDENT'S PRIMARY CARE PROVIDER'S NAME (Last)		(First)		(Middle Initial)
FACILITY NAME	**ROOM NUMBER**			
MEDICARE NUMBER		**MEDICAID NUMBER**		
EMPLOYEE INSURANCE CO. NAME	**EMPLOYEE INS ID**	**EMPLOYEE INS BIN**	**EMPLOYEE INS PCN**	

Section 2: Screening for Vaccine Eligibility

1. Has this person been vaccinated with the COVID-19 vaccine? YES ☐ NO ☐

If yes to above, there are multiple kinds of COVID-19 vaccine. Your answers to the following questions will help us understand which vaccine (or step) to provide.

Vaccine Brand (**Pfizer, Moderna, Astra Zeneca, Johnson and Johnson**): ______________________

Date dose #1 given: *Month*__________ *Day*__________ *Year* __________

Date dose #2 (*if necc*) given: *Month*__________ *Day*__________ *Year* __________

Section 3: Consent

I understand I will be provided an Emergency Use Authorization Fact Sheet or a Vaccine Information Statement prior to the date of the vaccination and have the ability to revoke consent at any time

☐ **I GIVE CONSENT** to the______________________*NAME OF ORGANIZATION CONDUCTING CLINIC* and its staff for my person named at the top of this form to be vaccinated with this vaccine. (If this consent form is not signed, then this person will not be vaccinated)

☐ **I DO NOT GIVE CONSENT** to the______________________*NAME OF ORGANIZATION CONDUCTING CLINIC* and its staff for this person named at the top of this form to be vaccinated with this vaccine.

Resident signature OR Signature/Printed Name of Health POA OR Name of Health POA/verbally acknowledged by licensed staff (**sign & print name & credentials**)

____

Date: *Month*__________ *Day*__________ *Year* __________

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Services Offered

Field Trips and Appointments for Residents

___I do ___do not consent to being taken from the community by the Activities Coordinator and/or transportation staff for the purpose of physician visits, test procedures or activities sponsored in the Community such as shopping, fishing, rides, etc.

Patient's Personal Laundry

___ I do ___do not wish to request the Community to do my personal laundry.

I will assure that all patient clothing is identifiable and made of wash and wear material. I will mark all clothing with the resident's name. The Community staff will make every effort possible to insure clothing will not be lost or misplaced; however, we cannot be responsible for financially replacing lost or misplaced articles.
If I do not choose personal laundry services, I will assure that sufficient amount of clean clothes will always be available and a laundry hamper will be provided for soiled clothing. Soiled laundry will need to be picked up on a regular basis (preferably every two (2) days, no less than weekly).

Telephone / Cable Services

_____ I understand I must call the local telephone company or local cable company and request these services be activated and I am responsible to pay them directly to the providing company.

_____ If community provides these services directly, I elect to have:

________ Telephone service at a cost of __________ per __________

________ TV/Cable service at a cost of ___________ per ___________ (Remote Charge Separate)

(Please refer to Rates and Charges sheet)

Personal Needs and Other

___I do ___do not request the Community to provide all personal care items for me.

___ I elect a Private Room. I understand this is not covered by third party and will be billed privately per Rate & Charges Sheet.

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Release of Photographs and General Information

___ I do ___ do not agree that photographs and general information may be released at the discretion of the Community to public newspapers, newsletters, and in-house activities.

I hereby authorize and grant Baptist Retirement Homes of North Carolina, Incorporated and any of its subsidiaries, affiliates, managing agents and representatives (hereinafter collectively referred to as “Baptist Retirement Homes” or “BRH”) to use my name, voice and likeness, including, but not necessarily limited to, photographic, video or digital images for purposes of public relations, promotion and marketing of Baptist Retirement Homes.

I further grant to Baptist Retirement Homes the right to reproduce, use, exhibit, display, broadcast and distribute and create derivative works of these images and recordings in any media now known or later developed for promoting, publicizing or explaining BRH and its services. I acknowledge that BRH owns all rights to the images and recordings.

Waiver, Indemnity and Release

I hereby waive any right to inspect or approve the use of the images or recordings or of any written copy. I also waive any right to royalties or other compensation arising from or related to the use of the images, recordings, or materials.

I hereby release, defend, indemnify and hold harmless BRH, its employees, agents, representatives, officers and owners from and against any claims, damages or liability arising from or related to the use of the images, recordings or materials, including but not limited to claims of defamation, invasion of privacy, or rights of publicity or copyright infringement, or any misuse, distortion, blurring, alteration, optical illusion or use in composite form that may occur or be produced in taking, processing, reduction or production of the finished product, its publication or distribution.

I am 18 years of age or older and I am competent to contract in my own name. I have read this document before signing below, and I fully understand the contents, meaning and impact of this consent, waiver, indemnity and release. This consent, waiver, indemnity and release is binding on me, my heirs, executors, administrators and assigns.

I HEREBY SIGN THIS WAIVER AND RELEASE OF MY OWN FREE WILL AND NOT AS A RESULT OF ANY COERCION, UNDUE INFLUENCE, PRESSURE OR CONDITIONS SET.

Printed Name: ______________________________

___ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian of Person

Signature: ________________________________ Date:________________________

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Resident Directory Instructions

___ I do ___ do not want my name included as part of the Community's Resident Directory.

I understand that if I do not consent to this disclosure, visitors such as family and friends, outside phone callers, and delivery people, may not be able to contact me.

___ I do ___ do not want my location included as part of the Community's directory Resident Directory.
___ I do ___ do not want my name posted outside my door at the Nursing Home/Assisted Living.
___ I do ___ do not consent to the disclosure of my religious affiliation to members of the clergy.

I understand that if I do not consent to this disclosure, members of the clergy who do not know to ask for me by name may not be able to contact me.

Residents Rights

____ I acknowledge that the Resident's rights have been explained to me and I have received a copy in writing.

If the resident is unable to sign or make their mark, the Social Worker/Admissions must have one other witness present to validate that the resident did receive a copy of such documents. If due to their physical or mental state, the resident cannot comprehend these documents, only then may the Legal Representative sign for such documents.

_____These have been explained to me and I have received a copy of the documents.

Smoking / Non-Smoking Policy

Policy: It is the policy of this community that smoking is not allowed in the common areas of the community by residents or staff. Residents are allowed to smoke outside in designated areas if the criteria outlined in the "full policy" are followed.

Procedure:
All new admits are given a copy of this policy on admission.
If a resident is thought to smoke on the campus a care plan meeting will be held to discuss with the resident the concerns about smoking. If the resident continues not to follow the safety rules additional interventions may include a 30 day discharge notice depending on the care plan team findings.

I have read and understand the policy as described above.

_____ I have been informed that this is a TOBACCO FREE CAMPUS

___ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian of Person

Print Name: ______________________________________

_________________________________ _______________________
Signature Date

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Addendum ThriveMore

Bedrail Policy

It is the policy of this community not to use bedrails. This is due to the possible risk and negative outcomes that can be involved with utilization. Bedrails may involve risk such as getting caught in the rail, getting caught between the rail and mattress, strangulation, suffocation, hitting against the rail causing bruising and/or skin tears and crawling over the top of the rail risking a fall from a higher level with a risk for greater injury or death. Other negative outcomes may still occur regardless of bedrail use.

If you request a bedrail, an interdisciplinary team will evaluate your care and request and educate you on the risk vs benefits of bedrail utilization.

___ I understand the risk described above and do not request a bedrail.

___ I would like for an interdisciplinary team to evaluate and consider use of a bedrail despite the risk described above.

Lost/Damaged Dentures

The community will assume responsibility for replacing/repairing lost or damaged dentures if after a thorough investigation the faculty determines the community staff were responsible for not properly storing, caring for and/or handling the resident's dentures.

___________________________ ___ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian
Printed Name

___________________________ ____
Signature Date

ATTACHMENT VII

Life Expectancy Table

LIFE EXPECTANCY IN YEARS

AGE	MALE	FEMALE
60	24.60	27.40
61	23.70	26.50
62	22.90	25.60
63	22.10	24.80
64	21.30	23.90
65	20.40	23.00
66	19.60	22.20
67	18.90	21.30
68	18.10	20.50
69	17.30	19.60
70	16.60	18.80
71	15.90	18.00
72	15.20	17.20
73	14.50	16.40
74	13.80	15.60
75	13.20	14.90
76	12.50	14.10
77	11.90	13.40
78	11.30	12.70
79	10.80	12.00
80	10.20	11.30
81	9.70	10.70
82	9.20	10.10
83	8.70	9.50
84	8.20	8.90
85	7.80	8.40
86	7.30	7.90
87	6.90	7.40
88	6.50	6.90
89	6.20	6.50
90	5.80	6.10
91	5.50	5.70
92	5.20	5.40
93	4.90	5.10
94	4.60	4.80
95	4.30	4.50
96	4.10	4.20
97	3.80	4.00
98	3.60	3.80
99	3.40	3.50
100	3.10	3.30

ATTACHMENT VIII

Interim Financial Statements As of December 2024

THRIVEMORE

FAITH • FAMILY • FULFILLMENT

Unaudited Financial Statements as of December 31, 2024

Attached please find the ThriveMore unaudited financial statements as of December 31, 2024. The format of the below narrative has been adjusted from previous iterations. After a very strong financial performance last year compared to accredited organizations, we had a disappointing start to our fiscal year (FY) which management felt should be immediately addressed.

Please note that although the budget versus actual totals are included in the packet the below commentary will be focused on comparisons to the prior year (FY 2024) performance for two reasons. One, last year was a very strong financial performance compared to our historical performance and secondly the budget numbers approved were flawed due to annualized payroll and benefit totals that were not properly recorded at the time of budgeting. The payroll numbers for FY 2024 were corrected in August after the budget had been approved.

Highlights:

- The ThriveMore's census has been higher than the budgeted census across each campus. Overage in census is primarily in independent living across the Brookridge, Taylor Glen and Ardenwoods campuses.
- The ongoing investment in capital projects across each community has brought the Age of Community ratio down to 7.04 years. This ratio exceeded 16 year a few years ago making all units more difficult to market, maintain and sell.

Lowlights:

- ThriveMore's overall expenses for the start of FY 2025 have increased significantly compared to last fiscal year. Much of this narrative will address these overages, annualized impacts (if we do not address) and the corrective actions that have or are going to be put in place.

Statement of Financial Position:

- **Assets**
  - Total Assets for ThriveMore are now $189.5 million and have increased by $16.1 million compared to December 2023. Predominant reasons for this increase are:
    - Investment portfolios have grown since December 2023 by $7.2 million.
    - Investment in ThriveMore property and equipment have increased by $9.3 million since December 2023.
  - Note: Taylor Glen Escrow deposits are now segregated under "Assets whose use is Limited" and stand at $2.5 million in priority deposits received for Taylor Glen expansion move-ins received thus far.

- **Liabilities**
  - Total Long-Term Debt now has a balance of $49.5 million and is $9.6 million higher than the December 2023 Long-Term debt balance.
    - This increase in Long-Term debt is directly attributed to the Taylor Glen campus expansion (currently $24.7 million debt to date).

Statement of Activities

To start FY 2025 ThriveMore operations have seen a number of challenges compared to the start of FY 2024. These challenges are predominantly on the expense side of our operations. The Executive Leadership of ThriveMore has met and produce an action plan to address these challenges - these have also been laid out below. For some context of where our operating ratios are:

Net Operating Margin as of 12/2024:	**- 0.76%**
Net Operating Margin as of 12/2025:	**- 8.34%**
Net Operating Margin – Adjusted as of 12/2024:	**+14.58%**
Net Operating Margin – Adjusted as of 12/2025:	**+7.45%**

Operational Challenges and Corrective Actions:

Total YTD Net Operating Income/(Loss) for ThriveMore compared to last year is ($748,752). Without implementing changes this loss would annualize to nearly $3.0 million. Areas identified to addressed and corrected during FY 2025 are as follows:

- December Medicare revenues have decreased from December 2023 totals by $505,874.
  - ThriveMore census deficit is primary in skilled nursing beds being filled. On average, skilled beds are under 2023 by seven residents per day (annualized impact is $1.1 million).
  - **Corrective Action: Dually certify with the State current "closed" beds so beds can be offered to more residents. Annualized impact of "opening" these beds is $1.1 million. Timing of plan is 3rd quarter of FY 2025.**

- December Salaries, Wages & Benefits are over 2023 totals by $431,091 (annualized $1.7 million).
  - Over the last 12 months ThriveMore has seen an increase of sixteen full-time equivalents (FTE's) across each campus resulting in additional salary and benefit dollars.
  - **Corrective Action: Reduction of 12 Full and Part-time positions. This action will result in a reduction in salary and benefit expense of $450,893 for the remainder of 2025. Timing of plan is 2nd quarter of FY 2025.**

- December Contract Services are over 2023 totals by $169,754 (annualized $679,016).
  - Over the last 12 months LPN and CNA contract staffing has increased over $46,000 per month from 2023.
  - **Corrective Action: Target an 80% reduction of all Contract Staffing. This action will result in a reduction in Contract Staffing (on an annualized basis) of $1.05 million. Timing of plan is 2nd quarter of FY 2025.**

- December Food costs have increased over 2023 totals by $104,224 (annualized $416,896).
  - Over the last half of FY 2024 food orders significantly increased by an average of $30,000 per month on one campus.
  - **Corrective Action: Food cost ordering and supply have been addressed and the resulting reduction (on an annualized basis) will be $240,000. This plan has currently been implemented.**

- December Repairs and Maintenance are over 2023 totals by $80,521 (annualized $322,084).
  - Over the last 12 months we changed landscape companies and had "one-time" costs of pine needles and roof cleaning that were still being accrued in 1st quarter FY 2025.
  - **Corrective Action 1: Wider array of services provided by new landscape company will eliminate one-off charges and the expense accrual ending for the above items noted, will result in a reduction (on an annualized basis) of $240,000. This plan has currently been implemented.**
  - **Corrective Action 2: Each communities Repairs and Maintenance account will be reviewed to assure current operating expenses should not be captured as capital expenses.**

- December Office Supplies have increased over 2023 totals by $14,951 (annualized $59,804).
  - Over the last half of FY 2024 office supply orders significantly increased by an average of $3,000 per month on one campus.
  - **Corrective Action: Office Supply ordering and supply have been addressed. This plan has currently been implemented.**

- December Chemical expenses have increased over 2023 totals by $11,232 (annualized $44,928).
  - During first quarter 2025 a large laundry chemical supply order of $11,032 was made on one campus.
  - **Corrective Action: No corrective action needed; this was found to be a timing issue of the chemical order – monthly expense gap will decrease in 2nd quarter.**

- December Advertising expenses have increased over 2023 totals by $71,165 (annualized $284,660).
  - During first quarter FY 2025 ThriveMore had four one-time orders (website, marketing collaterals and Foundation) of $80,285 covering all campuses.
  - **Corrective Action: No corrective action needed, this was found to be a timing issue of the advertising and Foundation orders – monthly expense gap will decrease in 2nd quarter.**

- December Other Expenses have increased over 2023 totals by $28,230 (annualized $112,920).
  - During first quarter FY 2025 ThriveMore hired a new IT support group and made an initial deposit of $36,000. New contract is to begin early March and it does look like we will be over FY 2024 totals.
  - **Corrective Action: No corrective action needed, this again was found to be a timing issue and we paid two IT companies for month of December – monthly expense gap will decrease in 2nd quarter.**

ThriveMore

Financial Benchmark Results

For the Three Months Ending December 31, 2024

Measurement	Performance Indicator	FY 2025 Benchmark	Results (5.0% Delta)	Benchmark Source
Liquidity Ratios				
Days in Account Receivable	24.09	28.00		Budget
Days Cash on Hand	541.16	308.00		CARF
Margin (Profitability) Ratios				
Note no Brice Pointe expenses Included				
Net Operating Margin Ratio YTD	-8.34%	2.03%		Budget
Net Operating Margin Ratio - Adjusted YTD	7.45%	10.28%		Budget
Capital Ratios				
Cash & Investments to LT Debt Ratio	133.16%	39.04%		CARF
Average Age of Community Ratio (Years)	7.04	11.46		CARF
Debt Service Coverage Ratio *	3.79	1.25		CARF

* Denotes a Financial Covenant per the Bond Documents

ThriveMore
Statement of Financial Position
For the Three Months Ending December 31, 2024

	December FY 2024	December FY 2023	Variance
CURRENT ASSETS			
Cash and Cash Equivalents	2,862,367	3,552,535	(690,168)
Resident Accounts Receivable	2,409,597	3,456,879	(1,047,282)
Contributions Receivable	-	-	-
Prepaid Expenses and Other Assets	1,011,397	1,081,151	(69,754)
Investments	54,960,478	47,783,871	7,176,607
Other Current Assets	2,500,000	2,500,000	-
-	-	-	-
Total Current Assets	63,743,839	58,374,436	5,369,403
ASSETS WHOSE USE IS LIMITED			
Taylor Glen Escrow Deposits	2,501,968	-	2,501,968
Designated for State Operations	8,119,000	9,344,000	(1,225,000)
-	-	-	-
Total Assets Whose Use is Limited	10,620,968	9,344,000	1,276,968
DEFFERED COSTS AND OTHER ASSETS			
Charitable Remainder Trusts	1,590,104	1,070,815	519,289
Beneficial Interest in Perpetual Trusts	7,365,279	7,204,443	160,836
Other Assets	15,852,625	16,377,833	(525,208)
-	-	-	-
Total Deferred Costs and Other Assets	24,808,007	24,653,091	154,916
PROPERTY, PLANT AND EQUIPMENT			
Property & Equipment	165,295,051	147,223,617	18,071,434
Accumulated Depreciation	(74,949,796)	(66,160,646)	(8,789,150)
-	-	-	-
Total Property, Plant and Equipment (Net))	90,345,255	81,062,971	9,282,284
OTHER ASSETS			
-	-	-	-
-	-	-	-
Total Other Assets	-	-	-
TOTAL ASSETS	**189,518,069**	**173,434,498**	**16,083,571**

ThriveMore

Statement of Financial Position

For the Three Months Ending December 31, 2024

	December FY 2024	December FY 2023	Variance
CURRENT LIABILITIES			
Accounts Payable	2,079,149	1,442,870	636,279
Accrued Expenses	312,870	562,340	(249,470)
Accrued Employee Compensation	1,502,198	578,501	923,697
Other Current Liabilities	1,641,169	17,600	1,623,569
Line of Credit	5,690,758	5,000,000	690,758
Current Maturities of LT Debt	1,930,636	1,869,540	61,096
Refundable Fees	229,073	229,073	0
-	-	-	-
Total Current Liabilities	13,385,854	9,699,924	3,685,930
LONG-TERM DEBT			
Long Term Debt less Current Maturities	7,668,474	24,668,263	(16,999,789)
Long Term Debt Payable	41,851,383	15,164,324	26,687,059
-	-	-	-
Total Long-Term Liabilities	49,519,856	39,832,587	9,687,269
DEFERRED REVENUE AND OTHER LIABILITIES			
Deffered Revenues & Other Liabilities	40,443,790	34,958,822	5,484,968
Deposits on Occupied Units	9,289,380	7,141,003	2,148,377
-	-	-	-
Total Deferred Revenues and Other Liabilities	49,733,169	42,099,825	7,633,344
TOTAL LIABILITIES	**112,638,880**	**91,632,336**	**21,006,544**
NET ASSETS			
Unrestricted	57,585,874	55,210,069	2,375,805
Temporarily Restricted	9,579,778	9,579,778	(0)
Permanently Restricted	13,111,816	13,111,816	0
Net Income (Loss)	(3,398,278)	3,900,499	(7,298,777)
-	-	-	-
TOTAL NET ASSETS	**76,879,189**	**81,802,162**	**(4,922,973)**
TOTAL LIABILITIES AND NET ASSETS	**189,518,069**	**173,434,498**	**16,083,571**

ThriveMore

Statement of Activities

For the Three Months Ending December 31, 2024

	Current Month			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
OPERATING REVENUES						
Private Pay	2,326,414	2,508,853	(182,439)	6,971,663	7,445,629	(473,966)
Medicare Services	255,226	449,433	(194,208)	775,086	1,333,802	(558,716)
NC Medicaid Services	308,654	232,895	75,759	858,924	691,172	167,751
Commercial Insurance	144,733	250,749	(106,015)	467,376	744,156	(276,781)
Managed Care Services	100,372	85,231	15,141	321,770	252,944	68,826
Other Ancillary	74,934	58,478	16,457	205,873	173,547	32,326
Less: Contractual Adjustments	(114,271)	(309,546)	195,275	(303,131)	(918,652)	615,521
Less: Benevolent Care	(43,809)	(45,370)	1,561	(94,168)	(134,646)	40,478
-	-	-	-	-	-	-
TOTAL OPERATING REVENUES	3,052,254	3,230,723	(178,470)	9,203,393	9,587,953	(384,560)
Operating Revenues Per Day	98,460	104,217	(5,757)	100,037	104,217	(4,180)
OPERATING EXPENSES						
Salaries, Wages & Benefits	1,974,983	1,884,054	(90,929)	5,980,301	5,591,384	(388,916)
Contract Services	317,658	252,130	(65,528)	924,159	748,256	(175,902)
Food	166,991	156,568	(10,422)	520,957	464,654	(56,302)
Medical Suppplies & Ancillary Services	71,180	72,667	1,488	236,903	215,658	(21,245)
Insurance	32,382	48,385	16,003	97,438	143,594	46,157
Leases & Minor Equipment	15,238	29,386	14,148	62,304	87,211	24,907
Auto & Travel	14,618	17,694	3,076	58,895	52,511	(6,384)
Repairs & Maintenance	139,557	164,472	24,915	460,431	488,112	27,681
Telephone	(20,537)	18,844	39,381	32,167	55,924	23,757
Utilities	121,901	125,887	3,987	332,929	373,601	40,672
Professional Fees	173,949	139,878	(34,071)	546,807	415,123	(131,684)
Office & Other Supplies	23,014	26,909	3,895	76,427	79,857	3,430
Paper Products	13,236	15,048	1,812	47,765	44,658	(3,107)
Chemicals	9,528	9,116	(412)	38,574	27,054	(11,520)
Advertising	85,550	81,957	(3,592)	269,648	243,228	(26,420)
Other Expenses	86,544	78,965	(7,579)	205,084	234,347	29,263
Provision for Bad Debt	43,410	43,315	(95)	130,230	128,548	(1,682)
Home Office Allocation	-	-	-	-	-	-
-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES	3,269,201	3,165,276	(103,925)	10,021,017	9,393,722	(627,295)
Operating Expenses Per Day	105,458	102,106	(3,352)	108,924	102,106	(6,818)
NET OPERATING INCOME (LOSS)	**(216,947)**	**65,447**	**(282,394)**	**(817,624)**	**194,231**	**(1,011,855)**

ThriveMore

Statement of Activities

For the Three Months Ending December 31, 2024

	Current Month			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
NON-OPERATING REVENUES						
Deferred Revenue Earned - Entrance Fees	290,188	340,196	(50,007)	1,003,805	1,009,613	(5,808)
Special Offerings & Memorials	57,481	15,755	41,726	147,583	46,756	100,826
Grants, Trusts & Estates	107,587	27,543	80,044	110,206	81,740	28,467
Church Contributions	10,642	15,779	(5,138)	46,916	46,829	87
Interest & Dividend Income	16,003	13,355	2,648	55,122	39,634	15,488
Net Investment Income (Loss)	(1,514,785)	233,761	(1,748,546)	(678,784)	693,741	(1,372,524)
Other Income	74,000	7,438	66,562	111,454	22,074	89,379
Cost Report Settlements	-	-	-	-	-	-
-	-	-	-	-	-	-
TOTAL NON OPERATING REVENUES	(958,885)	653,826	(1,612,711)	796,302	1,940,387	(1,144,085)
NON-OPERATING EXPENSES						
Bank/Investment Expense	-	-	-	-	-	-
Interest Expense	135,304	197,831	62,526	412,329	587,110	174,781
Loan Fee/Acquisition Cost Expense	2,141	2,227	85	6,423	6,608	184
Depreciation & Amortization	903,316	849,803	(53,513)	2,682,309	2,521,996	(160,313)
Other Expenses	767,765	13,233	(754,532)	900,850	39,273	(861,577)
-	-	-	-	-	-	-
TOTAL NON OPERATING EXPENSES	1,808,526	1,063,093	(745,433)	4,001,911	3,154,987	(846,924)
NET INCOME (LOSS)	**$ (2,984,359)**	**$ (343,820)**	**(2,640,539)**	**$ (4,023,233)**	**$ (1,020,369)**	**(3,002,864)**
Net Operating Margin	**-7.11%**	**2.03%**		**-8.88%**	**2.03%**	
Net Operating Margin without Brice Pointe	**-5.47%**			**-8.34%**		

ThriveMore

Statement of Activities Comparative Years

2023 vs. 2024 Comparison as of December

	Monthly Comparison			Year to Date Comparison			
	December FY 2024	December FY 2023	Variance	FY 2024	FY 2023	Variance	Percentage Variance
OPERATING REVENUES							
Private Pay	2,326,414	2,347,015	(20,601)	6,971,663	6,996,672	(25,009)	-0.36%
Medicare Services	255,226	354,348	(99,122)	775,086	1,280,960	(505,874)	-39.49%
NC Medicaid Services	308,654	188,486	120,168	858,924	612,266	246,658	40.29%
Commercial Insurance	144,733	266,643	(121,910)	467,376	665,066	(197,690)	-29.72%
Managed Care Services	100,372	108,594	(8,222)	321,770	228,516	93,254	40.81%
Other Ancillary	74,934	83,868	(8,934)	205,873	188,277	17,596	9.35%
Less: Contractual Adjustments	(114,271)	(274,409)	160,138	(303,131)	(737,354)	434,223	-58.89%
Less: Benevolent Care	(43,809)	(59,245)	15,436	(94,168)	(202,369)	108,202	-53.47%
-	-	-	-	-	-	-	0.00%
TOTAL OPERATING REVENUES	3,052,254	3,015,300	36,954	9,203,393	9,032,034	171,359	1.90%
Operating Revenues Per Day	98,460	97,268	1,192	100,037	98,174	1,863	
OPERATING EXPENSES							
Salaries, Wages & Benefits	1,974,983	1,869,842	(105,141)	5,980,301	5,549,209	(431,091)	-7.77%
Contract Services	317,658	269,718	(47,940)	924,159	754,405	(169,754)	-22.50%
Food	166,991	143,332	(23,659)	520,957	416,733	(104,224)	-25.01%
Medical Suppplies & Ancillary Services	71,180	58,696	(12,483)	236,903	197,747	(39,156)	-19.80%
Insurance	32,382	41,033	8,651	97,438	123,400	25,963	21.04%
Leases & Minor Equipment	15,238	22,165	6,927	62,304	67,258	4,954	7.37%
Auto & Travel	14,618	16,454	1,836	58,895	61,971	3,076	4.96%
Repairs & Maintenance	139,557	125,376	(14,182)	460,431	379,910	(80,521)	-21.19%
Telephone	(20,537)	17,060	37,598	32,167	49,836	17,669	35.45%
Utilities	121,901	114,984	(6,917)	332,929	320,166	(12,763)	-3.99%
Professional Fees	173,949	93,259	(80,691)	546,807	569,719	22,912	4.02%
Office & Other Supplies	23,014	19,613	(3,401)	76,427	61,476	(14,951)	-24.32%
Paper Products	13,236	13,791	555	47,765	41,520	(6,245)	-15.04%
Chemicals	9,528	8,424	(1,105)	38,574	27,342	(11,232)	-41.08%
Advertising	85,550	57,156	(28,394)	269,648	198,483	(71,165)	-35.85%
Other Expenses	86,544	46,964	(39,580)	205,084	179,731	(25,352)	-14.11%
Provision for Bad Debt	43,410	34,000	(9,410)	130,230	102,000	(28,230)	-27.68%
Home Office Allocation	-	-	-	-	-	-	0.00%
-	-	-	-	-	-	-	0.00%
TOTAL OPERATING EXPENSES	3,269,201	2,951,867	(317,334)	10,021,017	9,100,906	(920,111)	-10.11%
Operating Expenses Per Day	105,458	95,222	10,237	108,924	98,923	10,001	
NET OPERATING INCOME (LOSS)	**(216,947)**	**63,433**	**(280,381)**	**(817,624)**	**(68,872)**	**(748,752)**	

ThriveMore

Statement of Activities Comparative Years

2023 vs. 2024 Comparison as of December

	Monthly Comparison			Year to Date Comparison			
	December FY 2024	December FY 2023	Variance	FY 2024	FY 2023	Variance	Percentage Variance
NON-OPERATING REVENUES							
Deferred Revenue Earned - Entrance Fees	290,188	264,934	25,254	1,003,805	854,476	149,329	17.48%
Special Offerings & Memorials	57,481	45,051	12,430	147,583	65,680	81,903	124.70%
Grants, Trusts & Estates	107,587	17,393	90,194	110,206	17,393	92,813	533.63%
Church Contributions	10,642	13,673	(3,031)	46,916	44,390	2,526	5.69%
Interest & Dividend Income	16,003	13,458	2,545	55,122	37,872	17,250	45.55%
Net Investment Income (Loss)	(1,514,785)	3,044,799	(4,559,584)	(678,784)	5,695,280	(6,374,064)	-111.92%
Other Income	74,000	5,623	68,377	111,454	19,983	91,471	457.74%
Cost Report Settlements	-	-	-	-	-	-	0.00%
-	-	-	-	-	-	-	0.00%
TOTAL NON OPERATING REVENUES	(958,885)	3,404,931	(4,363,816)	796,302	6,735,074	(5,938,772)	-88.18%
NON-OPERATING EXPENSES							
Bank/Investment Expense	-	-	-	-	-	-	0.00%
Interest Expense	135,304	174,956	39,652	412,329	516,063	103,734	20.10%
Loan Fee/Acquisition Cost Expense	2,141	23,917	21,776	6,423	165,505	159,082	96.12%
Depreciation & Amortization	903,316	816,337	(86,979)	2,682,309	2,445,764	(236,545)	-9.67%
Other Expenses	767,765	-	(767,765)	900,850	2	(900,848)	###########
-	-	-	-	-	-	-	0.00%
TOTAL NON OPERATING EXPENSES	1,808,526	1,015,210	(793,316)	4,001,911	3,127,334	(874,577)	-27.97%
NET INCOME (LOSS)	**$ (2,984,359)**	**$ 2,453,154**	**$ (5,437,513)**	**$ (4,023,233)**	**$ 3,538,868**	**$ (7,562,101)**	**-213.69%**
Net Operating Margin	**-7.11%**	**2.10%**		**-8.88%**	**-0.76%**		
Net Operating Margin without Brice Pointe	**-5.47%**			**-8.34%**			

ThriveMore
Statement of Cash Flows
For the Three Months Ending December 31, 2024

Cash Flows from Operating Activities		
Net Income	$	(4,031,514)
Depreciation		2,281,466
Amortization of Goodwill		399,560
Increase in Net Unrealized (Gains)/Losses		1,972,325
Decrease in Net Realized (Gains)/Losses		(671,385)
Increase in Change in Unrealized (Gains)/Losses on B		(131,062)
Decrease in Amortization of Deferred Revenue from Ad		(1,003,805)
Increase in Advanced Fees Received (Net of Refunds)		1,570,664
Decrease in Accounts Receivable		623,149
Decrease in Contributions Receivable		157,500
Increase in Prepaid Expenses and Other Current Asset		(115,196)
Decrease in Charitable Remander Trust		39
Increase in Accounts Payable, Accrued Exp, Accrued C		689,338
Net cash provided by Operating Activities	**$**	**1,741,077**
Cash Flows from Investing Activities		
Increase in Purchases of Property & Equipment	$	(4,988,323)
Increase in Investments		(245,646)
Net cash used by Investing Activities	**$**	**(5,233,970)**
Cash Flows from Financing Activities		
Increase in Long-term Debt	$	2,443,744
Net cash provided by Financing Activities	**$**	**2,443,744**
Net decrease in cash	$	(1,049,148)
Cash at the beginning of the Year		3,911,515
Cash at December 31, 2024	**$**	**2,862,367**

ThriveMore
Capital Actual and Budget YTD at December 31, 2024

Category	FY 2025 Budget	Brookridge Actual Spend	Ardenwoods Actual Spend	Taylor House Actual Spend	Taylor Glen Actual Spend	Brice Pointe Actual Spend	Corp (90) Actual Spend	Foundation (95) Actual Spend	Remainder
Unit Turnover	-	398,970	119,595	4,071	110,566				(633,202)
Subtotal: Unit Turnover	-	**398,970**	**119,595**	**4,071**	**110,566**	-	-	-	**(633,202)**
Brookridge Non-Unit Turnover									
Acoustics for Dining Room	200,000								200,000
Additional Steps for outdoor seating (lower seating	70,000								70,000
Air Conditioning in Laundry	35,000								35,000
AL Kitchen Renovation	150,000								150,000
Auditorium Sound System- need clicker, lapel, repa	7,500								7,500
Carpet/paint/lighting/furniture for Hallways - 3rd F	205,000								205,000
Cooler/Freezer	7,500								7,500
Coy Pond	5,000								5,000
Dessert Bar	25,000								25,000
Elevator #4	78,522								78,522
Floor Equipment- Cleaner, Extractor	15,000								15,000
Golf Carts	20,000								20,000
Ice Machines for Larger Kitchen	5,000								5,000
IPADs and Computers for Uniguest	2,500								2,500
New Tables that Roll and Fold	7,500								7,500
Office Furniture for IL Phase 2	100,000								100,000
PTACHS	10,000								10,000
Residences needing 7 year updates	250,000								250,000
Roofs	200,000	19,975							180,025
Sara Steady	5,000								5,000
Sidewalks	40,000								40,000
Soft Serve for Café	13,000								13,000
Washers	40,000								40,000
Wheelchairs	5,000								5,000
Wireless Internet boosting for the Facility	25,000								25,000
Undesignated	152,152								152,152
Laptops	-	1,898							(1,898)
Office Furniture-HC	-	2,562							(2,562)
Childcare	-	129,529							(129,529)
Staff Offices + Locker Room	-	112,658							(112,658)
Master Planning - Stormwater	-	1,071							(1,071)
Memory Care	-	185,736							(185,736)
6th Floor	-	6,871							(6,871)
3rd Floor	-	67,728							(67,728)
Hospital Beds (2)	-	5,589							(5,589)
Ice Cooled Food Tables (2)	-	2,698							(2,698)
Paving - Cottages	-	106,492							(106,492)
Laptops (5)	-	4,745							(4,745)
	-								-
Subtotal: Brookridge Non-Unit Turnover	**1,673,674**	**647,552**	-	-	-	-	-	-	**1,026,122**
Taylor Glen Non-Unit Turnover									
Expansion - Funded by 2024 Bond Issue	-				3,191,145				(3,191,145)
2024 Bond Issue	-				(3,191,145)				3,191,145
Commercial spot cleaner/ upholestery cleaner	2,000								2,000
Rosie Vital Sign Machine	5,000								5,000
6 commercial vaccum cleaners	5,000				3,759				1,241
Sara Steady	5,000								5,000
Sidewalks	10,000								10,000
P Tacs	16,000				17,724				(1,724)
59 air units	472,000				184,305				287,696
Phase II Refurbish (common space IL, furniture, floo	811,689				75,451				736,238
Undesignated	132,669								132,669
NC/MC Walls Painted	-				10,843				(10,843)
Laptops	-				2,847				(2,847)
Dog Park Fence	-				10,220				(10,220)
Elevator Interior	-				41,600				(41,600)
	-								-
Subtotal: Taylor Glen Non-Unit Turnover	**1,459,357**	-	-	-	**346,749**	-	-	-	**1,112,608**

ThriveMore
Capital Actual and Budget YTD at December 31, 2024

Category	FY 2025 Budget	Brookridge Actual Spend	Ardenwoods Actual Spend	Taylor House Actual Spend	Taylor Glen Actual Spend	Brice Pointe Actual Spend	Corp (90) Actual Spend	Foundation (95) Actual Spend	Remainder
Ardenwoods Non-Unit Turnover									
Vulcan Charbroiler VACB 36"	8,000								8,000
Vulcan or Blodgett Convection Ovens (2 IL, 1 AL)	10,000								10,000
HVAC-5 ton Clubhouse	14,000								14,000
Carpet 200 hall	15,000								15,000
HVAC -6ton Clubhouse	15,000								15,000
Convection Steamer for Heather Glen	16,000								16,000
HVAC-2ton times 2 Clubhouse	18,000								18,000
Tilting Braising Skillet, Vulcan 30 gallon, Electric	25,000								25,000
HVAC-Grille	32,000								32,000
Car	35,000								35,000
Truck	35,000								35,000
Sun Porch/Fenced Courtyard	40,000								40,000
HVAC-Magnolia AON	80,000								80,000
Camera Installation	100,000								100,000
Signage	100,000								100,000
Fire Panel Replacement	120,000								120,000
Undesignated	66,300								66,300
Interior	-		92,497						(92,497)
Lobby	-		(11,171)						11,171
SARA Server	-		16,911						(16,911)
HG Hot Water Heater	-		16,025						(16,025)
Mater Planning	-		4,291						(4,291)
									-
Subtotal: Ardenwoods Non-Unit Turnover	**729,300**	**-**	**118,552**	**-**	**-**	**-**	**-**	**-**	**610,748**
Taylor House Non-Unit Turnover									
Ramp for entrance	25,000								25,000
Undesignated	2,500								2,500
Storage unit	-			469					(469)
3rd Floor AC	-			18,154					(18,154)
Ramp for back door	-			4,000					(4,000)
	-								-
Subtotal: Taylor House Non-Unit Turnover	**27,500**	**-**	**-**	**22,623**	**-**	**-**	**-**	**-**	**4,877**
Brice Pointe (New Bern)									
Undesignated	1,960,740								1,960,740
Development	10,110					10,110			-
Furniture	22,095					22,095			-
Leasehold Improvements	7,055					7,055			-
									-
Subtotal: Brice Pointe Non-Unit Turnover	**2,000,000**	**-**	**-**	**-**	**-**	**39,260**	**-**	**-**	**1,960,740**
Totals	**5,889,832**	**1,046,522**	**238,147**	**26,694**	**457,315**	**39,260**	**-**	**-**	**4,081,893**
Unbudgeted									
Laptops (10)	-						9,490		(9,490)
Admin offices	-						7,675		(7,675)
Wendell	-						3,400		(3,400)
Sold 5811 Monticello Drive	-							(39,000)	39,000
Blackbaud Donor Development Software	-							661	(661)
	-								-
Total Unbudgeted	**-**	**-**	**-**	**-**	**-**	**-**	**20,565**	**(38,339)**	**17,774**
Grand Total	**5,889,832**	**1,046,522**	**238,147**	**26,694**	**457,315**	**39,260**	**20,565**	**(38,339)**	**4,099,667**

Recovery Plan of NOM Adjusted - Approx $3M annually	Increase/ (Decrease)	Qtr. Change
Dollars compared with Prior Year Avg per month	How did we get there?	
7 FTE's BR Dining	$ 262,080	
Food costs - BR	416,000	
2.3 FTE's nursing - BR	114,816	
Increase in contract labor	552,000	
2.0 FTE's - AW (assume dietary)	74,880	
Decrease in BR SNF - 4 down - $500/day - 75% margin	547,500	
Decrease in TG SNF - 4 down - $500/day - 75% margin	547,500	
Health Insurance - 4% increase	87,329	
Health Insurance - Additional emp on plan		
Medical Supplies	156,000	
Repairs and Maintenance	320,000	
Office Supplies	60,000	
Chemicals	40,000	
Advertising	360,000	
Resident Rate Increase	(650,335)	
Subtotal	$ 2,887,770	
All others - get to 20% or less	$ 112,230	
Total	**$ 3,000,000**	
	How do we get it back?	**Time Frame**
Reduce 5 BR Food Service employees	$ (186,077)	2nd qtr
Reduce 4 additional NA's - BR	(114,816)	
Reduction in food costs BR	(240,000)	2nd qtr
Timing Issues on Advertising - 1st qtr	(105,000)	1st qtr
Significantly reduce contract labor by 80%	(1,050,400)	2nd qtr
Dually certify 13 additional beds at BR - census improvement	(1,149,750)	3rd qtr
Pharmacy - timing issues on covid and flu vacine	-	Under Review - One time Chg.
Brookridge 3 admin FTE's	(150,000)	2nd qtr
Add'l FTE Finance	110,000	3rd qtr
HR Recruiting Focus - 2 month contract	50,000	2nd qtr
Total	**$ (2,836,043)**	
Recovery Goal (from above)	$ (3,000,000)	
Difference/Gap	$ (163,957)	
* *Note: Expected Annual TG expansion revenues - FY 26+*	***$ 2,430,000***	