



**PENNYBYRN**  
One trusted name. Many life-enriching choices.

## **Disclosure Statement**

**Maryfield, Inc. dba Pennybyrn**

**Provider: Maryfield Inc.**

**Date of Disclosure Statement: 9/30/2025**

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

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

## Financial Snapshot: Key Ratios for Maryfield, Inc.

**Table FS-1. Financial Snapshot – Key Statutory Financial Ratios**

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

Ratio	FY-2	FY-1	FY	FY+1	FY+2	FY+3	NC 25 <sup>th</sup> % <sup>1</sup>	NC 50 <sup>th</sup> % <sup>1</sup>	NC 75 <sup>th</sup> % <sup>1</sup>
<b>DCOH</b>	187	220	258	298	329	358	—	—	—
<b>CUSH</b>	2.77x	3.22x	2.93x	4.29x	4.89x	5.31x	—	—	—
<b>OR</b>	98.0%	94.8%	87.5%	89.5%	89.1%	88.7%	—	—	—
<b>NOM</b>	10.4%	12.8%	18.1%	16.4%	16.2%	16.1%	—	—	—
<b>NOM-A</b>	24.0%	23.6%	29.1%	24.9%	25.0%	25.0%	—	—	—
<b>DSCR</b>	1.67x	1.85x	1.77x	1.91x	1.97x	1.97x	—	—	—
<b>CD</b>	0.16x	0.19x	0.25x	0.30x	0.35x	0.41x	—	—	—
<b>CED</b>	1.55x	0.51x	0.50x	0.46x	0.47x	0.28x	—	—	—

### Liquidity Ratios:

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

### Profitability Ratios:

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

### Capital Structure Ratios:

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

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

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

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# 1. Provider Identification

## Legal Responsibility for Continuing Care

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

## Doing Business As (DBA)

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

Item	Information
<b>Legal Provider Name:</b>	Maryfield, Inc.
<b>Doing Business As (DBA):</b>	Pennybyrn
<b>Business Address:</b>	109 Penny Rd, High Point, NC 27260
<b>Telephone Number:</b>	(336) 821-4000
<b>Legal Entity Type:</b>	Nonprofit corporation organized under the laws of North Carolina
<b>For-Profit / Nonprofit Status:</b>	Nonprofit
<b>Federal Tax Status:</b>	Tax-exempt under Section 501(c)(3) of the Internal Revenue Code
<b>Ownership Type:</b>	Privately owned and controlled nonprofit organization. The provider is not part of any publicly held or publicly traded corporate system.
<b>Tax Filing Status:</b>	Current on all required federal and state tax filings
<b>Ownership / Control:</b>	Maryfield, Inc. is a nonprofit corporation whose sole member is Maryfield, Inc., a North Carolina nonprofit corporation

## 2. Organizational Structure

### 2.1 Single-Entity Organization Status

Maryfield, Inc was sponsored by the Poor Servants of the Mother of God, Mother House in Rome, Italy, and Generalate in Roehampton, London, England (“SMG”) since it’s founding in 1947. During the year ended September 30, 2022, the sponsorship of the corporation was moved from PSMG to the Bishop of the Roman Catholic Diocese of Charlotte. The Corporation is not affiliated with or owned by any other religious, charitable, or other non-profit organizations.

Maryfield, Inc. is solely responsible for all the financial and contractual obligations incurred by the Corporation. The Corporation does not have subsidiaries and holds no ownership position in any other organization in the State of North Carolina.

### 2.2 Financial Statements

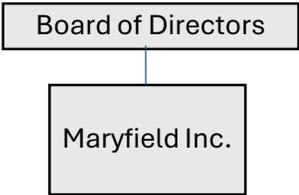
Audited financial statements for Maryfield, Inc. are prepared by Forvis Mazar, an independent audit firm. The financial statements include a statement of financial position, statement of activities and changes in net assets and a statement of cash flow, included as Appendix A.

### 2.3 Controlling Person

Item	Information
<b>Name:</b>	Maryfield, Inc.
<b>Business Address:</b>	109 Penny Rd, High Point, NC 27260
<b>Telephone Number:</b>	(336) 821-4000

### 2.4 Company Structure Chart

The organizational structure of Maryfield, Inc., is as follows:



**Accessible Text Equivalent:**

**Maryfield, Inc.** (parent and controlling person; nonprofit corporation)

- Board of Directors - Maryfield, Inc. is governed by a Board of Directors, which serves as the organization's governing body and holds ultimate responsibility for oversight of operations, financial condition, and resident welfare

### 3. Key Persons and Management Personnel

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

- **Outside Interests:** Any professional service firm, association, trust, partnership, or corporation in which the individual has, or which has in the individual, a ten percent (10%) or greater interest and that currently provides, or is expected to provide, goods, leases, or services to the provider of an aggregate value of \$5,000 or more. If none, the provider discloses "None."
- **Adverse Disclosures:** Any conviction of or plea of nolo contendere to a felony charge; any final judgment in a civil action for fraud, embezzlement, fraudulent conversion, or misappropriation of property; any currently effective injunctive or restrictive court order; or any suspension or revocation within the past five years of a state or federal license or permit as a result of governmental action. If none, the provider discloses "None."

### 3.1 Senior Officers of Maryfield, Inc. and Maryfield, Inc.

Name / Role	Education	Experience	Length of Service
<b>Richard W. Newman, Chief Executive Officer and President</b>	B.S. Account, USC; Licensed Nursing Home Administrator, Certified Retirement Housing Professional, prior CPA(NC)	28 + years in senior-living operations; 12 years formerly auditor with Ernst & young, LLP.	28 years (since 2003); serves as the Chief Executive Officer and President; (from 1997-2003); served as Executive Vice President and Chief Financial Officer.
<b>Vonda Hollingsworth, Vice President</b>	Licensed Nursing Home Administrator and has a Professional Human Resource Certification.	28 + years in senior-living operations	28 years (since 2007); serves as Vice President (from 1997-2007); served as Director of Human Resources
<b>Loretta Long, Chief Financial Officer</b>	B.S. Account, UoP; M.S. in Accountancy, UoP;	26 + years in nonprofit healthcare finance; former CFO for Hospital system	2 years 10 months (since 04/11/2023); serves as Chief Financial Officer.

**Business Address:** 109 Penny Rd., High Point, NC 27260

**Disclosure:** None of the above listed officers have reported any Outside Interests or Adverse Disclosures.

### 3.2 Community Management – Maryfield, Inc.

The management staff who manage Pennybyrn on a day-to-day basis are as follows

**Sarah Barker, Director of Development & Community Relations**

Ms. Barker joined Pennybyrn in January 2022. She has served the last five years with Presbyterian Homes and Friends Homes. Before joining Presbyterian Homes, she was the Community Relations Officer with High Point Bank. Previously, she served as the Director of Major Gifts, Leadership Giving & Donor Relations for the United Way of Greater High Point.

**Mary Anne Carter, Director of Marketing**

Ms. Carter has been the Director of Marketing since 2022. Since joining the Corporation, she has held the positions of Marketing Assistant, Move-In Coordinator, Retirement Counselor and Assistant Director of Sales and Marketing. Her previous background included a career in sales, marketing, finance, and audit in the banking industry. Mary Anne holds an Associates Degree in Business Administration from Montgomery Community College.

**Kristie H. Catlin, Director of Human Resources**

Mrs. Catlin joined the organization in 1999 and has been the Director of Human Resources since 2013. Previously, she held the positions of Human Resources Generalist from 2003 – 2012, and Administrative Assistant from 1999 – 2002. She holds a Professional Human Resources Certification and is a member of the Society for Human Resource Management.

**Robert Creel II, Managing Director of Operations**

Mr. Creel has been the Managing Director of Operations since early 2009, having served as Dining Services Leader since 2005. Mr. Creel graduated Magna Cum Laude from Johnson & Wales University in 1996. Since that time, he has worked as an Executive Chef and Dining Service Director both in a Private Member Club and an upscale retirement community.

**Jamie Forbis, Director of Administrative Services**

Ms. Forbis is the Executive Assistant to Fr. Patrick Hoare and Richard W. Newman. She joined Pennybyrn in 2002. Prior to joining the staff at Maryfield, Inc., Ms. Forbis held Executive Assistant positions in the oil and gas, medical, and airline industries. Ms. Forbis has served as recording secretary for Maryfield, Inc.'s Board of Directors since 2002.

**Fr. Patrick Hoare, Chaplain and Pastoral Care Director**

Fr. Patrick Hoare has served as Chaplain and Pastoral Care Director since January 2026. He served as Pastor of St. Matthew Catholic Church (Charlotte, NC), pastor of St. John Neumann Catholic Church (Charlotte, NC) and Parochial Vicar at St. Mark Catholic Church (Huntersville, NC) as well as a member of various boards and councils in the Roman Catholic Diocese of Charlotte. He earned both the Master of Arts in Theology and the Master of Divinity degrees from St. Charles Borromeo Seminary in Philadelphia, PA, and a Certificate in Spiritual Direction from the Institute for Priestly Formation in Creighton, NE. Prior to ordination, Fr. Hoare was Vice President of Underwriting for Montgomery Insurance Companies (a subsidiary of Liberty Mutual) after holding both underwriting and financial positions at Liberty in both Philadelphia and Charlotte. He received a Bachelor of Science in Business Administration degree from LaSalle University and a Master of Business Administration degree from Drexel University (both in Philadelphia). Fr. Hoare joined the board in 2026.

**Lynn Rivers Johnson, Director of Resident and Community Engagement**

Ms. Johnson has been the Director of Resident Services since 2005, having previously served as Retirement Counselor since 2000. Prior to joining the Corporation, Ms. Johnson held positions related to marketing nursing homes and assisted living facilities in the area. Ms. Johnson holds a Bachelor of Arts Degree from Columbia College, Columbia, South Carolina.

**Sandra A. Loy, BSN, RN, Director of Health and Wellness**

Mrs. Loy has been with Pennybyrn since 2014. She began as the Independent Living Clinic

Nurse and since 2016 has served as the Director of Health and Wellness. She is a nursing graduate of The University of NC at Greensboro and completed additional education at NC State University and is a certified Health Occupations Instructor.

**James W. Westmoreland, Director of Information Services**

Mr. Westmoreland has been with Pennybyrn since 2007, serving as a consultant until 2014 and then hired as the network administrator. Mr. Westmoreland graduated from ECPI with a BS in Network Management and Security. He currently holds a Microsoft Certified Professional and Sonicwall Certified Security Systems Professional Certification.

**Business Address:** 109 Penny Rd., High Point, NC 27260

**Disclosure:** None of the above listed Management Staff of Maryfield, Inc. have reported any Outside Interests or Adverse Disclosures.

**3.3 Board of Directors — Maryfield, Inc.**

The Board of Directors of the Corporation establishes policy and goals and serves in an oversight capacity for the management and operation of the Corporation. Notwithstanding the foregoing, however, without the prior approval of the Member of the Corporation, the Board of Directors is not empowered or authorized to establish any policy or goal that is contrary to or in violation of the Ethical and Religious Directives for Catholic Health Care Services as approved by the U.S. Catholic Bishops in 1994.

The Member of the Corporation appoints the members of the Board of Directors. The following are the current members of the Board of Directors:

**G. Michael Hofmann, Chairperson**

7 Dovercrest Ct., Greensboro, NC 27407

Mr. Hofmann is Executive Vice President and Chief Operating Officer for Palliser Furniture, LTD. He has also held executive roles with Beulieu, Sealy, Inc. and Hill-Rom Company. He holds a MS in Industrial Engineering. Mr. Hofmann joined the Board in 2018.

**R. Tony Hill, Vice Chairperson**

53 Creswell Court, Greensboro, NC 27407

Mr. Hill was partner and founding attorney for the law firm of Hill & Hovis, PLLC, in High Point, NC until 2020. He has been involved in leadership positions with numerous organizations in the local area including North Carolina and High Point Bar Associations, University of South Carolina Alumni Association, Greensboro College Alumni Board and Colonial Country Club. In addition, he has been involved in coaching sports for several local organizations. Mr. Hill joined the board in 2020.

**Mr. William Snow Bencini, Jr., Secretary**

916 Fairway Dr., High Point, NC 27262

Mr. Bencini is a co-founder of Ultra-Mek, Inc. He is a past Mayor of High Point, NC and has

served on many governmental committees and boards including High Point City Council, Order of the Long Leaf Pine, served as a Guilford County Commissioner, and was a former member of the Furniture Market Authority Executive Committee and Forward High Point Executive Committee. He has held various leadership positions on the Guilford County Board of Commissioners and many other organizations. He is currently a member of the PTI Airport Authority Board. Mr. Bencini joined the Board in 2018.

**Mr. Paul Breitbach**

320 Buckingham Road, Winston Salem, NC 27104

Mr. Breitbach began his career with Price Waterhouse in Chicago. He also held partnerships with Price Waterhouse in Indiana, the Carolinas, and Eastern Tennessee. Upon retirement from Price Waterhouse, he became Executive Vice President of Finance and Corporate Development of Krispy Crème Doughnut Corporations. He has served on the Board of Directors of Old Dominion Freight Line, St. Leo's Finance Committee, Charlotte Diocese Investment Committee and Loras College Board of Regents. Mr. Breitbach rejoined the Board in 2023 after serving an earlier 9-year term with the Board.

**Dr. Dennis Carroll**

1004 Suzanne Lane, Lexington, NC 27295

Dr. Carroll has spent his entire career as an educator. He was an English/French Teacher at Ragsdale High School in Jamestown, Coordinator of Programs for the Gifted with the Guilford County Schools system, Dean of the School of Education/Chair of the Education Department/Professor of Education at High Point University and from 2005 to June 2020 he was Provost with High Point University. He has held several committee positions with Jamestown United Methodist Church. He has been a board member on the Parish Ministry Fund of the Duke Endowment, Camp Mount Shepherd, NC Public School Forum, just to name a few. He was the recipient of the Asbury Award for Outstanding Contributions to United Methodist High Education in August 2020. Dr. Carroll joined the Board in 2022.

**Mr. Earl E. Congdon**

1400 Maryfield Ct., High Point, NC 27260

Mr. Congdon is Chairman Emeritus and Senior Advisor of the Board of Old Dominion Freight Line, Inc. Mr. Congdon was past Vice President of the American Trucking Association, Inc. and was Past President of the North Carolina Trucking Association. Community and civic activities include High Point Regional Hospital, United Community Services, High Point Chamber of Commerce and High Point Country Club. Mr. Congdon joined the Maryfield, Inc. Board in February 2007 and served for nine years. He rejoined the Board in 2017 after serving an earlier 9-year term with the Board.

**Mr. Thomas Eusebio**

109 Penny Road, Apt. 361, High Point, NC 27260

Mr. Eusebio retired from Lincoln National in 2019 after a 44-year career with Pilot Life, Jefferson Pilot and Lincoln National. At the time of his retirement, he was a senior vice

president, leading a distribution channel at Lincoln. He served as Chair of the Greensboro Urban Ministry from July 2023 through December 2025. He also enjoys working as a Guilford County Extension Master Gardener Volunteer. Mr. Eusebio and his wife, Karen, became Pennybyrn residents in November 2022 and he joined the Board in 2025.

**Sister Lucy Hennessy, SMG**

Old Lucan Road, Chapelizod, Dublin D20 WC89 Ireland

Sr. Lucy previously served as the Chairman of the Board and Mission Leader of Pennybyrn at Maryfield. She is a member of the Congregation of the Poor Servants of the Mother of God and holds a Bachelor of Science Degree in Business Administration from High Point University and a master's degree in health administration from St. Louis University. She was formerly the Treasurer of Maryfield, Inc., and the nursing home administrator for nearly 20 years. Sr. Lucy joined the Board in 1987.

**Fr. Pat Hoare**

1315 Greensboro Road, High Point, NC 27260

Fr. Patrick Hoare has served as Chaplain and Pastoral Care Director since January 2026. He served as Pastor of St. Matthew Catholic Church (Charlotte, NC), pastor of St. John Neumann Catholic Church (Charlotte, NC) and Parochial Vicar at St. Mark Catholic Church (Huntersville, NC) as well as a member of various boards and councils in the Roman Catholic Diocese of Charlotte. He earned both the Master of Arts in Theology and the Master of Divinity degrees from St. Charles Borromeo Seminary in Philadelphia, PA, and a Certificate in Spiritual Direction from the Institute for Priestly Formation in Creighton, NE. Prior to ordination, Fr. Hoare was Vice President of Underwriting for Montgomery Insurance Companies (a subsidiary of Liberty Mutual) after holding both underwriting and financial positions at Liberty in both Philadelphia and Charlotte. He received a Bachelor of Science in Business Administration degree from LaSalle University and a Master of Business Administration degree from Drexel University (both in Philadelphia). Fr. Hoare joined the board in 2026.

**Fr. Stephen Hoyt**

728 W. Union St., Morganton, NC 28655

Fr. Stephen Hoyt is currently Administrator at St. Charles Borromeo Catholic Church in Morganton, NC. Previously, Fr. Stephen was Chairman of the Board and Mission and Pastoral Care Director of Maryfield, Inc. from 2023 through 2025. Prior to joining Maryfield, Inc., he was Pastor at St. Francis of Assisi Roman Catholic Church in Lenoir, NC. Fr. Stephen has administered in various ministries since ordination such as parish, hospital, retreat and spiritual direction. He served in New York, New Jersey, North Carolina and overseas in Africa. Fr. Stephen joined the Board in 2014.

**Mr. Kenneth Hughes**

1410 Maryfield Court, High Point, NC 27260

Ken is the current owner and President of K&S Tool & Manufacturing Company. He has been

involved in numerous community groups and trade organizations. In the past, he has served on many boards including the Shakespeare Festival, IHM Parish Council, National Tool & Machine Association of the Piedmont, Construction of Bishop McGuiness High School and the Building Committee for the construction of Pennybyrn and the Chapel at Maryfield. He has held chair positions with most of these organizations. He has also served on the Charlotte Diocese Foundation Board, High Point Community Foundations Board & Grants Committee, The Guilford County Workforce Board, Guilford Tech Machine Trades Advisory Board, Pennybyrn Development and PR Committee, SCV Ministries Board and the Building Committee for the IHM New Construction Project. He is also a member of many clubs in the area to name a few, High Point Rotary Club, String and Splinter Club, High Point Elks, and Knights of Columbus. He and his wife have been residents of Pennybyrn at Maryfield's independent living community since 2009. Mr. Hughes rejoined the board in 2022 after serving an earlier 9-year term with the Board.

**Mr. David S. Miller**

1131 Foust Avenue, High Point, NC 27260

Mr. Miller is president and co-owner of D.S. Miller, Inc. He is currently Chairman of the High Point Community Foundation. He also serves on the Guilford Say Yes to Education board. He currently serves on and is past chair of Guilford Technical Community College, the DePaul Academy, Business High Point, Open Door Ministries and the United Way of Greater High Point. He volunteered extensively with Mother Teresa and the Missionaries of Charity at her various homes around the world. He is currently working with two area colleges developing residential programs for foster children in the 11th and 12th grades and for those continuing post-secondary education. He was selected High Point Citizen of the year in 1998 and High Point Chamber of Commerce Distinguished Citizen in 2016. Mr. Miller joined the Board in 2017.

**Mr. Richard W. Newman**

109 Penny Road, High Point, NC 27260

Mr. Newman has been the Chief Executive Officer since 2017 and President of the Corporation since 2003. He had previously held the positions of Executive Vice President and Chief Financial Officer since 1997. He joined the Corporation after 12 years as an auditor with Ernst & Young, LLP. Mr. Newman holds a Bachelor of Science Degree in Accounting from the University of South Carolina. Mr. Newman joined the Board in 1997.

**Ms. Mary Mahler "Punkin" Parker**

4230 Starmount Drive, Greensboro, NC 27410

Ms. Parker was president and member for twelve years of the Salvation Army Women's Auxiliary. She also served on the Board of the Salvation Army Boys and Girls Club and served on the PTA board of Westchester Academy for ten years. In 1983, Ms. Parker, along with her husband and parents, started PAM Trading Corporation where she is a member of PAM's Board of Directors. Ms. Parker joined the Maryfield, Inc. Board in 2025.

**Mr. Mark Pierce**

319 Otteray Avenue, High Point, NC 27262

Mr. Pierce is a lifelong resident of High Point. He retired as Vice President of DBD Investment Corporation. He is a member of Wesley Memorial Methodist Church as well as an active Rotarian and past president. He has also served on the boards of Habitat, Open Door Shelter, North Carolina Brass Band, Merchant’s Association, High Point Rotary Foundation, High Point PTA Council, First United Methodist Church and Wesley Memorial Methodist Church. He is also an active member of Pennybyrn’s Development Committee. He continues to be involved in many volunteer roles, charitable organizations and schools. He graduated from Western Carolina University with a degree in business law. Mr. Pierce joined the Board in 2025.

**Mr. Thomas E. Terrell, Jr.**

529 W. Parkway Avenue, High Point, NC 27262

Mr. Terrell is a partner with the law firm Fox Rothschild LLP, in its Greensboro office. His legal concentration is on local government regulations affecting business expansion and other zoning and environmental matters, and he chairs the firm’s land use practice in its 31 offices across the country. Mr. Terrell has served on many boards in the state and community, including the High Point Chamber of Commerce, Winston Salem State University, UNC-CH General Alumni Association and the High Point Historical Society. He previously served on the Maryfield, Inc. Board from 2010-2019. Mr. Terrell rejoined the Board in 2025 after serving an earlier 9-year term with the Board.

**Business Address:** 109 Penny Rd., High Point, NC 27260

**Disclosure:** None of the above listed directors of Maryfield, Inc. have reported any Outside Interests or Adverse Disclosures.

**3.4 Management Entity — Maryfield, Inc.**

- **Nature of Role:** Nonprofit controlled by Maryfield, Inc.; employs the Chief Executive Officer, Vice President, and Chief Financial Officer; provides on-site management and administrative services
- **Business Address:** 109 Penny Rd, High Point, NC 27260
- **Key Officers:** Richard W. Newman (President & CEO), Vonda Hollingsworth (VP) Loretta M. Long (CFO) — see Senior Officers of Maryfield, Inc. for education, experience, and length of service.

**3.5 10% + Ownership Interests**

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

Maryfield, Inc. is organized as a nonprofit corporation. No individual holds a ten percent (10%) or greater beneficial interest in the corporation. Maryfield, Inc. serves as the sole corporate member.

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

### **4.1 Provider Governing Body**

Maryfield Inc. is governed by a Board of Directors consisting of sixteen members. The Board is responsible for the overall direction and oversight of Maryfield, Inc.'s operations, financial condition, and resident welfare. Its duties include:

- Reviewing and approving budgets and financial reports.
- Ensuring compliance with applicable laws, regulations, and contractual obligations.
- Overseeing the quality of resident care and services, including safety and satisfaction.
- Monitoring risks to Maryfield, Inc.'s solvency and operations.

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

The Board of Directors of Maryfield, Inc. is self-perpetuating. Directors are elected by the sitting board and serve three-year terms, with eligibility for reappointment for up to three consecutive terms. Officers (Chair, Vice Chair, Treasurer, and Secretary) are elected annually by the Board from among its members.

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

The Board delegates day-to-day operations of Maryfield, Inc. to Richard W. Newman (President & CEO), Vonda Hollingsworth (VP) and Loretta M. Long (CFO). The Board maintains oversight through:

- Reviewing and approving consolidated financial reports and audits.
- Monitoring debt covenant compliance and overall liquidity.
- Overseeing the performance of Maryfield, Inc.
- Evaluating system-level risks, including financing strategies and performance.
- Approval of major contracts, capital projects, and debt issuances.
- Quarterly board meetings and periodic committee reports.
- Evaluation of President/CEO performance.

#### **4.1.3 Committees**

The Maryfield, Inc. Board maintains standing committees for:

- **Executive:** Strategic and Succession Planning, Risk Management.
- **Finance:** budget review, financial performance monitoring.
- **Development:** Assist in Fundraising
- **Nominating:** Board recruitment, screening and proposing candidates.
- **Pastoral Care:** Focus on Spiritual aspect of Maryfield, Inc. dba Pennybyrn’s Mission and connection with Chaplain and Pastoral Care Director

## 5. Related Parties

Maryfield, Inc. has relationships with related parties to the Bishop of the Roman Catholic Diocese of Charlotte the arrangement exceeded \$5,000 in FY2025 and is therefore disclosed below. For purposes of this section, Actual/Probable Cost refers to the cost incurred by Maryfield, Inc.

### 5.1 Bishop of the Roman Catholic Diocese of Charlotte

- **Nature of Relationship:** The Corporation was sponsored by the Poor Servants of the Mother of God, Mother House in Rome, Italy, and Generalate in Roehampton, London, England (“SMG”) since its founding in 1947. During the year ended September 30, 2022, the sponsorship of the corporation was moved from SMG to the Bishop of the Roman Catholic Diocese of Charlotte. Reimbursement for services.
- **Goods/Leases/Services Provided:** Maryfield, Inc. Sole Member, the Roman Catholic Diocese of Charlotte.
- **Actual/Probable Cost:** The cost was \$80,325 in FY2025.

### 5.2 Poor Servants of the Mother of God (PSMG)

- **Nature of Relationship:** The Corporation was sponsored by the Poor Servants of the Mother of God, Mother House in Rome, Italy, and Generalate in Roehampton, London, England (“SMG”) since it’s founding in 1947. During the year ended September 30, 2022, the sponsorship of the corporation was moved from SMG to the Bishop of the Roman Catholic Diocese of Charlotte. Reimbursement for services.
- **Goods/Leases/Services Provided:** Maryfield, Inc. prior Sole Member, the Roman Catholic Diocese of Charlotte, during FY2025 PSMG assisted during the transition.
- **Actual/Probable Cost:** The cost was \$54,000 in FY2025.

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

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

Maryfield, Inc. has memberships in the following trade associations: Leading Age, Leading Age North Carolina, Catholic Health Care Association, North Carolina Assisted Living Association, and the North Carolina Health Care Facilities Association.

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

Except as described in Section 8 regarding Maryfield, Inc.'s participation in the obligated group and the joint and several liability for bonds, no other person or entity is responsible for the financial or contractual obligations of Maryfield, Inc.

## **8. Obligated Groups**

Maryfield, Inc. is the sole obligor created under the terms of bond indentures and related financing agreements.

The audited financial statements are located in Appendix A.

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

Maryfield, Inc. is subject to covenants contained in bond indentures and related debt agreements, including requirements for minimum debt service coverage, liquidity, and restrictions on additional borrowing.

As of September 30, 2025, Maryfield, Inc. were in full compliance with all covenants contained in debt agreements.

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

Maryfield, Inc., does not employ an unrelated third-party manager to operate Pennybyrn. Day-to-day operations are carried out by Richard W. Newman (President & CEO), Vonda Hollingsworth (VP) Loretta M. Long (CFO) and management employed by Maryfield, Inc.

## **11. Real Property Leases**

Maryfield, Inc. does not lease any of the real property that makes up Maryfield, Inc. dba Pennybyrn

## **12. Endowment Funds**

Maryfield, Inc., endowment funds are overseen by the Finance Committee of the Board of Directors. The income of which is used to assist residents who would otherwise not be able to live at Maryfield, Inc. due to financial considerations.

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

Maryfield, Inc., located at 109 Penny Rd., High Point, North Carolina 27260.

Maryfield, Inc. d.b.a. Pennybyrn (the “Corporation”) was founded in November 1947 by the Poor Servants of the Mother of God, a Catholic Congregation of Sisters, and incorporated under the laws and regulations of the State of North Carolina as a non-profit organization in 1950 to provide housing and long-term care for the elderly.

The Corporation has been determined to be exempt from Federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The Corporation is also tax-exempt under North Carolina law.

The Corporation currently owns and operates a continuing care retirement community (“CCRC”) on a 72-acre campus in High Point, North Carolina.

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

As of September 31, 2025, Maryfield, Inc. included:

- 222 independent living units (173 apartments and 49 cottages)
- 48 assisted living units (24 apartments and 24 memory support)
- 125 skilled nursing beds

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

Maryfield, Inc. currently does not operate a Continuing Care at Home (CCaH) program.

## **16. Resident Population Served**

As of September 30, 2025, the resident population served by Maryfield, Inc. Continuing Care Retirement Community under continuing care contracts was as follows:

- 289 residents in independent living
- 43 residents in assisted living
- 113 residents in skilled nursing

As of September 30, 2025, the community maintained a waitlist for admission to independent living consisting of 66 individuals. Individuals on the waitlist are prospective applicants and are not residents of the community unless and until they have executed a continuing care contract and commenced residency.

To be placed on the independent living waitlist, prospective applicants are required to submit 10 percent of the entry fee capped at \$20,000 for the waitlist deposit. The waitlist deposit is fully refundable and is not considered an entrance fee. If the applicant later enters into a continuing care contract, the waitlist deposit is applied toward the required entrance fee at that time.

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

**17. Occupancy Rates**

The 12-month daily average occupancy rates for Maryfield, Inc. Continuing Care Retirement Community for the past five fiscal years were as follows:

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

<b>Fiscal Year-End</b>	<b>Independent Living (%)</b>	<b>Assisted Living (%)</b>	<b>Skilled Nursing (%)</b>
9/30/2025	98.6%	91.7%	86.4%
9/30/2024	95.9%	95.8%	93.6%
9/30/2023	92.8%	93.8%	85.6%
9/30/2022	95.0%	81.3%	93.6%
9/30/2021	96.7%	75.0%	93.6%

**18. Semiannual Resident Meetings**

Maryfield, Inc. holds meetings with residents of the Maryfield, Inc. Continuing Care Retirement Community at least twice each year, as required by law.

**Fiscal Year 2025 Meeting Dates**

- March 24, 2025
- August 27, 2025

As required by law, an independent member of the provider’s board of directors was present at each of the meetings (Fr. Stephen Hoyt attended both meetings).

## **19. Resident Property Rights**

Residents do not hold ownership or property rights in the real estate of Maryfield, Inc. Continuing Care Retirement Community. Residency and access to services are governed solely by the continuing care contract.

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

Maryfield, Inc. offers services under continuing care contracts of Maryfield, Inc. Continuing Care Retirement Community. The following disclosures describe the services included, as well as those available for additional charge.

### **20.1 Health Care Services**

Residents of Maryfield, Inc. Continuing Care Retirement Community have access to assisted living, skilled nursing, and memory support care on campus. Health services include 24-hour nursing, medication management, rehabilitative therapies, and coordination with residents' personal physicians.

### **20.2 Continuing Care Retirement Community (CCRC) Contracts**

Residents living on Maryfield, Inc. Continuing Care Retirement Community campus receive the following services as part of their monthly fees, with additional services available at an extra charge.

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

- A spend-down monthly meal plan for Independent Living Residents (three daily meals in assisted living and skilled nursing)
- Weekly housekeeping and linen service for primary bedroom
- Scheduled local transportation including, but not limited to, shopping trips to malls, medical appointments, and grocery shopping
- Basic utilities, including electricity, water, heating, air conditioning, Wi-Fi, and basic cable
- Use of community common areas such as dining rooms, meeting rooms, indoor swimming pool, lounges, lobbies, library, business center, social and activity rooms, Wellness Center, and other common amenities
- Social, cultural, and recreational programming
- Care coordination for transitions between levels of care
- Regularly scheduled maintenance, trash removal, and landscaping.
- Lighted surface parking for Resident's vehicle.
- Twenty-four-hour emergency response system and security services.

- Fifteen (15) grace days per year, cumulative to a maximum of 45 days, for a Resident's temporary stay in the Health Care Residences.

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

- Guest meals and personalized catering events
- Additional housekeeping or laundry services beyond standard schedule
- Salon and barber services
- Special transportation outside scheduled routes
- Concierge services and private duty care

## **20.3 Delivery of Services**

Pennybyrn at Maryfield has accommodations, equipment, staffing, programs, services, and supervision necessary for licensed assisted living, licensed assisted living for memory support and licensed nursing care (collectively, the "Health Care Residences"). The Health Care Residences and services are available to the Resident on a space available basis, if needed, as determined by Management. Residents of Pennybyrn have priority access to all Health Care Residences and services before non-residents. However, Pennybyrn cannot guarantee access to these areas, other than priority admission.

Pennybyrn will provide services above those covered by Medicare or other third-party insurance to an independent living Resident in a Health Care Residence for fifteen (15) days annually. These grace days may be carried over into future years with a cumulative annual benefit not to exceed forty-five (45) days at no additional charge for each Resident, provided that the Resident remains an independent living Resident.

## **21. Resident Fees**

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

## 21.1 CCRC Contracts

CCRC contracts represent continuing care contracts for residents who live at Maryfield, Inc., Continuing Care Retirement Community campus.

**Table 0.1: Current Monthly Fees (CCRC Contracts)**

Unit Type	Single Occupant	Double Occupant
IL – Apartment - 1 Bedroom, 1 Bath (10)	\$3,886	\$5,446
IL – Apartment - 1 Bedroom, 1 Bath (3)	\$4,475	\$6,035
IL – Apartment - 1 Bedroom, 1 Bath, Den (9)	\$4,295	\$5,855
IL – Apartment - 1 Bedroom, 1 Bath, Den (35)	\$4,514	\$6,074
IL – Apartment - 1 Bedroom, 1.5 Bath, Den (8)	\$4,914	\$6,474
IL – Apartment - 2 Bedroom, 2 Bath (41)	\$4,941	\$6,501
IL – Apartment - 2 Bedroom, 2 Bath (3)	\$5,526	\$7,086
IL – Apartment - 2 Bedroom, 2 Bath (2)	\$5,526	\$7,086
IL – Apartment - 1 Bedroom, 2 Bath, Den (3)	\$5,919	\$7,479
IL – Apartment - 2 Bedroom, 2 Bath (3)	\$5,995	\$7,555
IL – Apartment - 2 Bedroom, 2 Bath, Den (11)	\$5,819	\$7,379
IL – Apartment - 2 Bedroom, 2 Bath, (8)	\$6,237	\$7,797
IL – Apartment - 2 Bedroom, 2 Bath, Den (4)	\$6,300	\$7,860
IL – Apartment - 2 Bedroom, 2 Bath, Den (8)	\$6,073	\$7,633
IL – Apartment - 2 Bedroom, 2.5 Bath, Den (3)	\$6,415	\$7,975
IL – Apartment - 2 Bedroom, 2.5 Bath, Den (6)	\$6,451	\$8,011
IL – Apartment - 2 Bedroom, 2 Bath, Den (3)	\$6,096	\$7,656
IL – Apartment - 2 Bedroom, 2.5 Bath, Den (9)	\$6,602	\$8,162

<b>Unit Type</b>	<b>Single Occupant</b>	<b>Double Occupant</b>
IL – Apartment - 2 Bedroom, 2.5 Bath, Den (4)	\$6,899	\$8,459
IL – Heritage Cottage - 1 Bedroom, 1 Bath (2)	\$3,401	\$4,961
IL – Heritage Cottage - 1 Bedroom, 1 Bath (5)	\$3,314	\$4,874
IL – Heritage Cottage - 2 Bedroom, 2 Bath (7)	\$4,917	\$6,477
IL – Heritage Cottage - 2 Bedroom, 2 Bath (12)	\$5,794	\$7,354
IL – Heritage Cottage - 3 Bedroom, 2 Bath (3)	\$6,844	\$8,404
IL – Shamrock Cottage - 2 Bedroom, 2 Bath (1)	\$5,329	\$6,889
IL – Shamrock Cottage - 2 Bedroom, 2 Bath Den (12)	\$6,198	\$7,758
IL – Shamrock Cottage - 2 Bedroom, 2 Bath Den (7)	\$6,899	\$8,459
AL – 1 Bedroom – Multi unit with services (12)	\$7,529	N/A
AL – 1 Bedroom, 1 Bath (10)	\$7,922	N/A
AL – 2 Bedroom (2)	\$9,496	N/A
AL – 1 Bedroom – Dementia Care (24)	\$9,383	N/A
Skilled Nursing – Private	\$437/day	N/A
Skilled Nursing - Semi – Private	\$389/day	N/A

Monthly fees are reviewed at least annually and may be adjusted to reflect changes in operating costs, staffing, health care expenses, and capital needs. Adjustments are subject to board approval, with no contractual cap on increases. The Agreement, however, does state that fees may be adjusted at any time with at least a thirty (30) day advanced notice to the Resident of any fee increases. Independent Living is listed as IL. Assisted Living is listed as AL.

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

<b>Fiscal Year-End</b>	<b>Average % Increase</b>	<b>Average \$ Increase</b>	<b>Frequency</b>
9/30/2025	4.5%	\$338	Annual
9/30/2024	5.0%	\$267	Annual
9/30/2023	4.5%	\$203	Annual
9/30/2022	4.5%	\$130	Annual
9/30/2021	3.0%	\$171	Annual

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

<b>Unit Type</b>	<b>Entrance Fee (Single)</b>	<b>Entrance Fee (Double)</b>
IL – Apartment - 1 Bedroom, 1 Bath (10)	\$179,000	N/A
IL – Apartment - 1 Bedroom, 1 Bath (3)	\$227,000	N/A
IL – Apartment - 1 Bedroom, 1 Bath, Den (9)	\$221,000	N/A
IL – Apartment - 1 Bedroom, 1 Bath, Den (35)	\$259,000	N/A
IL – Apartment - 1 Bedroom, 1.5 Bath, Den (8)	\$261,000	N/A
IL – Apartment - 2 Bedroom, 2 Bath (41)	\$275,000	N/A
IL – Apartment - 2 Bedroom, 2 Bath (3)	\$296,000	N/A
IL – Apartment - 2 Bedroom, 2 Bath (2)	\$296,000	N/A
IL – Apartment - 1 Bedroom, 2 Bath, Den (3)	\$307,000	N/A
IL – Apartment - 2 Bedroom, 2 Bath (3)	\$319,000	N/A
IL – Apartment - 2 Bedroom, 2 Bath, Den (11)	\$321,000	N/A
IL – Apartment - 2 Bedroom, 2 Bath, (8)	\$332,000	N/A
IL – Apartment - 2 Bedroom, 2 Bath, Den (4)	\$336,000	N/A
IL – Apartment - 2 Bedroom, 2 Bath, Den (8)	\$328,000	N/A
IL – Apartment - 2 Bedroom, 2.5 Bath, Den (3)	\$352,000	N/A
IL – Apartment - 2 Bedroom, 2.5 Bath, Den (6)	\$355,000	N/A
IL – Apartment - 2 Bedroom, 2 Bath, Den (3)	\$378,000	N/A
IL – Apartment - 2 Bedroom, 2.5 Bath, Den (9)	\$392,000	N/A
IL – Apartment - 2 Bedroom, 2.5 Bath, Den (4)	\$407,000	N/A
IL – Heritage Cottage - 1 Bedroom, 1 Bath (2)	\$155,000	N/A
IL – Heritage Cottage - 1 Bedroom, 1 Bath (5)	\$150,000	N/A

Unit Type	Entrance Fee (Single)	Entrance Fee (Double)
IL – Heritage Cottage - 2 Bedroom, 2 Bath (7)	\$232,571	N/A
IL – Heritage Cottage - 2 Bedroom, 2 Bath (12)	\$330,167	N/A
IL – Heritage Cottage - 3 Bedroom, 2 Bath (3)	\$477,667	N/A
IL – Shamrock Cottage - 2 Bedroom, 2 Bath (1)	\$337,000	N/A
IL – Shamrock Cottage - 2 Bedroom, 2 Bath Den (12)	\$373,000	N/A
IL – Shamrock Cottage - 2 Bedroom, 2 Bath Den (7)	\$473,000	N/A

Refundability terms vary by contract and are disclosed in Section 22.

**Table 21.4: Historical Increases in Entrance Fees (CCRC contracts) \*note FY23 added 42 units (rate is only existing units)**

Fiscal Year-End	Average % Increase	Average \$ Increase	Frequency
9/30/2026	7.8%	\$21,477	Annual
9/30/2025	12.0%	\$29,665	Annual
9/30/2024	9.7%	\$21,740	Annual
9/30/2023*	5.1%	\$10,825	Annual
9/30/2022	3.1%	\$6,376	Annual

## **21.2 Household Composition Changes**

In the event a Resident marries, remarries, or elects to share a Residence with another person, the new spouse or other cohabitant may become a Resident of the Community as long as the new potential Resident meets all of the Corporation's admission criteria. The new spouse/cohabitant must pay the then-prevailing second-person Monthly Service Fee. If the Resident's spouse does not meet the requirements of Pennybyrn for residency as a Resident, the Resident may terminate the Agreement in the same manner as provided in **Section 25.1.** above with respect to a voluntary termination, or the Resident's spouse may be approved for residency under special circumstances as agreed to in writing by Pennybyrn.

In the event a Resident marries or elects to share a Residence with another person who is also a Resident of Pennybyrn, the two Residents may occupy either Residence and shall surrender the unoccupied Residence. The Residents will pay the Monthly Service Fee for two Residents upon Occupancy by both Residents in the chosen Residence. No Entrance Fee refunds shall be payable with respect to the unoccupied Residence.

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

If a resident transfers to a different independent living unit, a transfer fee of \$5,000 is charged. No resale fees are charged because residents do not hold ownership rights in their living units.

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

### **22.1 Conditions for Refunds**

The Corporation currently offers one Entrance Fee plan for occupancy of a Residence (the "Entrance Fee Plan"), a zero percent (0%) refundable entrance fee plan ("Plan A" or the "Traditional Amortizing Entrance Fee Plan").

Maryfield, Inc., previously offered a 50% or 90% refund provision. Under these contracts, a portion of the original entrance fee is refundable when a resident permanently vacates their independent living unit, provided that (1) the unit has been resold to a new resident who has paid their entrance fee in full and (2) all other contractual conditions for a refund have been satisfied. Refunds are payable approximately 60 days after these conditions are met. For clarity, a refund is not considered due until the replacement entrance fee has been received and all contractual requirements have been fulfilled.

## 22.2 Refund Obligations as of September 30, 2025

Category	Number of Contracts	Aggregate Amount
Refunds due once all contractual conditions are met	48	\$14,252,607
Refunds currently due (including amounts 30+ days past due)	0	\$0
Resident now in non-independent living unit – unit not resold	0	\$0
Resident now in non-independent living unit – unit resold	9	\$2,509,720

As of September 30, 2025, Maryfield, Inc. had \$16,762,327 in total refundable entrance fee obligations. No refunds were contractually due or past due at year-end. Obligations will be satisfied in accordance with contract terms as independent living units are resold and replacement entrance fees are received; however, the timing of refund payments depends on the pace of independent living unit turnover and resale activity.

## 23. Financial Hardship Policies

### 23.1 Policies for Residents Unable to Pay

It is the policy of Maryfield, Inc. that a Resident will not be dismissed, nor will the Agreement be terminated solely due to the financial inability of the Resident to pay the Monthly Service Fee, as long as such inability to pay is due to circumstances beyond the control of the Resident. Maryfield, Inc. will make reasonable efforts to maintain the Resident's status within the community even if unexpected financial difficulties make it impossible for Resident to keep up with monthly obligations. As long as a Resident has acted in good faith in his/her dealings with Maryfield, Inc., and Management determines that the facts justify special consideration, Management will make reasonable efforts to work with the Resident toward a confidential plan that will secure Resident's status in the Community, including but not limited to movement of the Resident to an alternative Maryfield, Inc. Residence.

Residents agree and understand that Maryfield's policy of assisting Residents through times of financial hardship is conditioned upon the Resident's efforts as well. Along these lines, Residents must not voluntarily weaken their ability to pay in any material fashion, Residents agree to cooperate with Management in providing additional financial information upon request and Residents must take action to shift personal assets in order

to pay outstanding balances due Maryfield, Inc. Failure to assist as described herein may result in termination of the Agreement with such Resident. The Board of Directors determines the policies relating to financial assistance. The amount of assistance is determined on an individual basis and there is no guarantee of assistance to any individual.

## **23.2 Sources of Financial Support**

- **Maryfield, Inc.:** Manages donor-restricted funds, which are used to provide financial aid to residents who are unable to meet their monthly service fees.
- **Refundable Entrance Fees:** Residents contractually entitled to a refundable entrance fee may, subject to the approval of Maryfield, Inc., apply available refundable amounts toward unpaid monthly fees. Such applications reduce the remaining refund obligation and do not accelerate contractual payment of refunds.

## **23.3 Conditions or Limitations**

- Eligibility for benevolent care is determined through a confidential financial review conducted by Maryfield, Inc.
- Assistance is subject to the availability of funds and is not guaranteed.

## **23.4 Narrative**

In 2025, Maryfield, Inc. provided \$155,840 in benevolent care support to Continuing Care Retirement Community residents.

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

## **24.1 Provider-Initiated Cancellation**

Maryfield, Inc. may terminate a continuing care contract:

- Before occupancy or commencement of services, if:
  - The applicant fails to meet health or financial eligibility requirements at the time of application;
  - The applicant provided materially false or misleading information during the application process; or
  - Admission would pose a direct threat to the health and safety of others.
- After occupancy or commencement of services, if:
  - Persistent nonpayment of monthly fees occurs;
  - The resident commits a material breach of contract terms; or
  - The resident engages in disruptive or harmful conduct that materially impairs the rights of other residents or the orderly operation of the community.

## 24.2 Resident-Initiated Cancellation

A resident may cancel a contract under the following circumstances:

- **Before occupancy or commencement of services:**  
A resident may cancel at any time. The entrance fee and any prepaid monthly fees are refunded, less any non-standard costs specifically incurred by the request to cancel.
- **After occupancy or commencement of services:**  
A resident may voluntarily cancel by providing 30 days' written notice. Refundable entrance fees, if any, are returned in accordance with Section 22 once all contractual conditions are satisfied, including resale and re-occupancy of the living unit when applicable.

## 24.3 Refunds Upon Cancellation

- Refundable entrance fees are returned in accordance with Section 22 – Refundable Entrance Fee Obligations.
- Nonrefundable portions of entrance fees are retained by Maryfield, Inc.
- Prepaid monthly fees are prorated to the date the living unit is vacated or services cease, and any remaining balance is refunded.

## 24.4 Refunds Upon Death

- **Before occupancy or commencement of services:**  
If a resident dies before moving into the community, the entrance fee is refunded in full, less any non-standard costs specifically incurred by the request to cancel.
- **After occupancy or commencement of services:**  
Refunds are made according to the standard refundable entrance fee provisions described in Section 22, including resale and replacement entrance fee conditions. Prepaid monthly fees are prorated to the date of vacancy and refunded.

## 25. Re-occupancy of Units

A living unit at Maryfield, Inc. Continuing Care Retirement Community may be reassigned to a new resident under the following circumstances:

### 25.1 Resident-Initiated Vacating

- **Voluntary termination:** When a resident cancels their continuing care contract and permanently vacates the living unit. The Resident may cancel his/her Agreement by providing at least thirty (30) days written notice to Pennybyrn. At the expiration of the notice period, the Resident must vacate the Residence.
- **Transfer to a higher level of care:** When a resident moves from independent living to assisted living or skilled nursing, and the contract permits the original living unit to be reassigned.

### 25.2 Provider-Initiated Vacating

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

### 25.3 Temporary Absences

Hospitalizations, rehabilitative stays, or other temporary absences do not constitute a vacating of the living unit and do not permit re-occupancy by a new resident. Resident is responsible for the payment of the Monthly Service Fees regardless of temporary absences.

### 25.4 Refunds

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

## 26. Resident Relocation

Residents of Maryfield, Inc. may be required to relocate from their current living unit to another living unit within the community under the following circumstances:

## 26.1 Resident Needs

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

## 26.2 Provider Needs

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

## 26.3 Process

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

## 26.4 Financial Obligations

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

## 27. Admission and Continuation Standards

### 27.1 Admission Requirements

Admission to Maryfield, Inc. Continuing Care Retirement Community is subject to both health and financial screening at the time of application.

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

- **Financial Standards:** Applicants must demonstrate sufficient resources to reasonably cover the entrance fee and projected monthly fees for the chosen living unit.
- **Health Standards:** Applicants for independent living must be capable of living safely and independently at the time of entry, with or without reasonable accommodations. A current medical history and health assessment completed by the applicant's physician is required. Applicants requiring immediate assisted living, memory care, or skilled nursing are not eligible for independent living entry.

### **27.2 Continuation Requirements**

- **CCRC Contracts:** Once admitted, residents may remain at the community regardless of changes in health or financial status, subject to the hardship policies described in Section 23 – Financial Hardship Policies. Residents may be required to relocate to a higher level of care (see Section 26 – Resident Relocation) if their health needs can no longer be met safely in their current living unit.

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

- **CCRC Contracts:** If a resident's health materially declines between signing a contract and the date of initial occupancy, the provider may re-evaluate eligibility for independent living and may require admission to a higher level of care, if available. If no suitable accommodation is available or if the applicant no longer meets entry requirements, the contract may be canceled and entrance fees refunded in accordance with Section 24 – Contract Cancellation and Refund Policies. If a material change in financial condition occurs before occupancy (such as loss of income or assets needed to pay monthly fees), the provider will re-evaluate eligibility. If standards are no longer met, the contract may be canceled and entrance fees refunded.

## **28. Age and Insurance Requirements**

### **28.1 Age Requirements**

- The minimum age for admission to Maryfield, Inc. Continuing Care Retirement Community under a continuing care contract is 62 years.
- A younger spouse or partner may also be admitted if the primary applicant meets the minimum age requirement.
- There is no maximum age limit for admission, provided the applicant meets the health and financial eligibility standards described in Section 27 - Admission and Continuation Standards.

## 28.2 Insurance Requirements

Applicants for CCRC contracts must:

- Be enrolled in Medicare Parts A and B at the time of admission; and
- Maintain a Medicare supplement (Medigap) policy or equivalent health insurance to cover services not provided by Medicare.
- Should the Resident's supplemental health insurance or equivalent coverage not fully cover a Medicare-qualified stay in the Health Center, or should the Resident fail to purchase supplemental health insurance or equivalent coverage to fully cover a Medicare-qualified stay in the Health Center, the Resident will be financially responsible to pay for deductibles, co-insurance amounts, and any other costs for each Medicare-qualified stay in the Health Center.

Long-term care insurance is not required but may be considered in satisfaction of certain financial eligibility criteria on a case-by-case basis.

## 28.3 Special Conditions

- Exceptions to the minimum age requirement may be considered on a case-by-case basis if a younger applicant is married to or partnered with an eligible applicant, or if otherwise required to maintain household composition.
- Waivers of the insurance requirement may be granted only if the applicant demonstrates alternative coverage or financial capacity sufficient to meet anticipated health care expenses.

## 29. Reserve Funding and Refund Security

### 29.1 Cash and Investments

As of September 30, 2025, Maryfield, Inc. held \$20,208,700 in unrestricted cash and investments.

At year-end, unrestricted cash and investments supported a Days Cash on Hand of 258 days, representing approximately eight months of projected operating expenses without new revenues.

### 29.2 Investment Management and Oversight

- **Oversight Body:** Finance Committee of the Board of Directors of Maryfield, Inc.
- **Day-to-Day Management:** Chief Financial Officer (CFO).
- **Experience:** Finance Committee members average 15 years of financial oversight and investment policy.

- **Policy and Controls:** Investments are managed under a Board-approved policy emphasizing liquidity and capital preservation. Permitted holdings include cash, cash equivalents, U.S. Treasury/agency securities, investment-grade bonds, and broadly diversified public funds/ETFs. The CFO executes within these limits, reports quarterly to the Finance Committee, and maintains controls over custody, counterparty limits, and rebalancing.

### 29.3 Statutory Operating Reserve Requirement

As of September 30, 2025, Maryfield, Inc. Continuing Care Retirement Community’s 12-month rolling average independent living unit occupancy was 95.97%. Based on this level of occupancy, the required statutory operating reserve was 25% of projected operating costs for the next 12 months.

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

<b>Component</b>	<b>Amount</b>
Total projected operating expenses	\$40,353,000
Add: Debt service (principal and interest)	\$2,815,000
Less: Principal and interest (covered by Debt Service Reserve Fund)	(\$6,574,000)
Less: Depreciation and amortization	(\$7,280,000)
<b>Net projected operating costs</b>	<b>\$29,314,000</b>
Applicable reserve percentage based on occupancy	25%
<b>Required operating reserve</b>	<b>\$7,329,000</b>
Unrestricted cash & investments on hand	\$20,208,700
<b>Excess above required reserve</b>	<b>\$12,879,700</b>

**Summary:** The required statutory operating reserve was \$7.33 million. Maryfield, Inc. held \$20.2 million in unrestricted cash and investments, providing an excess cushion of \$12.9 million above the statutory minimum.

## 29.4 Refund Security (Entrance Fee Refunds)

Entrance fee refund obligations are supported by unrestricted liquidity, including:

- \$12,879,700 of unrestricted liquidity above the statutory operating reserve.

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

Maryfield, Inc. is not required by statute to escrow entrance fees and none are maintained in escrow.

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

Category	Amount	Notes
Total unrestricted cash & investments	\$20,208,700	All liquid balances (cash and investments)
Less: Required operating reserve	(\$7,329,000)	Must be maintained; release requires regulatory approval
Less: Board-designated for refunds	(\$0)	Internal designation; unrestricted under GAAP
<b>Excess unrestricted cash and investments above operating reserve and board designated refund reserve</b>	<b>\$10,879,700</b>	Available for operations and refund needs (outside of designated reserves)

## 30. Expansion and Renovation Plans

As of September 30, 2025, the Board of Directors of Maryfield, Inc. do not have any plans for expansion.

## 31. Audit Opinion and Timeliness

The financial statements of Maryfield, Inc., for the fiscal year ended September 30, 2025, were audited by Forvis Mazars (Charlotte, NC).

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

## 32. Audited Financial Statements

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

## 33. Five-Year Prospective Financial Statements

The five-year prospective financial statements of Maryfield, Inc., for the period 2026 through 2030 are attached hereto as Appendix B. These statements were prepared and compiled by Forvis Marzars, PLLC, and include a summary of significant assumptions and accounting policies.

## 34. Variances from Prospective Financial Statements

For the fiscal year ended September 30, 2025, management reviewed the results of operations for Maryfield, Inc. against the prospective financial statements filed in the prior year. Variances included both financial line items and key assumptions, such as occupancy, used in preparing the projections. The following material variances were identified:

**Table 34.1: Variance Analysis - Fiscal Year Ended 9/30/25**

Category	Projected Amount	Actual Amount	Variance	Explanation
Independent Living revenue	13.3MM	13.9MM	+4.5%	High-than-expected Independent Living occupancy.
Contributions	\$626K	\$1.4 million	+\$725K	Increased donations
Plant Operations	\$3.8 Million	\$3.7 million	+\$120 K	Plant operation was lower than forecast due to utilities being lower than expected.
Depreciation	\$6.6 million	\$7.0 million	-\$0.5 million	Depreciation was higher than expected due to capitalizing the construction project.

### 35. Key Financial Metrics

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

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

Full statutory text of definitions is provided in Appendix F.

#### 35.1 Liquidity Ratios

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

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

**Table 35.1: Liquidity Ratios**

Ratio	FY-2	FY-1	FY	FY+1	FY+2	FY+3
DCOH	187	220	258	298	329	358
CUSH	2.77x	3.22x	2.93x	4.29x	4.89x	5.31x

**Narrative:**

Liquidity increased modestly through FY 2025 because of reinvestment in campus renovations and temporary use of cash.

Growth is projected in the forecast beginning FY 2026 through FY2030.

#### 35.2 Profitability Ratios

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

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

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

**Table 35.2: Profitability Ratios**

<b>Ratio</b>	<b>FY-2</b>	<b>FY-1</b>	<b>FY</b>	<b>FY+1</b>	<b>FY+2</b>	<b>FY+3</b>
<b>OR</b>	98.0%	94.8%	87.5%	89.5%	89.1%	88.7%
<b>NOM</b>	10.4%	12.8%	18.1%	16.4%	16.2%	16.1%
<b>NOM-A</b>	24.0%	23.6%	29.1%	24.9%	25.0%	25.0%

**Narrative:**

Margins further strengthened beginning FY 2023 as census stabilized, inflation moderated, and expense controls took hold.

Management projects continued modest improvement through FY 2028 as operating efficiencies and entrance-fee inflows support profitability.

### **35.3 Capital Structure Ratios**

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

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

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

**Table 35.3: Capital Structure Ratios**

<b>Ratio</b>	<b>FY-2</b>	<b>FY-1</b>	<b>FY</b>	<b>FY+1</b>	<b>FY+2</b>	<b>FY+3</b>
<b>DSCR</b>	1.67x	1.85x	1.77x	1.91x	1.97x	1.97x
<b>CD</b>	0.16x	0.19x	0.25x	0.30x	0.35x	0.41x
<b>CED</b>	1.55x	0.51x	0.50x	0.46x	0.47x	0.28x

**Narrative:**

The provider maintains healthy coverage.

Capital-expenditure ratios were above one in FY-2 and prior years due to a major capital improvements of 100% of campus in FY21-FY23, indicating adequate reinvestment in campus infrastructure.

## **35.4 Overall Summary**

The provider demonstrate sound liquidity, strong profitability, and conservative leverage. Provider-level liquidity remains comfortably above the required statutory operating reserve level. Projected performance indicates stable or modestly improving results through FY 2028, with sufficient capacity to fund operations, service debt, and support ongoing capital renewal.

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

The actuary review of Maryfield, Inc.'s is not required at this time.

## **37. Most Recent Department Examination Report**

The North Carolina Department of Insurance has not conducted an examination of Maryfield, Inc. pursuant to Article 64A of the North Carolina General Statutes.

## **38. Other Material Information**

Management has reviewed whether there are any additional facts, circumstances, risks, or events that could reasonably be expected to influence a prospective or current resident's decision to contract with Maryfield, Inc. Other than the disclosures provided in prior sections of this Disclosure Statement, management has determined that no additional material information requires disclosure at this time.

## **39. Contract Forms and Attachments**

Maryfield, Inc. offers continuing care contracts. The contract is attached hereto as Appendix D.

### **39.1 Continuing Care Contracts**

Maryfield, Inc. offers one forms of continuing care contracts:

- **Declining Balance Contract (0% Refundable)** – Residents pay the entrance fee. The refundable portion of the entrance fee decreases monthly and amortizes to 0% after a four-nine month period. Once the amortization period has elapsed, no refund is payable upon termination or death of the resident.

All other terms and conditions of the independent living contracts are substantially similar. A representative form of these contracts is included in Appendix D.

## Appendix Index

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

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## **Appendix A — Audited Financial Statements**

*[Audited Financial Statements for Fiscal Year Ended September 30, 2025 to follow]*



# **Maryfield, Inc.**

## **Independent Auditor's Report and Financial Statements**

September 30, 2025 and 2024



**Maryfield, Inc.**  
**Contents**  
**September 30, 2025 and 2024**

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## Independent Auditor's Report

Board of Directors  
Maryfield, Inc.  
High Point, North Carolina

### ***Opinion***

We have audited the financial statements of Maryfield, Inc. which comprise the balance sheets as of September 30, 2025 and 2024, and the related statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Maryfield, Inc. as of September 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Maryfield, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Maryfield, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

***Forvis Mazars, LLP***

**Charlotte, North Carolina  
January 26, 2026**

**Maryfield, Inc.**  
**Balance Sheets**  
**September 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 5,600,427	\$ 3,396,537
Investments	7,639,273	6,364,998
Assets limited as to use, current	4,334,010	4,291,683
Net accounts receivable, residents	3,946,487	3,613,967
Accounts receivable, other	276,179	218,648
Promises to give	455,052	231,315
Prepaid expenses	172,632	326,569
<b>Total Current Assets</b>	<u>22,424,060</u>	<u>18,443,717</u>
<b>Property and Equipment</b>		
Land	1,417,666	1,417,666
Buildings and land improvements	171,619,814	159,429,779
Furniture and equipment	27,391,606	22,220,408
Construction in progress	203,397	13,998,018
<b>Total Property and Equipment</b>	200,632,483	197,065,871
Accumulated depreciation	<u>(79,147,338)</u>	<u>(72,174,089)</u>
<b>Total Property and Equipment, Net</b>	<u>121,485,145</u>	<u>124,891,782</u>
<b>Promises to Give, Net</b>	<u>297,188</u>	<u>797,188</u>
<b>Financing Lease Right-of-Use Asset</b>	<u>192,095</u>	<u>293,052</u>
<b>Assets limited as to use</b>		
Trustee-held investments	9,171,618	9,637,379
Statutory operating reserves	6,969,000	6,553,000
	<u>16,140,618</u>	<u>16,190,379</u>
<b>Assets Held in Perpetuity</b>		
Beneficial interest in perpetual trust	2,416,504	2,306,880
Investments	3,498,224	3,158,090
	<u>5,914,728</u>	<u>5,464,970</u>
<b>Total Assets</b>	<u>\$ 166,453,834</u>	<u>\$ 166,081,088</u>

**Maryfield, Inc.**  
**Balance Sheets**  
**September 30, 2025 and 2024**

**(Continued)**

	<u>2025</u>	<u>2024</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 1,159,848	\$ 1,611,510
Accrued expenses	1,389,772	1,285,792
Estimated current portion of refundable fees	2,173,000	2,122,000
Current portion of long-term debt	2,815,000	2,906,215
Bond interest payable	1,519,010	1,596,683
Current portion of financing lease liability	125,844	125,844
	<u>9,182,474</u>	<u>9,648,044</u>
<b>Total Current Liabilities</b>	9,182,474	9,648,044
Long-term debt, net of current portion	83,483,124	87,195,190
Unamortized debt issuance costs, net	(1,436,960)	(1,535,954)
	<u>82,046,164</u>	<u>85,659,236</u>
<b>Long-Term Debt, Net</b>	82,046,164	85,659,236
Refundable deposits	1,574,522	1,263,112
Refundable advance fees, net of current portion	11,245,116	13,128,404
Deferred revenue from advance fees	29,773,156	27,474,889
Financing lease liability, net	79,421	180,232
Other liability	19,125	31,875
	<u>133,919,978</u>	<u>137,385,792</u>
<b>Total Liabilities</b>	133,919,978	137,385,792
<b>Net Assets</b>		
Without donor restrictions	27,809,611	23,795,248
With donor restrictions	4,724,245	4,900,048
	<u>32,533,856</u>	<u>28,695,296</u>
<b>Total Net Assets</b>	32,533,856	28,695,296
<b>Total Liabilities and Net Asset</b>	<u>\$ 166,453,834</u>	<u>\$ 166,081,088</u>

**Maryfield, Inc.**  
**Statements of Operations and Changes in Net Assets**  
**Years Ended September 30, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
<b>Revenue, Gains and Other Support</b>		
Net patient service revenue	\$ 15,426,781	\$ 14,036,379
Independent living revenue (including amortization of advance fees of \$3,428,145 in 2025 and \$3,457,612 in 2024)	17,322,552	16,214,535
Assisted living revenue (including amortization of advance fees of \$60,284 in 2025 and \$94,595 in 2024)	4,380,975	4,195,755
Contributions	1,351,063	1,255,822
Investment income	939,616	516,044
Other operating income	594,845	411,013
<b>Total Revenue, Gains and Other Support</b>	<b>40,015,832</b>	<b>36,629,548</b>
<b>Expenses</b>		
Healthcare households	14,353,968	13,876,975
Dietary	4,333,021	4,201,702
Laundry and housekeeping	1,072,066	1,058,473
Plant operation	3,659,173	3,473,863
Administrative	3,671,294	3,732,469
Development and marketing	950,088	948,582
Depreciation and amortization	7,074,206	6,309,283
Interest	3,918,952	4,079,042
<b>Total Expenses</b>	<b>39,032,768</b>	<b>37,680,389</b>
<b>Operating Gain (Loss)</b>	<b>983,064</b>	<b>(1,050,841)</b>
<b>Non-Operating Activity</b>		
Net unrealized gain on investments	1,187,761	3,165,488
<b>Excess of Revenue Over Expenses</b>	<b>\$ 2,170,825</b>	<b>\$ 2,114,647</b>

**Maryfield, Inc.**  
**Statements of Operations and Changes in Net Assets**  
**Years Ended September 30, 2025 and 2024**

**(Continued)**

	<u>2025</u>	<u>2024</u>
<b>Net Assets without Donor Restrictions</b>		
Excess of revenue over expenses	\$ 2,170,825	\$ 2,114,647
Contribution of long-lived assets	1,039,760	
Assets released from restriction - capital	<u>803,778</u>	<u>2,115,790</u>
<b>Change in Net Assets without Donor Restrictions</b>	<u>4,014,363</u>	<u>4,230,437</u>
<b>Net Assets with Donor Restrictions</b>		
Assets released from restriction	(803,778)	(2,115,790)
Contributions in the current year	518,352	1,313,439
Net change in beneficial interest assets in perpetual trust	<u>109,623</u>	<u>304,342</u>
<b>Change in Net Assets with Donor Restrictions</b>	<u>(175,803)</u>	<u>(498,009)</u>
<b>Change in Net Assets</b>	3,838,560	3,732,428
<b>Net Assets, Beginning of Year</b>	<u>28,695,296</u>	<u>24,962,868</u>
<b>Net Assets, End of Year</b>	<u>\$ 32,533,856</u>	<u>\$ 28,695,296</u>

**Maryfield, Inc.**  
**Statements of Cash Flows**  
**Years Ended September 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>Operating Activities</b>		
Change in net assets	\$ 3,838,560	\$ 3,732,428
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	7,074,206	6,309,283
Amortization of debt issuance costs	98,994	98,994
Net amortization of bond premium/discount	(310,032)	(310,033)
Change in allowance for accounts receivable, residents	450,000	-
Restricted contributions for long-term purposes	(518,352)	(1,313,439)
Contribution of long-lived assets	(1,039,760)	-
Realized and unrealized (gain) loss on investments, net	(1,534,362)	(3,158,111)
Net change in beneficial interest in perpetual trust	(109,623)	(304,342)
Amortization of advance fees	(3,488,429)	(3,552,207)
Entrance fee receipts from turnover units	5,786,696	5,905,773
Net change in assets and liabilities:		
Accounts receivable, residents	(782,520)	(910,928)
Accounts receivable, other	(57,531)	271,123
Promises to give without donor restrictions	1,009	741
Prepaid expenses	153,937	(58,218)
Accounts payable	(451,662)	(721,737)
Accrued expenses	103,980	87,491
Bond interest payable	(77,673)	(107,426)
Other liabilities	(12,750)	(12,750)
Refundable deposits held in escrow	311,410	579,006
<b>Net Cash Provided by Operating Activities</b>	<u>9,436,098</u>	<u>6,535,648</u>
<b>Investing Activities</b>		
Purchase of property and equipment	(2,325,230)	(2,886,822)
Purchase of investments	(609,027)	(22,486)
Sales of investments	5,281,713	840,000
<b>Net Cash Provided (used) by Investing Activities</b>	<u>2,347,456</u>	<u>(2,069,308)</u>

**Maryfield, Inc.**  
**Statements of Cash Flows**  
**Years Ended September 30, 2025 and 2024**

**(Continued)**

	<u>2025</u>	<u>2024</u>
<b>Financing Activities</b>		
Refunds of advance fees	\$ (1,832,288)	\$ (2,187,765)
Restricted cash contributions for long-term purposes	793,606	1,469,373
Proceeds from loan	-	814,830
Lease payments	(100,811)	(58,717)
Entrance fees from initial units	-	1,533,720
Bond retirements and debt payments	<u>(3,493,249)</u>	<u>(8,435,598)</u>
<b>Net Cash Used by Financing Activities</b>	<u>(4,632,742)</u>	<u>(6,864,157)</u>
<b>Net Change</b>	7,150,812	(2,397,817)
<b>Cash, Cash Equivalents and Restricted Cash, Beginning of Year</b>	<u>8,858,870</u>	<u>11,256,687</u>
<b>Cash, Cash Equivalents and Restricted Cash, End of Year</b>	<u>\$ 16,009,682</u>	<u>\$ 8,858,870</u>
<b>Supplemental Cash Flows Information</b>		
Cash paid during the year for interest	<u>\$ 3,885,219</u>	<u>\$ 4,070,782</u>
<b>Noncash items related to other comprehensive income</b>		
Contribution of long-lived assets	<u>\$ 1,039,760</u>	<u>\$ -</u>
Purchase of property and equipment included in accounts payable	<u>\$ -</u>	<u>\$ 386,812</u>
<b>Reconciliation of Amounts Included in the Statements of Cash Flows as Cash, Cash Equivalents, and Restricted Cash to the Balance Sheets</b>		
Cash and cash equivalents	\$ 5,600,427	\$ 3,396,537
Cash in Trustee-held investments	<u>10,409,255</u>	<u>5,462,333</u>
<b>Cash, Cash Equivalents and Restricted Cash, End of Year</b>	<u>\$ 16,009,682</u>	<u>\$ 8,858,870</u>

## Note 1. Nature of Business and Summary of Significant Accounting Policies

### ***Nature of Business***

Maryfield, Inc. (the “Organization”) is a non-profit organization that provides housing, health care, and other related services to residents through the operation of a continuing-care retirement community (Pennybyrn at Maryfield) in High Point, North Carolina. The facilities include 49 cottages, 131 apartments plus an additional 42 units completed in November 2022 (Independent Living), a community and wellness center with extensive amenities, a Transitional Rehabilitation Center with 24 private rooms completed in March 2023, 48 assisted-living apartments, and a 101-bed health care facility (Maryfield Health Care Households).

The Organization has been working on an expansion project in recent years and recently completed the last phase of the project in November 2024 consisting of the 42 additional independent living units (discussed above) and the new Transitional Rehabilitation Center that includes 24 private rooms and state of the art therapy facility. The Transitional Rehabilitation Rooms are located in a new facility that follows the existing rate structure. The project also includes additions and improvements in the independent living, assisted living, healthcare areas as well as upgrades and refurbishment to the exteriors of the buildings on the campus.

### ***Basis of Presentation***

The accompanying financial statements have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

The Organization classifies its net assets as net assets with or without donor restrictions:

- *Net assets without donor restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for board-designated endowments.
- *Net assets with donor restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

### ***Cash and Cash Equivalents***

Cash and cash equivalents include certain investments in highly liquid instruments with original maturities of three months or less when purchased. Cash and cash equivalents are carried at cost, which approximates fair value.

### ***Investments***

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value.

Investment income (including realized and unrealized gains and losses on investments, interest income and dividends) is included in excess of revenues over expenses unless restricted by donor or law.

### ***Accounts Receivable, Residents***

The Organization uses the allowance method to determine uncollectible resident receivables. This allowance is equal to the estimated losses to be incurred in collection of the receivables and is based on historical collection experience and management’s analysis of the current status of existing receivables. The Organization believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses.

***Unconditional Promises to Give***

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. The Organization uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

***Property, Equipment and Depreciation***

Property and equipment purchased are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Expenditures for maintenance, repairs, and minor renewals are charged to expense as incurred. Major renewals and betterments are capitalized. Capitalized development and construction costs represent the planning, development and construction costs incurred to date related to the Organization's expansion and renovation project.

The Organization reviews its long-lived assets for impairment annually or 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 the 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 realizable value is less than the carrying amount. At September 30, 2025, the Organization has determined that no impairment indicators exist.

Depreciation is provided principally on the straight-line method over the following estimated useful lives:

Buildings	10 to 50 years
Land improvements	10 years
Furniture and equipment	3 to 10 years

***Assets Limited as to Use***

Assets limited as to use include trustee-held assets and statutory operating reserves. Trustee-held investments represent funds required by the Organization's bond documents to be held by a Trustee and include various bond interest accounts, debt service reserve accounts, and accounts to be used for expansion project. North Carolina General Statute Chapter 58, Article 64 sets forth minimum operating reserve requirements. The operating reserves are not required to be maintained in a separate escrow account and are comingled with unrestricted investments and cash. The Organization was required to maintain a 25% operating reserve at September 30, 2025 and 2024. Assets limited as to use that are required to meet current liabilities of the Organization have been classified as current in the balance sheets at September 30, 2025 and 2024.

***Leases***

At lease inception, the Organization determines whether an arrangement is or contains a lease. Finance leases are included in right-of-use (ROU) assets in the accompanying financial statements. ROU assets represent the Organization's right to use leased assets over the term of the lease. Lease liabilities represent the Organization's contractual obligation to make lease payments over the lease term.

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For finance leases, after lease commencement, the lease liability is measured on an amortized cost basis and increased to reflect interest on the liability and decreased to reflect the lease payment made during the period. Interest on the lease liability is determined each period during the lease term as the amount that results in a constant period discount rate on the remaining balance of the liability. The ROU asset is subsequently measured at cost, less any accumulated amortization and any accumulated impairment losses. Amortization on the ROU asset is recognized over the period from the commencement date to the earlier of (1) the end of the useful life of the ROU asset, or (2) the end of the lease term. The discount rate used by the Organization for finance leases is generally the incremental borrowing rate, as most such leases do not provide a readily determinable implicit interest rate. To the extent a lease arrangement includes both lease and non-lease components, the components are not accounted for separately.

***Capitalized Bond Issuance Costs***

Capitalized bond issuance costs at September 30, 2025 and 2024 include costs paid to issue the Series 2015 and Series 2020 bonds and are being amortized over the life of the bonds on a straight-line basis, which approximates amortization calculated using the effective interest method.

***Refundable Deposits***

Refundable deposits represent deposits paid by future residents.

***Deferred Revenue from Advance Fees***

Advance fees paid by a resident upon entering Independent Living or Assisted Living are recorded as either refundable deposits, or deferred revenue from advance fees. Deferred revenue is amortized to income using the straight-line method over the estimated remaining life expectancy of the resident. Periodic fees are charged for services and use of facilities which approximate the cost of delivering those services. Upon termination (moving or death), residents may be entitled to a refund of a portion of their advance fee. The refund amount depends on the type of contract and the length of residency.

Three alternative entrance fee plans provide for refunds to residents from re-occupancy proceeds. The traditional entrance fee option, prior to 49 months of occupancy, offers residents a refund equal to the entrance fee, less 2% per month of occupancy and a 2% administrative fee. The 50% refundable plan offers the resident a refund equal to 50% of the entrance fee after 24 months of occupancy. Prior to 24 months of occupancy, the resident is entitled to a refund of the entrance fee, less 2% per month of occupancy and a 2% administrative fee. The 90% refundable plan offers the resident a refund equal to 90% of the entrance fee after 8 months of occupancy. Prior to 8 months of occupancy, the resident is entitled to a refund of the entrance fee less 1% per month of occupancy and a 2% administrative fee.

Total contractual refund obligations in the event of move-out, death, or termination at September 30, 2025 and 2024 were \$20,844,728 and \$22,352,294, respectively.

***Contributions Support and Donor-Imposed Restrictions***

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions, if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without restriction and reported in the statement of operations as net assets released from restrictions.

### ***Net Patient Service Revenue***

Net patient service revenue is reported at the estimated net realizable amounts due from residents, third-party payors, and others for services rendered. Revenue under third-party payor agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between the estimated amounts accrued, and interim and final settlements are reported in operations in the year of settlement.

Revenue from Medicare and Medicaid accounted for approximately 33% and 23%, respectively, of the Organization's net patient service revenue for the year ended September 30, 2025, and 30% and 23%, respectively, of the Organization's net patient service revenue for the year ended September 30, 2024.

### ***Income Taxes***

The Organization has been recognized by the Internal Revenue Service as a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal income taxes pursuant to Section 501(a) of the IRC. The Organization has no material uncertain tax positions requiring disclosure.

### ***Excess of Revenues Over Expenses***

The statements of operations include excess of revenues over expenses. Changes in net assets without donor restrictions which are excluded from excess of revenues over expenses, consistent with industry practice, include restricted contributions and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

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

Except for fixed-rate, long-term debt, the carrying amounts of the Organization's significant financial instruments, none of which are held for trading purposes, approximate fair value at September 30, 2025 and 2024. Cash and cash equivalents, restricted cash, resident and other receivables, accounts payable, and accrued expenses approximate fair value because of the short maturities of these instruments. Unconditional promises to give approximate fair value because these instruments are recorded at net present value. Investments are reported at fair value. The line of credit (when used) approximates fair value because of their floating interest rate terms.

### ***Estimates***

The preparation of 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 reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

### ***Obligation to Provide Future Services***

The Organization enters into continuing-care contracts with various residents. A continuing-care contract is an agreement between a resident and the Organization specifying the services and facilities to be provided to a resident over his or her remaining life. Under the contracts, based upon the level of service provided, the Organization has the ability to increase fees as deemed necessary.

Management has evaluated the need to record an obligation to provide future services. No liability was determined to be necessary, therefore no liability has been recorded.

***Methods used for Allocation of Expenses among Programs and Supporting Services***

The Organization has presented a schedule of expenses by both function and nature in Note 17. The Organization allocates expenses on a functional basis among its various programs and supporting services. The schedule of expenses in Note 17 reports certain categories of expenses that are attributable to one or more program or supporting services of the retirement community. These expenses include salaries and benefits. Salaries and benefits are allocated based on an estimate of time spent on each activity.

***Subsequent Events Evaluation***

The Organization evaluated the effect subsequent events would have on the financial statements through January 26, 2026, which is the date the financial statements were issued.

**Note 2. Revenue Recognition**

The Organization generates revenues, primarily by providing housing and health services to its residents. The following streams of revenue are recognized as follows:

***Monthly service fees:***

The contracts that residents select require an advanced fee and monthly fees based upon the type of independent living unit they are applying for. Resident fee revenue for recurring and routine monthly services is generally billed monthly in advance. Payment terms are usually due within 30 days. The services provided encompass social, recreational, dining along with assisted living and nursing care and these performance obligations are earned each month. Under ASC Topic 606, management has determined that the performance obligation for the standing obligation to provide the appropriate level of care is the predominate component and does not contain a lease component under ASC Topic 842. Resident fee revenue for non-routine or additional services are billed monthly in arrears and recognized when the service is provided.

***Entrance fees:***

The nonrefundable entrance fees are recognized as deferred revenue upon receipt of the payment and included in liabilities in the balance sheet until the performance obligations are satisfied. Management has determined the contracts do not contain a significant financing component as the advanced payment assures residents the access to health care in the future. These deferred amounts are then amortized on a straight-line basis into revenue on a monthly basis over the estimated life of the resident as the performance obligation is the material right associated with access to future services as described in FASB ASC 606-10-55 paragraph 42 and 51.

***Health care services:***

The Organization provides assisted and nursing care to residents who are covered by government and commercial payers. The Organization is paid fixed daily rates from government and commercial payers. The fixed daily rates and other fees are billed in arrears monthly. The monthly fees represent the most likely amount to be received from the 3rd party payors. Most rates are predetermined from Medicare and Medicaid. Under ASC Topic 606, management has elected to utilize the portfolio approach in aggregating the revenues under these revenue streams.

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The Organization disaggregates its revenue from contracts with customers by payor source, as the Organization believes it best depicts how the nature, timing and uncertainty of its revenues and cash flows are affected by economic factors. See details on a reportable segment basis in the table below:

	<b>September 30, 2025</b>			<b>Total</b>
	<b>Independent Living</b>	<b>Assisted Living</b>	<b>Medical Center</b>	
Private pay and commercial	\$ 17,322,552	\$ 4,380,975	\$ 6,354,749	\$ 28,058,276
Government reimbursement	-	-	9,072,032	9,072,032
Total	<u>\$ 17,322,552</u>	<u>\$ 4,380,975</u>	<u>\$ 15,426,781</u>	<u>\$ 37,130,308</u>

	<b>September 30, 2024</b>			<b>Total</b>
	<b>Independent Living</b>	<b>Assisted Living</b>	<b>Medical Center</b>	
Private pay and commercial	\$ 16,214,535	\$ 4,195,755	\$ 5,949,177	\$ 26,359,467
Government reimbursement	-	-	8,087,202	8,087,202
Total	<u>\$ 16,214,535</u>	<u>\$ 4,195,755</u>	<u>\$ 14,036,379</u>	<u>\$ 34,446,669</u>

**Note 3. Investment Securities**

The Organization's investments consist of a broad range of securities. The Organization employs investment managers with expertise in specific asset classes in an effort to achieve a diversified portfolio of investments that maximizes return relative to risk.

The following schedules summarize the investment income and its classification in the statements of operations and changes in net assets for the years ended September 30, 2025 and 2024.

	<b>2025</b>			<b>2024</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Interest and dividends	\$ 593,015	\$ -	\$ 593,015	\$ 523,421	\$ -	\$ 523,421
Net realized gains (losses)	346,601	-	346,601	(7,377)	-	(7,377)
Operating investment income	939,616	-	939,616	516,044	-	516,044
Net unrealized gains	1,187,761	109,623	1,297,384	3,165,488	304,342	3,469,830
Total investment income	<u>\$ 2,127,377</u>	<u>\$ 109,623</u>	<u>\$ 2,237,000</u>	<u>\$ 3,681,532</u>	<u>\$ 304,342</u>	<u>\$ 3,985,874</u>

Investment income without donor restrictions is reported in the statements of operations and changes in net assets net of investment advisory fees of approximately \$99,000 and \$126,000 for the years ended September 30, 2025 and 2024, respectively.

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**Note 4. Promises To Give**

Unconditional promises to give at September 30 are as follows, net of allowances:

	<u>2025</u>	<u>2024</u>
Receivable in less than one year	\$ 455,052	\$ 231,315
Receivable in one to five years	<u>300,000</u>	<u>800,000</u>
Total unconditional promises to give	755,052	1,031,315
Less discount to net present value	<u>(2,812)</u>	<u>(2,812)</u>
Net unconditional promises to give	<u>\$ 752,240</u>	<u>\$ 1,028,503</u>

At September 30, 2025 and 2024, 94% of unconditional promises to give were from three donors.

**Note 5. Beneficial Interest in Perpetual Trust**

The Organization is the sole beneficiary of an irrevocable trust established for the purpose of providing assistance to those residents whose level of income is not sufficient to pay for nursing care. The fair value of the assets of the trust, which are under the control of an outside fiscal agent, are reported in the accompanying balance sheets as a beneficial interest in perpetual trust. Investment income disbursed from this trust is restricted for providing care to residents and amounted to \$98,000 and \$90,000 for the years ended September 30, 2025 and 2024, respectively.

**Note 6. Long-Term Debt**

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

	<u>2025</u>	<u>2024</u>
Series 2015 First Mortgage Revenue Refunding Bonds	\$ 45,085,000	\$ 47,780,000
Series 2020 First Mortgage Revenue Bonds	37,715,000	37,715,000
Promissory Note	<u>-</u>	<u>798,249</u>
	82,800,000	86,293,249
Plus: unamortized issuance premium, net	3,498,124	3,808,156
Less: current portion	<u>(2,815,000)</u>	<u>(2,906,215)</u>
Long-term debt, net of current portion	83,483,124	87,195,190
Less: unamortized debt issuance costs, net	<u>(1,436,960)</u>	<u>(1,535,954)</u>
	<u>\$ 82,046,164</u>	<u>\$ 85,659,236</u>

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On April 29, 2015, through the North Carolina Medical Care Commission (the Commission), the Organization issued \$66,135,000 Series 2015 First Mortgage Revenue Bonds to refinance current outstanding bonds at that time. The Series 2015 bonds mature in October 2015 through October 2035, with interest rates ranging from 1.25% to 5.00%. The Series 2015 bonds are collateralized by a security interest in all gross receipts, accounts, equipment, general intangibles, inventory, real estate, buildings, improvements, documents, instruments and chattel paper currently owned or hereafter acquired, and all proceeds thereof, excluding contract rights consisting of charitable pledges. The trust indentures and loan agreements underlying the bonds contain certain covenants and restrictions.

The Organization had a secured line of credit with a financial institution with a credit limit of \$1,500,000 during the year ended September 30, 2024. The line of credit expired during the year ended September 30, 2025 and management did not renew it.

On September 1, 2020, through the Commission, the Organization issued \$47,840,000 Series 2020 First Mortgage Revenue Bonds to finance an expansion project. Approximately \$10,000,000 of the outstanding balance was repaid using proceeds from entrance fees on the new units. The remaining Series 2020 bonds mature through October 2050, with interest rates ranging from 2.50% to 5.00%. The Series 2020 bonds are collateralized by a security interest in all gross receipts, accounts, equipment, general intangibles, inventory, real estate, buildings, improvements, documents, instruments and chattel paper currently owned or hereafter acquired, and all proceeds thereof, excluding contract rights consisting of charitable pledges. The trust indentures and loan agreements underlying the bonds contain certain covenants and restrictions.

On June 1, 2023, the Organization obtained a promissory note for an amount not to exceed \$3,200,000 with interest at 6.5% per annum. Interest only payments commenced in July 2023. Monthly principal and interest payments commenced in July 2025 for the next 5 years with all interest and principal due in June 2030. The note is collateralized by a security interest in all gross receipts, accounts, equipment, general intangibles, inventory, real estate, buildings, improvements, documents, instruments and chattel paper currently owned or hereafter acquired, and all proceeds thereof, excluding contract rights consisting of charitable pledges.

The schedule below represents the future schedule of the estimated principal payments and maturities of long-term debt at September 30, 2025:

	<b>Series 2015 Scheduled Payments</b>	<b>Series 2020 Scheduled Payments</b>	<b>Promissory Note Scheduled Payments</b>	<b>Total</b>
<b><u>Year ending September 30,</u></b>				
2026	\$ 2,815,000	\$ -	\$ -	\$ 2,815,000
2027	2,960,000	-	-	2,960,000
2028	3,105,000	-	-	3,105,000
2029	3,260,000	-	-	3,260,000
2030	3,420,000	-	-	3,420,000
Thereafter	<u>29,525,000</u>	<u>37,715,000</u>	<u>-</u>	<u>67,240,000</u>
	<u>\$ 45,085,000</u>	<u>\$ 37,715,000</u>	<u>\$ -</u>	<u>\$ 82,800,000</u>

For the years ended September 30, 2025 and 2024, interest of \$32,706 and \$140,131, respectively, that pertains to the expansion project construction was capitalized.

**Note 7. Net Assets With Donor Restrictions**

As disclosed in Note 1, contributions are accounted for based on donor-imposed restrictions. The following is a summary of net assets with donor restrictions at September 30:

	<u>2025</u>	<u>2024</u>
Employee education	\$ 452,952	\$ 228,206
Various capital items	297,188	797,188
Capital campaign and gift account	547,601	557,774
Endowment funds	1,010,000	1,010,000
Beneficial interest in perpetual trust	<u>2,416,504</u>	<u>2,306,880</u>
	<u>\$ 4,724,245</u>	<u>\$ 4,900,048</u>

Net assets with permanent donor restrictions are restricted to investments in perpetuity, the income from which is expendable for providing care to residents. Releases from restriction during the years ended September 30, 2025 and 2024 were for capital purposes and primarily relate to amounts received and used to fund the expansion as described in Note 1.

**Note 8. Professional Liability Insurance**

The Organization’s malpractice insurance coverage is on a claims made basis with limits of coverage of \$1,000,000 for any one claim and \$3,000,000 in annual aggregate, with an excess liability policy of \$3,000,000 for any one claim and \$3,000,000 in annual aggregate. In the opinion of Management, the extent of adverse claim settlements of asserted and unasserted claims, if any, will not have a material adverse effect on the Organization’s financial position.

**Note 9. Retirement Plan**

The Organization sponsors a retirement plan with a 401(k) benefit (the “Plan”) that covers substantially all employees. The Organization matches 100% of the employee’s contributions up to 3% of their annual salary and matches 50% of the next 2% of the employee’s contributions. Total contribution to the retirement plan for the years ended September 30, 2025 and 2024 was \$233,397 and \$211,740, respectively.

**Note 10. Self-Insurance Plan**

The Organization is partially self-insured for employees’ health insurance through a medical self-insurance plan (the Plan). Under the Plan, for the years ended September 30, 2025 and 2024, the Organization is responsible for the first \$90,000 of covered medical expenses per individual annually with an aggregate group claims limitation of \$2,440,452. Any claims in excess of these limitations are covered by an insurance policy. Claims are expensed as incurred, including an estimate for claims incurred, but not yet reported, of approximately \$100,000 as of September 30, 2025 and 2024.

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Expenses incurred under the Plan for the years ended September 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Medical insurance premiums and administrative cost	\$ 586,267	\$ 631,727
Claims incurred	<u>1,646,625</u>	<u>1,876,585</u>
	<u>\$ 2,232,892</u>	<u>\$ 2,508,312</u>

**Note 11. Concentrations of Credit Risk**

The Organization's operating funds, comprised of cash and cash equivalents, are held by a certain financial institution. At various times throughout the year, the Organization had deposits at the bank in excess of the amounts covered by federal depository insurance. Management believes the credit risk related to these deposits is minimal.

The Organization grants credit without collateral to its residents. The mix of receivables from residents and third-party payors at September 30, 2025 and 2024 was as follows:

	<u>2025</u>	<u>2024</u>
Medicare	37%	21%
Medicaid	12%	10%
VA	16%	34%
Residents	<u>35%</u>	<u>35%</u>
	<u>100%</u>	<u>100%</u>

**Note 12. Related Party Transactions**

From its inception in 1947 through July 13, 2025, the Organization has been sponsored by the Poor Servants of the Mother of God (SMG), a congregation of sisters associated with the Roman Catholic Church. The sisters provide a variety of services to the Organization, including executive management and a variety of religious duties. Payments to SMG for these services were \$54,000 and \$144,000 for the years ended September 30, 2025 and 2024, respectively. Once the sponsorship ended, SMG donated a building to the Organization in 2025 with a fair value of approximately \$1,039,000, which was recorded as a contribution of a long lived asset during the year ended September 30, 2025. The Organization is now sponsored by the Diocese of Charlotte and pays an annual fee of approximately \$6,800 for the Father that is onsite.

The Organization has a contract for grounds maintenance with a company related to one of the Organization's key management employees. Payments to this company amounted to \$349,060 and \$370,935 for the years ended September 30, 2025 and 2024, respectively.

**Note 13. Benevolent Assistance**

The Organization has a benevolent assistance policy for residents who have demonstrated an inability to fully pay charges and provides discounted charges to these residents. The discounts provided to residents were approximately \$1,113,000 and \$256,000 for the years ended September 30, 2025 and 2024, respectively. In addition to this benevolent assistance, the Organization has unreimbursed costs related to participation in the Medicaid program of approximately \$2,000,000 and \$1,700,000 for years ended September 30, 2025 and 2024, respectively. The amount identified for the year ended September 30, 2025 and 2024 is calculated using a cost to charge ratio based on information obtained from the prior year cost report and its relationship to gross revenue for the year.

**Note 14. Endowment Funds**

The Organization’s endowment fund was established to help support residents who have exhausted their financial resources. The Organization has interpreted the North Carolina Uniform Prudent Management of Institutional Funds Act (NC UPMIFA) 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 (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulations to the donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The Organization has adopted investment and spending policies approved by the Board of Directors, that strive to generate spendable income and grow the market value of the assets without undue exposure to risk. The endowment is invested in a well-diversified asset mix of approximately 70% equities and 30% fixed-income assets and is managed by a group of professional fund managers overseen by an investment advisor and the Investment Committee of the Board of Directors.

The performance objective is to achieve a total return (net of fees and expenses) of the Consumer Price Index plus 4%. The Organization has a spending policy of appropriating for distribution up to 5% of the endowment fund’s average fair value of the prior three years’ fiscal year ends preceding the fiscal year in which the distribution is planned.

Endowment composition by type of fund as of September 30, 2025 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Endowment Assets</u>
Donor-restricted endowment funds	\$ -	\$ 1,010,000	\$ 1,010,000
Board-designated endowment funds	<u>2,488,224</u>	<u>-</u>	<u>2,488,224</u>
Total funds, end of year	<u>\$ 2,488,224</u>	<u>\$ 1,010,000</u>	<u>\$ 3,498,224</u>

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Endowment activity for the year ended September 30, 2025 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning	\$ 2,148,090	\$ 1,010,000	\$ 3,158,090
Investment income (net)	95,490	-	95,490
Unrealized gains (net)	<u>244,644</u>	<u>-</u>	<u>244,644</u>
Endowment net assets, ending	<u>\$ 2,488,224</u>	<u>\$ 1,010,000</u>	<u>\$ 3,498,224</u>

Endowment composition by type of fund as of September 30, 2024 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Endowment Assets</u>
Donor-restricted endowment funds	\$ -	\$ 1,010,000	\$ 1,010,000
Board-designated endowment funds	<u>2,148,090</u>	<u>-</u>	<u>2,148,090</u>
Total funds, end of year	<u>\$ 2,148,080</u>	<u>\$ 1,010,000</u>	<u>\$ 3,158,090</u>

Endowment activity for the year ended September 30, 2024 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning	\$ 1,520,279	\$ 1,010,000	\$ 2,530,279
Investment income (net)	97,026	-	97,026
Realized gains (net)	82,453	-	82,453
Unrealized gains (net)	<u>448,332</u>	<u>-</u>	<u>448,332</u>
Endowment net assets, ending	<u>\$ 2,148,090</u>	<u>\$ 1,010,000</u>	<u>\$ 3,158,090</u>

**Note 15. Fair Value Measurements**

Fair value, as defined under accounting principles generally accepted in the United States (GAAP), is an exit price representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1**    Observable inputs such as quoted prices in active markets.
- Level 2**    Inputs other than quoted prices in active markets that are either directly or indirectly observable.
- Level 3**    Unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

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Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Organization's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities, and their placement within the fair value hierarchy levels.

When quoted prices are available in active markets for identical instruments, investment securities are classified within Level 1 of the fair value hierarchy. Level 1 investments include mutual funds and US government and federal agencies.

Level 3 investments include beneficial interests in perpetual trusts valued at the market price of the underlying investments in the trusts.

The tables below set forth the valuation of securities and investments by the above fair value hierarchy levels as of September 30:

	<b>2025</b>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Beneficial interest in perpetual trusts*	\$ -	\$ -	\$ 2,416,504	\$ 2,416,504
Fixed income obligation	3,159,275	-	-	3,159,275
Mutual Funds:				
Equity	14,102,681	-	-	14,102,681
Fixed income	<u>3,940,915</u>	<u>-</u>	<u>-</u>	<u>3,940,915</u>
Total	<u>\$ 21,202,871</u>	<u>\$ -</u>	<u>\$ 2,416,504</u>	<u>\$ 23,619,375</u>

	<b>2024</b>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Beneficial interest in perpetual trusts*	\$ -	\$ -	\$ 2,306,880	\$ 2,306,880
Fixed income obligation	8,538,990	-	-	8,538,990
Mutual Funds:				
Equity	12,409,766	-	-	12,409,766
Fixed income	<u>3,594,060</u>	<u>-</u>	<u>-</u>	<u>3,594,060</u>
Total	<u>\$ 24,542,816</u>	<u>\$ -</u>	<u>\$ 2,306,880</u>	<u>\$ 26,849,696</u>

The Organization had \$10,409,254 and \$5,462,333 of cash and cash equivalents as of September 30, 2025 and 2024, respectively, which were not classified as a Level.

\*As further explained in Note 5, the Organization has a beneficial interest in a perpetual trust. The value of this trust is disclosed in level 3 in the fair value table above in accordance with GAAP and are valued at the market price of the investments. The underlying investments of the trust are substantially made up of publicly traded mutual funds in addition to some amounts considered cash and cash equivalents.

**Maryfield, Inc.**  
**Notes to Financial Statements**  
**September 30, 2025 and 2024**

The following is a reconciliation of the beginning and ending balances of assets measured at fair value on a recurring basis classified as Level 3 during the years ended September 30, 2025 and 2024.

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 2,306,880	\$ 2,002,539
Withdrawals	(98,000)	(90,000)
Income, net of fees	55,346	27,806
Realized gains (losses)	50,378	22,344
Unrealized gains (losses)	<u>101,900</u>	<u>344,191</u>
	<u>\$ 2,416,504</u>	<u>\$ 2,306,880</u>

**Note 16. Liquidity and Availability**

As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenses, liabilities, and other obligations come due.

The following schedule reflects the Organization's financial assets to meet cash needs for general expenses within one year. The financial assets were derived from the total assets on the balance sheets by excluding the assets that are unavailable for general expenses in the next 12 months.

The Organization seeks to maintain sufficient liquid assets to cover three months' operating and capital expenses.

<u>Asset Categories</u>	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 5,600,427	\$ 3,396,537
Less: restricted cash and cash equivalents	(547,601)	(557,774)
Investments	7,639,273	6,364,998
Accounts receivable – residents, net	3,946,487	3,613,967
Accounts receivable – other	<u>276,179</u>	<u>218,648</u>
	<u>\$ 16,914,765</u>	<u>\$ 13,036,376</u>

**Note 17. Schedule of Expenses by Nature and Function**

The following is a schedule of expenses by both nature and function for the year ended September 30, 2025:

	<u>Program Services</u>	<u>Administrative and General</u>	<u>Marketing and Development</u>	<u>Total</u>
Salaries and benefits	\$ 15,746,553	\$ 1,744,338	\$ 582,187	\$ 18,073,078
Pharmacy, therapy, and supplies	2,017,321	-	-	2,017,321
Professional fees and services	95,660	991,386	47,578	1,134,624
Occupancy	5,243,725	360,260	-	5,603,985
Insurance	-	603,076	-	603,076
Education	101,388	99,139	21,036	221,563
Marketing	27,954	-	358,009	385,963
Depreciation	7,074,206	-	-	7,074,206
Interest	-	<u>3,918,952</u>	-	<u>3,918,952</u>
Total expenses	<u>\$ 30,306,807</u>	<u>\$ 7,717,151</u>	<u>\$ 1,008,810</u>	<u>\$ 39,032,768</u>

**Maryfield, Inc.**  
**Notes to Financial Statements**  
**September 30, 2025 and 2024**

The following is a schedule of expenses by both nature and function for the year ended September 30, 2024:

	<u>Program Services</u>	<u>Administrative and General</u>	<u>Marketing and Development</u>	<u>Total</u>
Salaries and benefits	\$ 15,268,155	\$ 1,721,644	\$ 537,700	\$ 17,527,499
Pharmacy, therapy, and supplies	1,945,849	-	-	1,945,849
Professional fees and services	135,227	1,013,396	51,177	1,199,800
Occupancy	5,013,002	329,371	-	5,342,373
Insurance	-	678,605	-	678,605
Education	110,099	93,029	14,982	218,110
Marketing	1,837	-	377,991	379,828
Depreciation	6,309,283	-	-	6,309,283
Interest	-	4,079,042	-	4,079,042
Total expenses	<u>\$ 28,783,452</u>	<u>\$ 7,915,087</u>	<u>\$ 981,850</u>	<u>\$ 37,680,389</u>

**Note 18. Leases**

In 2022, the Organization entered into two lease agreements for equipment under non-cancellable financing leases. For leases with terms greater than 12 months, the related right-of-use assets and right-of-use obligations are recorded at the present value of lease payments over the term.

The components of lease expense (and related classification in the accompanying statements of operations) for the years ended September 30 were as follows:

	<u>2025</u>	<u>2024</u>
Finance lease cost:		
Amortization of right-of use assets (depreciation and amortization)	\$ 100,957	\$ 99,742
Interest on lease liabilities (interest expense)	12,413	16,692
Total lease cost	<u>\$ 113,370</u>	<u>\$ 116,434</u>

Rental expense for all leases was \$105,048 in 2025 and 2024.

Cash paid for amounts included in the measurement of lease liabilities for the years ended September 30 is as follows:

	<u>2025</u>	<u>2024</u>
Financing cash flows from finance leases	\$ 94,362	\$ 89,975

The following table presents lease-related assets and liabilities at September 30:

	<u>2025</u>	<u>2024</u>
Finance leases		
Financing lease right-of-use asset	\$ 192,095	\$ 293,052
Current portion of financing lease liability	\$ 125,844	\$ 125,844
Financing lease liability, net	79,421	180,232
Total finance lease liabilities	<u>\$ 205,265</u>	<u>\$ 306,076</u>

**Maryfield, Inc.**  
**Notes to Financial Statements**  
**September 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Other information:		
Weighted-average remaining lease term – finance leases	1.8 years	2.8 years
Weighted-average discount rate – finance leases	4.77%	4.77%

The following is a schedule of lease liability maturities related to leases classified as financing for the years ending:

2026	\$ 105,048
2027	<u>115,368</u>
Total	220,416
Interest	<u>(15,151)</u>
Lease liability	<u>\$ 205,265</u>

**Note 19. Subsequent Events**

On October 1, 2025, through the Commission, the Organization issued \$41,710,000 Series 2025 First Mortgage Revenue Bonds to refund the Series 2015 First Mortgage Revenue Bonds, fund certain capital expenditures, fund a debt service reserve, and pay certain fees and expenses incurred in connection with the sale and issuance of the 2025 bonds. The Series 2025 bonds mature through October 2055, with interest rates ranging from 5.00% to 5.25%. The Series 2025 bonds are collateralized by a security interest in all gross receipts, accounts, equipment, general intangibles, inventory, real estate, buildings, improvements, documents, instruments and chattel paper currently owned or hereafter acquired, and all proceeds thereof, excluding contract rights consisting of charitable pledges. The trust indentures and loan agreements underlying the bonds contain certain covenants and restrictions.

## **Appendix B — Five-Year Prospective Financial Statements**

*[Prospective Financial Statements for Fiscal Years 2026–2030 to follow]*

# **Maryfield, Inc.**

## **Independent Accountant's Compilation Report and Forecasted Financial Statements**

Five Years Ending September 30, 2030

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## Independent Accountant's Compilation Report

Board of Directors  
Maryfield, Inc. (d.b.a. Pennybyrn at Maryfield)  
High Point, North Carolina

Management of Maryfield, Inc. (d.b.a. Pennybyrn at Maryfield) (the "Corporation") is responsible for the accompanying financial forecast of the Corporation, which comprises the forecasted balance sheets as of and for each of the five years ending September 30, 2030, the related forecasted statements of operations and changes in net assets and cash flows for each of the years then ending, and the related summaries of significant forecast assumptions and rationale in accordance with guidelines for the presentation of a financial forecast established by the American Institute of Certified Public Accountants ("AICPA").

The accompanying forecast and this report were prepared for inclusion with the disclosure statement filing requirements of North Carolina General Statutes, Chapter 58, Article 64 and should not be used for any other purpose.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services ("SSARS") promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the forecast, 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, or provide any form of assurance on this financial forecast. The forecast results may not be achieved, as there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

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

*Forvis Mazars, LLP*

**Charlotte, North Carolina**  
**February 26, 2026**

**Maryfield, Inc.**

Forecasted Statements of Operations and Changes in Net Assets

For the Fiscal Years Ending September 30th

(in thousands of dollars)

	2026	2027	2028	2029	2030
<b>Revenue, Gains and Other Support</b>					
Net patient service revenue	\$ 15,700	\$ 15,935	\$ 16,175	\$ 16,417	\$ 16,663
Independent living revenue	18,002	18,530	19,074	19,642	20,210
Assisted living revenue	4,454	4,588	4,725	4,867	5,013
Contributions	900	900	900	900	900
Investment income	1,100	1,200	1,300	1,400	1,400
Other operating income	650	670	690	711	732
<b>Total Revenue, Gains and Other Support</b>	<b>40,806</b>	<b>41,823</b>	<b>42,864</b>	<b>43,937</b>	<b>44,918</b>
<b>Expenses:</b>					
Healthcare households	12,134	12,437	12,748	13,067	13,394
Dietary	4,017	4,118	4,221	4,326	4,434
Laundry and housekeeping	900	922	945	969	993
Plant operation	3,968	4,067	4,169	4,273	4,380
Administrative	7,371	7,555	7,744	7,938	8,136
Development and Marketing	924	947	971	995	1,020
Depreciation and amortization	7,204	7,355	7,530	7,592	7,634
Interest	3,835	3,777	3,702	3,635	3,563
<b>Total Expenses</b>	<b>40,353</b>	<b>41,178</b>	<b>42,030</b>	<b>42,795</b>	<b>43,554</b>
<b>Operating Gain (Loss)</b>	<b>453</b>	<b>645</b>	<b>834</b>	<b>1,142</b>	<b>1,364</b>
<b>Non-Operating Activity</b>					
Net Gain (loss) on refinancing of debt	364	-	-	-	-
<b>Excess of Revenue Over Expenses</b>	<b>817</b>	<b>645</b>	<b>834</b>	<b>1,142</b>	<b>1,364</b>
<b>Net Assets without Donor Restrictions</b>					
Excess of Revenue Over Expenses	817	645	834	1,142	1,364
<b>Change in Net Assets without Donor Restrictions</b>	<b>817</b>	<b>645</b>	<b>834</b>	<b>1,142</b>	<b>1,364</b>
<b>Net Assets with Donor Restrictions</b>					
Contributions in the current year	67	67	69	69	69
<b>Change in Net Assets with Donor Restrictions</b>	<b>67</b>	<b>67</b>	<b>69</b>	<b>69</b>	<b>69</b>
<b>Change in Net Assets</b>	<b>884</b>	<b>712</b>	<b>903</b>	<b>1,211</b>	<b>1,433</b>
<b>Net Assets, Beginning of Year</b>	<b>32,534</b>	<b>33,418</b>	<b>34,130</b>	<b>35,033</b>	<b>36,244</b>
<b>Net Assets, End of Year</b>	<b>\$ 33,418</b>	<b>\$ 34,130</b>	<b>\$ 35,033</b>	<b>\$ 36,244</b>	<b>\$ 37,677</b>

**Maryfield, Inc.**

Forecasted Statements of Cash Flows

For the Fiscal Years Ending September 30th

(in thousands of dollars)

	2026	2027	2028	2029	2030
<b>Operating Activities:</b>					
Change in net assets	\$ 884	\$ 712	\$ 903	\$ 1,211	\$ 1,433
Adjustments to reconcile change in net assets to net cash provided by operating activities					
Depreciation and amortization	7,204	7,355	7,530	7,592	7,634
Amortization of debt issuance costs	76	76	76	76	76
Net amortization of bond premium/discount	(284)	(258)	(229)	(197)	(165)
Gain (loss) on refinancing of debt	(364)	-	-	-	-
Amortization of advance fees	(3,758)	(3,859)	(3,963)	(4,077)	(4,178)
Entrance fee receipts from turnover units	4,663	4,803	4,947	5,095	5,247
Net change in assets and liabilities:					
Accounts receivable, residents	1,066	(67)	(69)	(70)	(72)
Accounts receivable, other	(108)	(9)	(9)	(10)	(9)
Promises to give without donor restrictions	455	297	-	-	-
Prepaid expenses	(148)	(8)	(9)	(8)	(9)
Accounts payable	45	30	31	31	33
Accrued expenses	(346)	26	27	27	28
Bond interest payable	(173)	(45)	(47)	(50)	(52)
<b>Net Cash Provided by Operating Activities</b>	<b>9,212</b>	<b>9,053</b>	<b>9,188</b>	<b>9,620</b>	<b>9,966</b>
<b>Investing Activities</b>					
Purchase of property and equipment	(3,332)	(3,478)	(2,137)	(2,307)	(2,492)
Purchase and sales of investments	(2,962)	(3,303)	(3,279)	(3,439)	(3,491)
<b>Net Cash Provided (used) by Investing Activities</b>	<b>(6,294)</b>	<b>(6,781)</b>	<b>(5,416)</b>	<b>(5,746)</b>	<b>(5,983)</b>
<b>Financing Activities</b>					
Refunds of advance fees	(1,663)	(1,664)	(1,666)	(1,667)	(1,669)
Proceeds from Series 2025 Bonds	41,710	-	-	-	-
Original issue premium - Series 2025 Bonds	1,617	-	-	-	-
Deferred financing costs	(835)	-	-	-	-
Lease payments	(99)	(105)	-	-	-
Bond retirements and debt payments	(45,085)	(1,795)	(1,885)	(1,985)	(2,085)
<b>Net Cash Used by Financing Activities</b>	<b>(4,355)</b>	<b>(3,564)</b>	<b>(3,551)</b>	<b>(3,652)</b>	<b>(3,754)</b>
<b>Net Change</b>	<b>(1,437)</b>	<b>(1,292)</b>	<b>221</b>	<b>222</b>	<b>229</b>
<b>Cash, Cash Equivalents and Restricted Cash, Beginning of Year</b>	<b>16,009</b>	<b>14,572</b>	<b>13,280</b>	<b>13,501</b>	<b>13,723</b>
<b>Cash, Cash Equivalents and Restricted Cash, End of Year</b>	<b>\$ 14,572</b>	<b>\$ 13,280</b>	<b>\$ 13,501</b>	<b>\$ 13,723</b>	<b>\$ 13,952</b>
<b>Supplemental Cash Flows Information</b>					
Cash paid during the year for interest	\$ 4,081	\$ 3,994	\$ 3,902	\$ 3,806	\$ 3,704
<b>Noncash items related to other comprehensive income</b>					
Contribution of long-lived assets	\$ -	\$ -	\$ -	\$ -	\$ -
Purchase of property and equipment included in accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Reconciliation of Amounts Included in the Statements of Cash Flows as Cash, Cash Equivalents, and Restricted Cash to the Balance Sheets</b>					
Cash and cash equivalents	\$ 6,586	\$ 6,750	\$ 6,919	\$ 7,092	\$ 7,269
Cash in Trustee-held investments	7,986	6,530	6,582	6,631	6,683
<b>Cash, Cash Equivalents and Restricted Cash, End of Year</b>	<b>\$ 14,572</b>	<b>\$ 13,280</b>	<b>\$ 13,501</b>	<b>\$ 13,723</b>	<b>\$ 13,952</b>

**Maryfield, Inc.**

Forecasted Balance Sheets

September 30

(in thousands of dollars)

	2026	2027	2028	2029	2030
<b>Assets</b>					
<b>Current Assets:</b>					
Cash and cash equivalents	\$ 6,586	\$ 6,750	\$ 6,919	\$ 7,092	\$ 7,269
Investments	10,136	13,148	16,128	19,260	22,436
Assets limited as to use, current	3,792	3,836	3,888	3,937	3,989
Net accounts receivable, residents	2,881	2,948	3,017	3,087	3,159
Accounts receivable, other	384	393	402	412	421
Promises to give	297	-	-	-	-
Prepaid expenses	321	329	338	346	355
<b>Total Current Assets</b>	<b>24,397</b>	<b>27,404</b>	<b>30,692</b>	<b>34,134</b>	<b>37,629</b>
<b>Property and Equipment</b>					
Land	1,418	1,418	1,418	1,418	1,418
Buildings and land improvements	175,155	178,633	180,770	183,077	185,569
Furniture and equipment	27,391	27,391	27,391	27,391	27,391
<b>Total Property and Equipment</b>	<b>203,964</b>	<b>207,442</b>	<b>209,579</b>	<b>211,886</b>	<b>214,378</b>
Accumulated depreciation	(86,256)	(93,513)	(101,043)	(108,635)	(116,269)
<b>Total Property and Equipment, Net</b>	<b>117,708</b>	<b>113,929</b>	<b>108,536</b>	<b>103,251</b>	<b>98,109</b>
<b>Promises to Give, Net</b>	-	-	-	-	-
<b>Financing Lease Right-of-Use Asset</b>	98	-	-	-	-
<b>Assets Limited as to Use:</b>					
Trustee-held investments	7,291	5,791	5,791	5,791	5,791
Statutory operating reserve	7,329	7,512	7,700	7,892	8,089
<b>Total Assets Limited As To Use</b>	<b>14,620</b>	<b>13,303</b>	<b>13,491</b>	<b>13,683</b>	<b>13,880</b>
<b>Assets Held in Perpetuity</b>					
Beneficial interest in perpetual trust	2,417	2,417	2,417	2,417	2,417
Investments	3,603	3,711	3,822	3,937	4,055
<b>Total Assets Held in Perpetuity</b>	<b>6,020</b>	<b>6,128</b>	<b>6,239</b>	<b>6,354</b>	<b>6,472</b>
<b>Total Assets</b>	<b>\$ 162,843</b>	<b>\$ 160,764</b>	<b>\$ 158,958</b>	<b>\$ 157,422</b>	<b>\$ 156,090</b>

**Maryfield, Inc.**

Forecasted Balance Sheets

September 30

(in thousands of dollars)

	2026	2027	2028	2029	2030
<b>Liabilities and Net Assets</b>					
<b>Current Liabilities</b>					
Accounts payable	\$ 1,205	\$ 1,235	\$ 1,266	\$ 1,297	\$ 1,330
Accrued expenses	1,044	1,070	1,097	1,124	1,152
Estimated current portion of refundable fees	2,173	2,173	2,173	2,173	2,173
Current portion of long-term debt	1,795	1,885	1,985	2,085	2,190
Interest payable	1,346	1,301	1,254	1,204	1,152
Current portion of financing lease liability	105	-	-	-	-
<b>Total Current Liabilities</b>	<b>7,668</b>	<b>7,664</b>	<b>7,775</b>	<b>7,883</b>	<b>7,997</b>
Long-term debt, net of current portion	81,465	79,322	77,108	74,826	72,471
Unamortized debt issuance costs, net	(1,543)	(1,467)	(1,391)	(1,315)	(1,239)
<b>Long-term debt, net</b>	<b>79,922</b>	<b>77,855</b>	<b>75,717</b>	<b>73,511</b>	<b>71,232</b>
Refundable deposits	-	-	-	-	-
Refundable advance fees, net of current portion	11,157	9,493	7,827	6,160	4,491
Deferred revenue from advance fees	30,678	31,622	32,606	33,624	34,693
Financing lease liability, net	-	-	-	-	-
<b>Total Liabilities</b>	<b>129,425</b>	<b>126,634</b>	<b>123,925</b>	<b>121,178</b>	<b>118,413</b>
<b>Net Assets:</b>					
Without donor restrictions	28,627	29,272	30,106	31,248	32,612
With donor restrictions	4,791	4,858	4,927	4,996	5,065
<b>Total Net Assets</b>	<b>33,418</b>	<b>34,130</b>	<b>35,033</b>	<b>36,244</b>	<b>37,677</b>
<b>Total Liabilities and Net Asset</b>	<b>\$ 162,843</b>	<b>\$ 160,764</b>	<b>\$ 158,958</b>	<b>\$ 157,422</b>	<b>\$ 156,090</b>

## Summary of Significant Forecast Assumptions and Rationale

### 1. General

The accompanying financial forecast presents, to the best of the knowledge and belief of the management of Maryfield, Inc. (d.b.a. Pennybyrn at Maryfield) (the “Corporation” or “Management”), the Corporation’s expected financial position, results of operations, and cash flows as of and for each of the five years ending September 30, 2030. Accordingly, the accompanying forecast reflects Management’s judgment as of February 26, 2026, the date of this report, of the expected conditions and its expected course of action during the forecast period. However, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Management’s purpose in releasing this financial forecast is for inclusion in the Corporation’s annual disclosure statement in accordance with Chapter 58, Article 64, of the North Carolina General Statutes. Accordingly, this report should not be used for any other purpose. The assumptions disclosed herein are those that Management believes are significant to the forecast. The Corporation recognizes that there will usually be differences between prospective and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

The prospective financial statements included in the forecast have been prepared in accordance with the accounting principles generally accepted in the United States of America (“GAAP”). Significant accounting policies are described in the appropriate assumptions and notes to the prospective financial statements. The assumptions described are not all-inclusive.

#### ***Background of the Corporation***

The Corporation was founded in November 1947 and incorporated under the laws and regulations of the state of North Carolina as a non-profit organization in 1950 to provide housing and long-term care for the elderly. The Corporation currently owns and operates a continuing care retirement community (“CCRC”) on an approximate 72-acre campus in High Point, North Carolina known as “Pennybyrn” (the “Community”). The Community underwent a renovation and expansion project that was completed in phases from October 2020 to November 2024 (the “Expansion Project”).

The facilities include 49 cottages (the “Cottages”), 173 apartments (the “Apartments”, and collectively with the Cottages, the “Independent Living Units”), a community and wellness center with amenities, a transitional rehabilitation center with 24 private rooms (the “Transitional Rehabilitation Center”), 48 assisted living apartments (the “Assisted Living Units”), and a 101-bed health care facility (the “Maryfield Health Care Households”).

The affairs of the Corporation are managed by a voluntary board of directors (the “Board”) whose members serve without compensation. Pursuant to the organizational documents of the Corporation, the member of the Corporation appoints the members of the Board and must approve certain actions of the Board. The Board currently consists of 18 members, who meet four times annually.

**Maryfield, Inc.**  
**Summary of Significant Forecast Assumptions and Rationale**

The following table summarizes the type and number of units and beds of the Community.

**Table 1**  
**Community Configuration**

Unit Type	Number of Units
<b>Independent Living Units</b>	
Cottages	49
One Bedroom	68
Two Bedroom	105
<b>Total – Independent Living Units</b>	<b>222</b>
<b>Assisted Living Units</b>	
One Bedroom, Multi-Unit Assisted Housing with services	12
One Bedroom, One Bath	10
Two Bedroom, One Bath	2
Memory Support Units <sup>(1)</sup>	24
<b>Total – Assisted Living Units</b>	<b>48</b>
<b>Maryfield Health Care Households and Transitional Rehabilitation Center</b>	
Transitional Rehabilitation Center Beds	24
Maryfield Health Care Households Beds	101
<b>Total – Beds</b>	<b>125</b>
<b>Total – Community Units and Beds</b>	<b>395</b>

Source: Management

(1) Twenty-four Assisted Living Units are dedicated to memory support services, which are referred to herein as the “Memory Support Units.”

## **2. Description of the Residency and Care Agreements**

Under the terms of the Residency and Care Agreement (the “Agreement”), the Corporation generally accepts as residents (“Resident” or “Residents”) those persons at least 62 years of age at the time of occupancy (only one member of a couple must meet this requirement), who are able to care for themselves with or without assistance and are able to demonstrate the necessary financial resources to meet the Corporation’s minimum fee requirements. As defined in the Agreement, a Resident is required to pay an initial entrance fee (“Entrance Fee”) and an ongoing monthly service fee (“Monthly Service Fee”). Payment of these amounts entitles Residents to occupy and use the residence (“Residence”), common areas, amenities, programs, and services of the Corporation during the term of the Agreement.

While the Resident occupies a Residence, services provided by the Corporation include: the right to occupy the selected Residence; all standard utilities for Apartments, and Cottages (all Residents will be responsible for their own telephone); Residents in Independent Living Units will receive a meal benefit, housekeeping and flat linen services; general maintenance; trash removal and landscaping for Residences; common areas and grounds; lighted surface parking; scheduled transportation; twenty-four hour emergency response system and security services; planned social, recreational, spiritual, educational, and cultural activities; wellness and case management; and use of the Community common areas, including private dining and meeting rooms, lounges, lobbies, library, business center, social and recreational rooms, wellness center, and other common area activities.

In addition to the items included in the Monthly Service Fee, certain services are available to Residents for an additional charge. These services include, but are not limited to: covered parking spaces (depending on availability); barber and beauty services; personal care and assistance services; personal laundry or dry cleaning; private transportation; guest meals and personalized catering events; additional meals while utilizing the Maryfield Health

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Care Households or Transitional Rehabilitation Center (the “Health Center Residence”); nursing care, and assisted living services and supplies; and other additional maintenance and housekeeping services performed beyond the normal scope of services offered by the Corporation.

To reserve a Residence, prospective Residents make a ten percent (10.0%) deposit (the “10 Percent Deposit”) of the applicable Entrance Fee as described in the Agreement.

***Health Care Benefit***

Under the Agreement, the Corporation will provide services above those covered by Medicare or other third-party payors to the Resident of an Independent Living Unit in a Health Center Residence for fifteen (15) days annually (the “Health Care Benefit”). The Health Care Benefit may be carried over into future years with a cumulative annual benefit not to exceed forty-five (45) days at no additional charge for each Resident, provided that the Resident remains a Resident of an Independent Living Unit.

***Terminations and refunds***

The Resident may terminate the Agreement within thirty (30) days of execution of the Agreement or the receipt of a disclosure statement that meets the requirements of Chapter 58, Article 64, 20 of the North Carolina General Statutes (the “30-Day Rescission Period”). The Resident will not be required to move into a Residence before the expiration of this 30-Day Rescission Period. In the event of rescission, the Resident shall receive a refund of all monies transferred less (i) periodic charges specified in the Agreement and applicable only to the period a Residence was actually occupied by the Resident; and (ii) any non-standard costs specifically incurred by the Corporation at the Resident’s request and described in the Agreement or any amendment signed by the Resident.

The Resident may also voluntarily terminate the Agreement after the 30-Day Rescission Period, and prior to the date of occupancy, provided that the Resident gives written notice of such termination. Any such refund paid will equal the 10 Percent Deposit, less (i) a service charge of one thousand (\$1,000) dollars; and (ii) any non-standard costs specifically incurred by the Resident’s request. Any such refunds as described above shall be paid by the Corporation within sixty (60) days following the receipt of written notification of such termination.

Following expiration of the 30-Day Rescission Period and after the Resident’s occupancy of the Residence, the Agreement may be terminated at any time by the Resident by providing at least thirty (30) days written notice. The amount of refund due shall be determined according to the applicable Entrance Fee amortization schedule described in the Agreement. If a Resident dies following the 30-Day Rescission Period, but prior to occupying a Residence, or if, on account of illness, injury, or incapacity, a Resident would be precluded from occupying a Residence under the terms of the Agreement, the Agreement is automatically cancelled and the Resident or the legal representative of the Resident shall receive a refund of all money, except for any monies already spent or committed to a contractor in connection with any upgrade of such Residence as described in the Agreement. Any such refund due is contingent upon payment in full of a new Entrance Fee and re-occupancy of the Residence by a new Resident.

***Entrance Fee options***

The Resident agrees to pay an Entrance Fee as a condition of becoming a Resident. The Corporation currently offers one Entrance Fee plan for occupancy of a Residence (the “Entrance Fee Plan”), a zero percent (0%) refundable entrance fee plan (“Plan A” or the “Traditional Amortizing Entrance Fee Plan”). Previously, the Corporation offered an additional two Entrance Fee plans: a 50 percent (50%) refundable entrance fee plan (“Plan B” or the “50% Refundable Entrance Fee Plan”); and the 90 percent (90%) refundable entrance fee plan (“Plan C” or the “90% Refundable Entrance Fee Plan”).

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The only Entrance Fee Plan available at this time is Plan A listed below. The related amortization schedules are as follows:

Entrance Fee Plans	Amortization Schedule
<i>Current Entrance Fee Plan:</i>	
1. Plan A Traditional Amortizing Entrance Fee Plan	An initial 2.0 percent (2.0%) non-refundable service fee, plus 2.0 percent (2.0%) per month for 49 months. After 49 months of occupancy, no refund is paid.
<i>Previously offered Entrance Fee Plans:</i>	
2. Plan B 50% Refundable Entrance Fee Plan	An initial 2.0 percent (2.0%) non-refundable service fee, plus 2.0 percent (2.0%) per month for 24 months. Refund to the Resident is never less than fifty percent (50.0%).
3. Plan C 90% Refundable Entrance Fee Plan	An initial 2.0 percent (2.0%) non-refundable service fee, plus one percent (1.0%) per month for 8 months. Refund to the Resident is never less than ninety percent (90.0%).

### **3. Significant Accounting Policies**

#### ***Use of estimates***

The preparation of prospective financial statements in conformity with 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 prospective financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### ***Basis of accounting and presentation***

The accompanying prospective financial statements included in the forecast have been prepared on the accrual basis of accounting and in accordance with GAAP. Significant accounting policies and rationales are described in the appropriate assumptions and notes to the prospective financial statements. The assumptions described are not all-inclusive.

#### ***Income taxes***

The Corporation has been recognized by the Internal Revenue Service as a non-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code ("IRC") and is exempt from federal income taxes pursuant to Section 501(a) of the IRC. No material uncertain tax positions are expected to exist throughout the forecast period.

#### ***Cash and cash equivalents***

Cash and cash equivalents include certain investments in highly liquid instruments with original maturities of three months or less when purchased. Cash and cash equivalents are carried at cost, which approximates fair value.

#### ***Accounts receivable, patients***

The Corporation uses the allowance method to determine uncollectible patient receivables. This allowance is equal to the estimated losses to be incurred in collection of the receivables. This allowance is based on historical collection experience and Management's analysis of the current status of existing receivables. The Corporation believes

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historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses.

***Unconditional promises to give***

Contributions are recognized when the donor makes a promise to give to the Corporation that is, in substance, unconditional. The Corporation uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and Management's analysis of specific promises made.

***Restricted and unrestricted revenue and support***

Contributions received are recorded as unrestricted or restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with restriction are reclassified to net assets without restriction and reported in the forecasted statements of operations and changes in net assets as net assets released from donor restrictions.

***Investments***

Investments in equity securities with readily determinable fair values, and all investments in debt securities, are measured at fair value. Investment income (including realized and unrealized gains and losses on investments, interest income, and dividends) is included in excess of revenues and support over expenses unless restricted by donor or law. Management has not assumed any unrealized gains or losses on investments during the forecast period.

***Assets limited as to use***

Assets limited as to use include trustee-held assets and statutory operating reserves. Trustee-held investments represent funds required by the Organization's bond documents to be held by a Trustee and include various bond interest accounts, debt service reserve accounts, and accounts to be used for funded capital projects. North Carolina General Statute Chapter 58, Article 64A sets forth minimum operating reserve requirements. The operating reserves are not required to be maintained in a separate escrow account and are comingled with unrestricted investments and cash. Assets limited as to use that are required to meet current liabilities of the Organization are classified as current in the balance sheet.

***Property, equipment, and depreciation***

Property and equipment purchased are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Corporation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Corporation reclassifies net assets with donor restriction to net assets without donor restriction at that time.

Expenditures for maintenance, repairs, and minor renewals are charged to expense as incurred. Major renewals and betterments are capitalized.

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The Corporation reviews its long-lived assets for impairment annually or 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 the 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 realizable value is less than the carrying amount.

Depreciation is provided principally on the straight-line method over the following estimated useful lives:

Buildings	10 to 50 years
Land improvements	10 years
Furniture and equipment	3 to 10 years

***Issuance costs***

Capitalized bond issuance costs include costs paid to issue the Series 2020 Bonds (hereinafter defined) and the Series 2025 Bonds (hereinafter defined). The costs incurred related to the issuance of the debt will be amortized over the life of the bonds on a straight-line basis, which approximates amortization calculated using the effective interest method.

***Leases***

At lease inception, the Corporation determines whether an arrangement is or contains a lease. Finance leases are included in right-of-use (“ROU”) assets in the accompanying financial statements. ROU assets represent the Corporation’s right to use leased assets over the term of the lease. Lease liabilities represent the Corporation’s contractual obligation to make lease payments over the lease term.

For finance leases, after lease commencement, the lease liability is measured on an amortized cost basis and increased to reflect interest on the liability and decreased to reflect the lease payment made during the period. Interest on the lease liability is determined each period during the lease term as the amount that results in a constant period discount rate on the remaining balance of the liability. The ROU asset is subsequently measured at cost, less any accumulated amortization and any accumulated impairment losses. Amortization on the ROU asset is recognized over the period from the commencement date to the earlier of (1) the end of the useful life of the ROU asset, or (2) the end of the lease term. The discount rate used by the Corporation for finance leases is generally the incremental borrowing rate, as most such leases do not provide a readily determinable implicit interest rate. To the extent a lease arrangement includes both lease and non-lease components, the components are not accounted for separately.

***Refundable deposits***

Refundable deposits represent deposits paid by future residents.

***Refundable fees and deferred revenue from advance fees***

Initial fees paid by a Resident upon entering an Independent Living Unit, Assisted Living Unit, or Memory Support Unit are recorded as refundable fees or deferred revenue from Entrance Fees. Deferred revenue is amortized to income using the straight-line method over the estimated remaining life expectancy of the Resident. Periodic fees are charged for services and use of facilities, which approximate the cost of delivering those services. Upon termination (move-out or death), Residents may be entitled to a refund of a portion of their advance fee. The refund amount depends on the type of contract and the length of residency. The timing of the refund is dependent upon resale of the unit.

***Health center revenue***

Maryfield Health Care Households and Transitional Rehabilitation Center revenue is reported at the estimated net realizable amounts due from Residents, third-party payors, and others for services rendered. Revenue under third-

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party payor agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between the estimated amounts accrued and interim and final settlements are reported in operations in the year of settlement.

***Excess of revenue and support over expenses***

The forecasted statements of operations include excess of revenue and support over expenses. Changes in net assets without restriction, which are excluded from excess of revenue and support over expenses consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions, which by donor restriction were to be used for the purposes of acquiring such assets).

**4. Significant Forecast Assumptions**

***Occupancy***

The following table summarizes the forecasted average annual occupancy of the Independent Living Units.

<b>Table 2</b>			
<b>Utilization of the Independent Living Units</b>			
<b>Years Ending September 30,</b>	<b>Number of Occupied Units</b>	<b>Number of Available Units <sup>(1)</sup></b>	<b>Occupancy</b>
2026	210.9	222.0	95.0%
2027	210.9	222.0	95.0%
2028	210.9	222.0	95.0%
2029	210.9	222.0	95.0%
2030	210.9	222.0	95.0%

Source: Management

(1) Total available units include the 49 Cottages and 173 Independent Living Apartments.

The assumed average annual turnover of Independent Living Units due to death, withdrawal, or transfer to Assisted Living Units, Memory Support Units, Maryfield Health Care Households, or the Transitional Rehabilitation Center, is presented in the following table for the years ending September 30.

<b>Table 3</b>	
<b>Turnover Schedule of the Independent Living Units</b>	
<b>Years Ending September 30,</b>	<b>Number of Turnover Independent Living Units</b>
2026	20.0
2027	20.0
2028	20.0
2029	20.0
2030	20.0

Source: Management

***Assumed health care accommodations and services***

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The Maryfield Health Care Households and Transitional Rehabilitation Center and services are available to Residents on a priority basis. However, the Corporation cannot guarantee access to these areas, other than priority admission.

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**Summary of Significant Forecast Assumptions and Rationale**

The following table summarizes the assumed average annual occupancy of the Assisted Living Units and Memory Support Units during the forecast period.

**Table 4**  
**Utilization of the Assisted Living Units and Memory Support Units**

Year Ending September 30,	Number of Occupied Units			Total Number of Available Units <sup>(1)</sup>	Total Occupancy
	Assisted Living Units	Memory Support Units	Total Occupied Units		
2026	22.0	22.0	44.0	48.0	91.7%
2027	22.0	22.0	44.0	48.0	91.7%
2028	22.0	22.0	44.0	48.0	91.7%
2029	22.0	22.0	44.0	48.0	91.7%
2030	22.0	22.0	44.0	48.0	91.7%

Source: Management

(1) Total available units include 24 Memory Support Units.

The following table summarizes the assumed average annual utilization by payor of the Maryfield Health Care Households and Transitional Rehabilitation Center licensed skilled nursing beds during the forecast period.

**Table 5**  
**Utilization of the Maryfield Health Care Households and Transitional Rehabilitation Center  
by Payor Type**

Years Ending September 30,	Private Pay	Medicaid	Medicare	Total Occupied Beds	Total Available Beds	Occupancy
2026	50.0%	32.0%	18.0%	115.0	125.0	92.0%
2027	50.0%	32.0%	18.0%	115.0	125.0	92.0%
2028	50.0%	32.0%	18.0%	115.0	125.0	92.0%
2029	50.0%	32.0%	18.0%	115.0	125.0	92.0%
2030	50.0%	32.0%	18.0%	115.0	125.0	92.0%

Source: Management

**Revenue**

Resident Service Revenue

Resident service revenue is based upon charges for services provided to Residents of the Independent Living Units, Assisted Living Units, Memory Support Units, Maryfield Health Care Households, and Transitional Rehabilitation Center. Resident service is based upon the assumed occupancy and applicable service fee of the respective unit or bed.

The following table shows the unit configuration, Monthly Service Fees, and Entrance Fees for the Independent Living Units.

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**Table 6**  
**Independent Living Units - Unit Configuration, Monthly Service Fees, and Entrance Fees**

<b>Unit Type</b>	<b>Unit Name</b>	<b>Monthly Service Fees <sup>(1)(2)(3)</sup></b>	<b>Plan A Entrance Fees <sup>(1)(3)</sup></b>
<b>Apartments</b>			
1 Bedroom, 1 Bath	Dogwood	\$ 3,886	\$ 179,000
1 Bedroom, 1 Bath, Den	Redbud	4,295	221,000
1 Bedroom, 1 Bath, Den	Periwinkle	4,514	261,200
2 Bedroom, 2 Bath	Magnolia	4,941	275,000
2 Bedroom, 2 Bath	Camellia	5,526	296,000
2 Bedroom, 2 Bath	Wisteria	5,526	296,000
2 Bedroom, 2 Bath, Den	Azalea	5,819	325,455
2 Bedroom, 2 Bath, Den	Rose	6,073	328,000
2 Bedroom, 2 Bath, Den	Holly	6,096	378,000
2 Bedroom, 2.5 Bath, Den	Jasmine	6,902	392,000
Total/Weighted Average – Apartments		\$ 5,008	\$ 278,947
<b>Expansion Apartments</b>			
1 Bedroom, 1 Bath	Elm	\$ 4,475	\$ 227,000
1 Bedroom, 1.5 Bath, Den	Mulberry	4,914	261,000
1 Bedroom, 2 Bath, Den	Cherry	5,919	307,000
2 Bedroom, 2 Bath	Hickory	5,995	319,000
2 Bedroom, 2 Bath	Willow	6,237	332,000
2 Bedroom, 2 Bath, Den	Birch	6,300	336,000
2 Bedroom, 2.5 Bath, Den	Maple	6,415	352,000
2 Bedroom, 2.5 Bath, Den	Pine	6,451	355,000
2 Bedroom, 2.5 Bath, Den	Cedar	6,899	407,000
Total/Weighted Average – Expansion Apartments		\$ 5,931	\$ 320,500
<b>Cottages</b>			
<i>Shamrock Cottages</i>			
2 Bedroom, 2 Bath	Standard	\$ 5,326	\$ 337,000
2 Bedroom, 2 Bath, Den	Deluxe	6,198	373,000
2 Bedroom, 2 Bath, Den	Custom	6,899	473,000
Total/Weighted Average – Shamrock Cottages		\$ 6,400	\$ 406,200
<i>Heritage Cottages</i>			
1 Bedroom, 1 Bath	D	\$ 3,401	\$ 155,000
1 Bedroom, 1 Bath	C	3,314	150,000
2 Bedroom, 2 Bath	B	4,917	232,571
2 Bedroom, 2 Bath	A2	5,794	330,167
3 Bedroom, 2 Bath	A1	6,844	477,667
Total/Weighted Average – Heritage Cottages		\$ 5,098	\$ 278,724
Total/Weighted Average – Cottages		\$ 5,630	\$ 330,755
Total/Weighted Average – Apartments & Cottages		\$ 5,320	\$ 298,243

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**Summary of Significant Forecast Assumptions and Rationale**

Source: Management

- (1) Monthly Service Fees, Entrance Fees, and second person fees are effective October 1, 2025. Monthly Services Fees, Entrance Fees, and second person Monthly Service Fees increased approximately 5.0 percent (5.0%) on October 1, 2025 when compared to the prior year.
- (2) The second person Monthly Service Fee for all Independent Living Units is approximately \$1,560.
- (3) The Monthly Service Fees and Entrance Fees for the Heritage Cottages are a weighted average based upon the grouping of similar-sized floor plans.

**Summary of revenue and entrance fee assumptions**

Independent Living Unit Revenue

Service fee revenue for Residents living in the Independent Living units is based upon the assumed occupancy and the Monthly Service Fee of the respective units. The Independent Living Unit revenue is assumed to increase 3.0 percent (3.0%) annually during the forecast period.

**Entrance fees**

The assumed number of Independent Living Units becoming available due to Resident turnover, the double occupancy rate, the number of annual Resident Entrance Fee refunds, and the movement of Independent Living Unit Residents into the Assisted Living Units, Memory Support Units, Maryfield Health Care Households, and Transitional Rehabilitation Center due to death, withdrawal, or transfer are provided by Management.

Inflation on the Independent Living Units Entrance Fees from attrition are assumed to increase 3.0 percent (3.0%) annually throughout the forecast period.

The following table presents the assumed attrition Entrance Fees received and the total Entrance Fees refunded.

<b>Table 7</b>					
<b>Entrance Fees Receipts and Refunds</b>					
<b>Unit Type</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
<b>Number of Entrances Fees Received</b>					
Total Number of Entrance Fees Received	20.0	20.0	20.0	20.0	20.0
<b>Entrance Fees Received, Net of Refunds <sup>(1)</sup></b>					
Independent Living Units – Attrition	\$ 4,590	\$ 4,728	\$ 4,870	\$ 5,016	\$ 5,166
Assisted Living Units – Attrition <sup>(2)</sup>	73	75	77	79	81
<b>Total Entrance Fees Received</b>	<b>\$ 4,663</b>	<b>\$ 4,803</b>	<b>\$ 4,947</b>	<b>\$ 5,095</b>	<b>\$ 5,247</b>
Total Entrance Fees Refunded	(1,663)	(1,664)	(1,666)	(1,667)	(1,669)
<b>Entrance Fees Received, Net of Refunds</b>	<b>\$ 3,000</b>	<b>\$ 3,139</b>	<b>\$ 3,281</b>	<b>\$ 3,428</b>	<b>\$ 3,578</b>

Source: Management

(1) In thousands of dollars.

(2) Includes the Memory Support Units.

**Health center revenue**

Maryfield Health Care Households and Transitional Rehabilitation Center fees are generated from services provided to Residents transferring from the Independent Living Units, as well as direct admissions from the local surrounding area. All Residents are assumed to pay the current charges at the prevailing market rate established by the Corporation except for any Healthcare Benefit that may be available. Health center revenue is assumed to increase approximately 2.0 percent (2.0%) annually during the forecast period.

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***Licensed nursing***

The Maryfield Health Care Households and Transitional Rehabilitation Center provides services to private pay, Medicare, Medicaid, and hospice Residents. Residents of the Maryfield Health Care Households and Transitional Rehabilitation Center are charged a daily fee for services provided (the “Daily Fee”).

The following table presents the assumed Daily Fees by payor type for the Maryfield Health Care Households and Transitional Rehabilitation Center.

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**Table 8**  
**Maryfield Health Care Households and Transitional Rehabilitation Center Daily Fees**

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<b>Payor Type</b>	<b>Daily Fees <sup>(1)</sup></b>
Private Pay	
Private room	\$ 437
Semi-private room	389
Medicare	437
Medicaid and Hospice	291

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Source: Management

(1) Daily Fees are effective October 1, 2025.

***Assisted Living and Memory Support revenue***

Residents of the Assisted Living Units and Memory Support Units are charged a Monthly Service Fees for services provided. In addition to the Monthly Service Fee, there are levels of care provided for an extra charge, which will be designed for Residents who require additional assistance with activities of daily living (“ADLs”). The levels of care assistance include such services as: verbal instruction on ADLs; physical assistance with bathing or showering; periodic use of a hydro-tub; dressing, clothes selection, and orientation; grooming, including but not limited to hair and teeth brushing; eating; walking, wheelchair propelling, and prescribed exercises; laundry services that are needed more often than one time a week (both personal and/or linen); and assistance with bladder and/or bowel incontinence, but not including the cost of incontinence supplies, which will be billed separately to the Resident. The Assisted Living Unit and Memory Support Unit revenue is assumed to increase 3.0 percent (3.0%) annually during the forecast period.

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**Summary of Significant Forecast Assumptions and Rationale**

The following table presents the assumed Monthly Service Fees for Assisted Living Units and Memory Support Units.

**Table 9**  
**Assisted Living Units and Memory Support Units**  
**Unit Configuration, Monthly Service Fees, and Entrance Fees**

<b>Unit Type</b>	<b>Number of Units</b>	<b>Monthly Service Fees <sup>(1)(2)(3)(4)</sup></b>
Assisted Living Units		
1 Bedroom – Multi-unit Assisted Living with Services	12	\$ 7,529
1 Bedroom, 1 Bath	10	7,922
2 Bedroom, 1 Bath	2	9,496
<b>Total/Weighted Average – Assisted Living Units</b>	<b>24</b>	<b>\$ 7,857</b>
Memory Support Units		
1 Bedroom – Dementia care	24	\$ 9,383
<b>Total/Weighted Average – Memory Support Units</b>	<b>24</b>	<b>\$ 9,383</b>

Source: Management

- (1) Monthly Service Fees are effective October 1, 2025. Monthly Service Fees increased approximately 4.5 percent (4.5%) on October 1, 2025 when compared to the prior year.
- (2) The second person Monthly Service Fee for all Assisted Living Units is approximately \$1,967.
- (3) Monthly Service Fees shown do not include level of care fees of, on average, approximately \$1,498 (ranging from \$749 to \$2,248) or any fees from a home care agency in the case of Multi-Assisted Living with Services.
- (4) Residents admitted directly to an Assisted Living Unit or Memory Support Unit from outside the Community are required to pay a non-refundable entrance fee of approximately \$18,145 for individuals and \$27,942 for couples.

***Amortization of entrance fees***

Entrance fees are recorded as deferred revenue and amortized to income using the straight-line method over the estimated remaining life expectancy of the resident.

***Contributions and bequests***

Contributions and bequests include endowment income and gifts without restriction. Management assumes that total contributions without restriction and bequests would approximate \$900,000 annually during the forecast period.

***Additional resident services income***

Forecasted additional resident services income consists of revenues from additional Resident meals and snacks, guest meals, guest apartment rentals, barber and beauty fees, and other miscellaneous sources. Additional resident services income also includes revenue for ancillary services for nursing and home care services provided to Residents of the Independent Living Units.

***Investment income***

Management assumes an average annual rate of return of approximately 3.5 percent (3.5%) on the Corporation's unrestricted cash, unrestricted investments, and restricted investments, and an average annual rate of return of 0.5 percent (0.5%) on the debt service reserve funds. For the purposes of the forecast, Management has assumed no unrealized or realized gains or losses throughout the forecast period.

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**Operating expenses**

Operating expenses are estimated by Management based upon the historical experience of the Corporation. Salaries and wages are forecasted to comprise approximately 48.0 percent (48.0%) of departmental operating expenses and are based on prevailing local salary and wage rates of the Corporation. Salaries and wages are assumed to increase approximately 2.5 percent (2.5%) annually throughout the forecast period.

The following table summarizes the forecasted staffing levels, per full time equivalents (“FTEs”), and average salary for all departments.

	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Administrative	29	29	29	29	29
Plant operation	16	16	16	16	16
Dining	47	47	47	47	47
Housekeeping & laundry	20	20	20	20	20
Activities/wellness	13	13	13	13	13
Assisted living	9	9	9	9	9
Memory support	15	15	15	15	15
Health center	127	127	127	127	127
<b>Total FTEs</b>	<b>276</b>	<b>276</b>	<b>276</b>	<b>276</b>	<b>276</b>
<b>Average salary</b>	<b>\$ 46,122</b>	<b>\$ 47,275</b>	<b>\$ 48,457</b>	<b>\$ 49,668</b>	<b>\$ 50,910</b>

Source: Management

(1) FTEs are shown for each fiscal year as of September 30.

Other non-salary operating expenses are assumed to include ongoing marketing costs, raw food costs, utilities, supplies, maintenance and security contracts, building and general liability insurance, legal and accounting fees, and other miscellaneous expenses. The cost of these non-salary operating expenses is assumed by Management to increase approximately 2.5 percent (2.5%) annually throughout the forecast period.

**Maryfield, Inc.**  
**Summary of Significant Forecast Assumptions and Rationale**

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***Assets limited as to use***

The following funds and accounts are required to be held in association with the Series 2020 Bonds (hereinafter defined) and the Series 2025 Bonds:

- Assets Limited as to Use, current – Series 2020A Bonds, which contains the bond principal and interest payments to be used for payment of debt service on the Series 2020A Bonds.
- Assets Limited as to Use, current – Series 2025 Bonds, which contains the bond principal and interest payments to be used for payment of debt service on the Series 2025 Bonds.
- Debt Service Reserve Fund – Series 2020A Bonds has been funded with proceeds received from the issuance of the Series 2020A Bonds.
- Debt Service Reserve Fund – Series 2025 Bonds has been funded with proceeds received from the issuance of the Series 2025 Bonds.
- The Construction Fund has been funded with proceeds received from the issuance of the Series 2025 Bonds to be used for additional capitalized renewals and betterments of the Community.

In addition, the Corporation maintains the following funds and accounts based on restrictions of the Board, outside donors, or other legal or regulatory requirements and include the following:

- Beneficial Interest in Perpetual Trust, Restricted – the Board has designated certain amounts to be held for future financial assistance to Residents.
- Designated for Statutory Operating Reserve – North Carolina General Statute Chapter 58, Article 64A requires CCRC’s to maintain an operating reserve (the “Statutory Operating Reserve”) equal to 50 percent (50.0%) of the total operating costs in a given year, or 25 percent (25.0%) of such total operating costs if occupancy as of a certain date exceeds 90 percent (90.0%) of the Independent Living Unit capacity.

***Property and equipment and depreciation expense***

Management estimates that the Corporation will incur routine capital additions during the period that will be capitalized as property and equipment. The following table summarizes routine capital additions during the forecast period.

**Table 8**  
**Schedule of Property and Equipment**  
**(In Thousands)**

<b>Years Ending September 30,</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Beginning balance	\$ 200,632	\$ 203,964	\$ 207,442	\$ 209,579	\$ 211,886
Capital additions – routine	3,332	3,478	2,137	2,307	2,492
Total property and equipment	203,964	207,442	209,579	211,886	214,378
Accumulated depreciation	(86,256)	(93,513)	(101,043)	(108,635)	(116,269)
Property and equipment, net	\$ 117,708	\$ 113,929	\$ 108,536	\$ 103,251	\$ 98,109

Source: Management

***Lease***

In 2022, the Corporation entered into two lease agreements for equipment under non-cancellable financing leases. For leases with terms greater than 12 months, the related right-of-use assets and right-of-use obligations are recorded at the present value of lease payments over the term.

**Maryfield, Inc.**  
**Summary of Significant Forecast Assumptions and Rationale**

***Bonds payable and other debt***

*Series 2015 Bonds*

In October 2025, the Corporation completed a refinancing of the then-outstanding bonds Series 2015 Bonds (the "Series 2015 Bonds"). The Corporation issued the Series 2025 Bonds (defined herein) to redeem the Series 2015 Bonds, fund approximately \$3,000,000 of Community capital additions, and other related costs of issuance.

The following table presents the forecasted debt service for the Series 2015 Bonds.

**Table 9**  
**Forecasted Annual Debt Service for Series 2015 Bonds**  
**(In Thousands)**

<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Annual Debt Service</b>
2026	\$ 45,085	\$ 1,250	\$ 46,335

Source: Management

*Series 2020 Bonds*

The Series 2020 Bonds consist of the Series 2020A Bonds and Series 2020B Bonds of approximately \$37,715,000 and \$10,125,000, respectively, of non-rated, tax-exempt fixed rate bonds, with an average interest rate ranging from 2.50 to 4.09 percent per annum. The Series 2020A Bonds were issued at an original issue premium. Proceeds from the Series 2020 Bonds funded the construction of the Expansion Project. Interest on the Series 2020 Bonds is payable semi-annually on April 1 and October 1 of each year. Principal on the Series 2020A Bonds is payable annually commencing October 1, 2036 with a final maturity on October 1, 2050.

Principal on the Series 2020B Bonds were originally scheduled to be repaid quarterly commencing July 1, 2022. Due to challenges related to the COVID-19 Pandemic, supply-chain, and construction delays, principal payments on the Series 2020B Bonds were not sent to the trustee until December 2022. The Series 2020B Bonds have been paid in full.

The following table presents the forecasted debt service for the Series 2020A Bonds.

**Table 10**  
**Forecasted Annual Debt Service for Series 2020A Bonds**  
**(In Thousands)**

<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Annual Debt Service</b>
2026	\$ —	\$ 1,886	\$ 1,886
2027	—	1,886	1,886
2028	—	1,886	1,886
2029	—	1,886	1,886
2030	—	1,886	1,886
Thereafter	37,715	27,203	64,918
<b>Total</b>	<b>\$ 37,715</b>	<b>\$ 36,633</b>	<b>\$ 74,348</b>

Source: Management

*Series 2025 Bonds*

During the fiscal year ended September 30, 2026, the Corporation issued approximately \$41,710,000 North Carolina Medical Care Commission Retirement Facilities First Mortgage Revenue and Revenue Refunding Bonds

**Maryfield, Inc.**  
**Summary of Significant Forecast Assumptions and Rationale**

Series 2025 (the "Series 2025 Bonds"). The Series 2025 Bonds consist of non-rated, tax-exempt fixed rate bonds, with an interest rate ranging from 5.00 to 5.625 percent per annum. The Series 2025 Bonds were issued at an original issue premium. Interest on the Series 2025 Bonds is payable semiannually on April 1 and October 1 of each year beginning April 1, 2026. Principal on the Series 2025 Bonds is to be paid annually on October 1 of each year beginning October 1, 2026, with a final maturity on October 1, 2055.

The Series 2025 Bonds are collateralized by a security interest in all gross receipts, accounts, equipment, general intangibles, inventory, real estate, buildings, improvements, documents, instruments and chattel paper currently owned or hereafter acquired, and all proceeds thereof, excluding contract rights consisting of charitable pledges.

The following table presents the forecasted debt service for the Series 2025 Bonds.

**Table 11**  
**Forecasted Annual Debt Service for Series 2025 Bonds**  
**(In Thousands)**

<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Annual Debt Service</b>
2026	\$ —	\$ 945	\$ 945
2027	1,795	2,108	3,903
2028	1,885	2,016	3,901
2029	1,985	1,920	3,905
2030	2,085	1,818	3,903
Thereafter	33,960	16,255	50,215
<b>Total</b>	<b>\$ 41,710</b>	<b>\$ 25,062</b>	<b>\$ 66,772</b>

Source: Management

*Early Extinguishment of Debt*

The gain on the early extinguishment of debt of approximately \$364,000 is reflected in the statement of operations and changes in net assets during fiscal year ending September 30, 2026 and is calculated as the total of the unamortized deferred issuance costs and the unamortized original issue premium associated with the Series 2015 Bonds.

**Current assets and current liabilities**

Working capital components of cash, non-patient accounts receivable, other assets, and prepaid expenses have been estimated based on Management's historical experience.

Management approximates other working capital components as indicated in the table below.

**Table 12**  
**Working Capital Assumptions**

Net accounts receivable, residents	30	Operating revenues
Accounts receivable, other	4	Operating revenues
Prepaid expenses	4	Operating expenses
Accounts payable	15	Operating expenses
Accrued expenses	13	Operating expenses

Source: Management

## **Appendix C — Statement of Actuarial Opinion**

The actuary review of Maryfield Inc. dba Pennybyrn is not required at this time.

## **Appendix D — Representative Contract(s)**

*[Maryfield, Inc., Residency and Care agreement to follow]*

# Appendix “A”

## Residency and Care Agreement



**PENNYBYRN**  
**A Continuing Care Retirement Community**  
**High Point, North Carolina**

**RESIDENCY AND CARE AGREEMENT**

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# PENNYBYRN

A Continuing Care Retirement Community  
High Point, North Carolina

## RESIDENCY AND CARE AGREEMENT

This Residency and Care Agreement (hereinafter called “the Agreement”) is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between Maryfield, Inc., a North Carolina non-profit corporation d.b.a. Pennybyrn (hereinafter called “Pennybyrn”), and \_\_\_\_\_ (hereinafter called “Resident”, “You”, or “Your”).

Residences in Pennybyrn consist of 173 Apartments (“Apartment”) and 49 cottages (“Cottages”). The residences and common areas and amenities described below are collectively referred to as the “Community”.

You and Pennybyrn agree as follows:

### I. RESIDENCE, COMMON AREAS AND AMENITIES, PROGRAMS AND SERVICES

- A. **Your Residence.** You shall have the exclusive non-transferable right to occupy, use, and enjoy unit number \_\_\_\_\_, a (an) \_\_\_\_\_ (Apartment or Cottage), located within Pennybyrn (hereinafter called the “Residence”). You are not given exclusive possession of the Residence as against Pennybyrn, and it is understood that this Agreement is not a lease or easement and does not transfer or grant to you any interest in real property owned by Pennybyrn. Your rights under this Agreement are not assignable, and no rights or benefits hereunder shall inure to the use or benefit of your heirs, legatees, assignees or representatives. The Residence is for independent living only and shall not be used for business or profession, nor in any manner in violation of zoning restrictions.
- B. **Furnishings in Your Residence.** Pennybyrn will provide wall-to- wall carpeting, vinyl flooring in entries, kitchens and bathrooms, blinds, refrigerator, stove, microwave, oven, hood vent, washer and dryer and other features and fixtures as described in current Pennybyrn literature. All other furniture, furnishings, decorations, bed and bath linens, and other personal property will be provided by You.
- C. **Options and Custom Features in Your Residence.** If You choose to add any custom features to Your Residence, they must first be approved in writing and then a charge would be determined. 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 Pennybyrn. The value of such improvements will not be considered in computing Entrance Fee refunds, unless specifically agreed to in an Addendum to this Agreement. Pennybyrn must approve all custom features in advance of the changes made.

- D. **Common Areas and Amenities.** Pennybyrn common areas and amenities are for the use and benefit of all Residents, in common with others and in accordance with the rules and regulations set forth by Pennybyrn. Such areas include a central dining room, private dining room, casual dining areas, chapels, library, mailboxes, multi-purpose rooms, lounges, activity areas, hobby room, Residents' business center, beauty/barber shop, an indoor pool, exercise room and equipment, locker rooms, a massage room, a wellness clinic, walking areas, an assisted living center, a dedicated memory support assisted living center, and the Health Center for nursing care with a dedicated area for licensed nursing memory support care.
- E. **Parking.** Pennybyrn will provide lighted surface parking areas for Your personal vehicle.
- F. **Services and Programs.**
1. **Utilities.**
    - The Monthly Service Fee for a residence shall include the cost of heating, air conditioning, electricity, water, sewer, trash removal, cable and Internet and standard municipal services.
    - All Residents will be responsible for the costs related to telephone service.
  2. **Meals.**

Pennybyrn provides a meal allowance to each residence in independent living which is subject to change. The meal allowance is included in the Monthly Service Fee. If resident exceeds the meal allowance in any given month, the additional cost incurred above the meal allowance will be added to the Residents next monthly statement. An amount equivalent to one half the monthly meal allowance may be rolled over to the following month. At the end of the month any amount greater than the two week rollover will be forfeited.
  3. **Housekeeping Services.** The Monthly Service Fee includes housekeeping services weekly, including vacuuming, dusting, change and laundering of primary bedroom linens, and cleaning of baths and kitchens.

4. **Transportation.** The Monthly Service Fee will include scheduled transportation for Residents on a regular, scheduled basis for doctor and medical appointments, shopping and activities as outlined in the Pennybyrn Resident Handbook.
5. **Activities.** Pennybyrn will provide scheduled programs of recreational, spiritual, educational and cultural activities; arts and crafts; exercise, health and wellness programs; and other activities designed to meet Residents' interests.
6. **Grounds Keeping.** Pennybyrn will furnish basic grounds keeping service; including lawn, tree, and shrubbery care as part of the Monthly Service Fee. Subject to written approval by Pennybyrn, You may plant and maintain certain garden areas as outlined in the Resident Handbook.
7. **Maintenance and Repairs.** Pennybyrn will maintain and repair each Residence including improvements, furnishings, appliances, and equipment owned by Pennybyrn as part of the Monthly Service Fee. You will be responsible for the cost of repairing damage to property of Pennybyrn caused by You or any of Your guests, excluding normal wear and tear.
8. **Security. Pennybyrn will provide:**
  - Twenty-four (24) hour security service
  - An emergency call system throughout the Community
  - Smoke detectors in each Residence
  - Fire alarm system.
9. **Other Services and Programs at Additional Charge.** Other services and programs will be available to You at Your expense, including, but not limited to those previously mentioned:
  - Beauty and barber services
  - Personal care and assistance services
  - Personal laundry or dry cleaning
  - Private transportation for personal or special group trips.
  - Additional housekeeping
  - Catering
  - Guest meals
  - Repairs of personal property
  - Advanced Information technology or tech support
  - Other special services performed for You beyond the normal scope of services offered by Pennybyrn.

10. **Health Care Accommodations and Services.** Pennybyrn will provide health care accommodations and services as follows:
- a. **Three Levels of Care in Health Care Residences.** Pennybyrn will have accommodations, equipment, staffing, programs, services, and supervision necessary for licensed Assisted Living, licensed Assisted Living for Memory Support and licensed nursing care (collectively, the “Health Care Residences”). The Health Care Residences and services are available to You on a space available basis, if needed, as determined by Pennybyrn. Residents of Pennybyrn have priority access to all Health Care Residences and services before non- residents. However, Pennybyrn cannot guarantee access to these areas, other than priority admission.
  - b. **Health Care Benefit. (Grace days)** Pennybyrn will provide services above those covered by Medicare or other third party insurance to an independent living Resident in a Pennybyrn Healthcare Household setting for fifteen (15) days annually. These grace days may be carried over into future years with a cumulative annual benefit not to exceed forty-five (45) days at no additional charge for each Resident, provided that the Resident remains an independent living Resident. The Resident will pay for additional meals not covered in the Monthly Service Fee at the then current rate for additional meals and any additional charges for additional services.
  - c. **Clinic.** A clinic for health consultations will be available for rehabilitation services, screenings, and appointments as well as to certain members of the community at large. You will incur all costs associated with these visits or You may instruct that they be billed directly to Your insurance provider.
  - d. **Staffing.** Twenty-four (24) hour licensed nursing staff will be maintained in the Health Care Residences.
  - e. **Medical Director.** The overall coordination and supervision of health care services within Pennybyrn will be provided by a Medical Director, who will be a licensed physician selected by Pennybyrn.
  - f. **Health Care Services for an Additional Fee.** Other health services may be available to You at Your expense, including, but not limited to, pharmacy services, personal care and assistance services, laboratory tests, physical, occupational, and speech therapy, therapeutic activities, rehabilitative treatments, and other medical equipment and supplies. The costs of such services are in addition to the charges described in **Section III.F.1.**

- g.** **Personal Physician.** In the event that You need to be hospitalized, Residents will choose a personal physician who has admission privileges at a local hospital. You are responsible for the cost of physician services.

## II. DATE OF OCCUPANCY AND OCCUPANCY

- A. **Date of Occupancy.** You will choose a Date of Occupancy that will be within ninety (90) days after the Date of Deposit. You will be expected to take Occupancy of the Residence and begin paying the Monthly Service Fee as of the Date of Occupancy.
  
- B. **Occupancy.** As used in this Agreement, “Occupancy” will have occurred when You have signed the Agreement, completed the application process and been approved for residency, paid the Entrance Fee in full, and begin paying the Monthly Service Fee

**III. FINANCIAL ARRANGEMENTS**

A. **Entrance Fee Options.** You agree to pay to Pennybyrn an Entrance Fee as a condition of becoming a Resident.

Name: \_\_\_\_\_ Unit: \_\_\_\_\_

<u>Entrance Fee</u>	<u>Amount of Entrance Fee</u>	<u>Amortization Schedule</u>
Traditional Amortizing Entrance Fee	\$ _____	2% earned upon occupancy and an additional 2% per month for 49 months, after 49 months of occupancy, no refund is paid.

You agree to pay to Pennybyrn an amount equal to ten percent (10%) of Entrance Fee for Your chosen Residence # \_\_\_\_\_ in the amount of \$ \_\_\_\_\_.

B. **Terms of Payment of the Entrance Fee.** The terms of payment of the Entrance Fee shall be as follows:

1. **Deposit for Residence.** To select and reserve Your Residence for occupancy, You will complete the application and submit it to the Resident Review Committee, pay a deposit equal to ten percent (10%) of the total Entrance Fee for Your chosen Residence (less any previous deposits paid), and this Agreement will be signed by both parties. You will receive notice of approval for residency within thirty (30) days of submitting your completed application.
  
2. **Balance of the Entrance Fee.** The remaining balance of the total Entrance Fee for the Residence will be due and payable prior to occupying the residence. The remaining balance must be paid prior to the commencement of any modifications to the residence.

- C. **Monthly Service Fee.** In addition to the Entrance Fee, You agree to pay the current Monthly Service Fee of service fee of \_\_\_\_\_ and the second person monthly service fee of \_\_\_\_\_ upon Occupancy and until such time as You have vacated the Residence, and the Residence is available to be occupied. The Monthly Service Fee shall be payable in advance by the fifth (5<sup>th</sup>) day of each month. You are responsible for the payment of the Monthly Service Fee regardless of whether you are voluntarily absent from the Residence for any length of time.
- D. **Adjustments in the Monthly Service Fee.** The Monthly Service Fees are paid to provide the facilities, programs, and services described in this Agreement and are intended to cover costs of the expenses associated with the operation and management of Pennybyrn. Pennybyrn, with the approval of its Board of Directors, may increase the Monthly Service Fee during the term of this Agreement as required, consistent with operating on a sound financial basis and maintaining quality service all as determined in the discretion of Pennybyrn. You will receive notice of any such increases in the Monthly Service Fee, or other charges, at least thirty (30) days before such increase. Pennybyrn will endeavor to make such increases not more than once a year.
- E. **Monthly Statements.** Pennybyrn will furnish to You a monthly statement showing the Monthly Service Fee payable for the month in advance, and any additional charges from the previous month, payable by the fifth (5<sup>th</sup>) day of the current month. Pennybyrn may charge interest at a rate of one and one-half percent (1-1/2%) per month on any unpaid balance owed by You thirty (30) days after the monthly statement is furnished.
- F. **Health Care Charges.**
1. **Fee for Services.** Upon permanently occupying a Health Care Residence, You will surrender the Residence and will no longer pay the Monthly Service Fee for that Residence. Instead You will pay the published, current, per diem fees for such Health Care Residence. Such per diem fees shall cover the cost of services described in **Section I.F.10**. In addition, You may pay other charges for ancillary services as more fully described below.

2. **Additional Charges for Ancillary Health Care Services.** You will be responsible for additional charges for ancillary health care services provided at Pennybyrn. Ancillary services will include all services not provided by the staff of Pennybyrn and are therefore not included in the per diem fees. Examples of additional charges include, but are not limited to, the cost of prescription and non-prescription medications, physical examinations, laboratory tests, physical therapy, home health care, occupational therapy, rehabilitative treatments, wheelchairs, or other medical equipment or supplies.
  
3. **Care in Another Facility.** In the event that the Health Care Residences of Pennybyrn do not have available appropriate accommodations or other services, You may, at Your discretion, and after consultation with Your physician, spouse (if any) and family, need to be moved to another facility. You shall pay the costs of services provided at such facility. Policies regarding transfers to another facility are further described in **Section VI.C.** of this Agreement.

#### IV. **RESIDENCY REQUIREMENTS AND PROCEDURES**

- A. **Age.** Residents shall be sixty-two (62) years of age or older. If Residents are a couple, at least one member of the couple must be at least sixty-two (62) years of age at the time of Occupancy.
- B. **Application Forms.** You will submit an **Application for Residency**, a **Personal Health History**, and a **Confidential Financial Statement**, all on forms (the “Application Forms”) furnished by Pennybyrn for approval by Residency review committee.
- C. **Residency Review.** Upon receipt of the completed Application Forms, the Residency Committee will review the information You submitted as a basis for initial approval for residency. The Residency Review Committee will approve or deny the application for initial residency within thirty (30) days after receiving the completed forms, and will provide you with a written decision within ten (10) additional days.
- D. **Financial Requirements.** You must have assets and income sufficient to pay Your financial obligations under this Agreement and to meet Your ordinary living expenses. Pennybyrn may require You to furnish additional or updated financial information prior to Occupancy. Supplemental financial assistance may be available after Occupancy to Residents who qualify, as determined by Pennybyrn. The policies relating to financial assistance are determined by the Board of Directors. The amount of assistance is determined on an individual basis and there is no guarantee of assistance to any individual.
- E. **Representations.** You affirm that the representations made in the Application for Residency, Confidential Data Profile, Personal Health History, Confidential Financial Statement and are true and correct and may be relied upon by Pennybyrn as a basis for entering into this Agreement.
- F. **Statement as to Non-Discrimination.** Pennybyrn shall not limit residency to persons on the basis of gender, race, religion, national origin, or marital status.

V. **TERMS OF RESIDENCY**

- A. **Rights of Resident.** Subject to the terms and provisions of this Agreement, You have the right to occupy, use, and enjoy the Residence, common areas, amenities, programs and services of Pennybyrn during the term of this Agreement. It is understood that this Agreement does not transfer or grant any interest in the real or personal property owned by Pennybyrn other than the rights and privileges as described in this Agreement.
- B. **Policies and Procedures.** All residents shall abide by Pennybyrn policies and procedures, including such amendments, modifications and changes of the Resident Handbook as may be adopted by Pennybyrn. Such Resident Handbook shall be published and made readily available to You at the time of Occupancy.
- C. **Changes in the Residence.** Pennybyrn has the right to change the Residence to meet requirements of any applicable statutes, laws, or regulations. The Residence may not be used in any matter in violation of any zoning ordinances or other governmental law or regulation.
- D. **Move to Another Residence.** You have the option to move from the Residence identified in this Agreement to another Residence within Pennybyrn, if available and approved by Pennybyrn. Your request for the change must be submitted in writing at least sixty 60 days prior to Your requested unit type's vacancy.

A moving charge to cover refurbishment costs for the vacated Residence, a transfer Fee, and other related costs will be agreed to in writing prior to the move. You will be responsible to pay such charges and for making the arrangements for and paying the expenses of the move, including the hiring and costs of a licensed, professional mover.

If You should want to move to another Residence with a higher or lower Entrance Fee than the current Entrance Fee for the Residential Unit identified in this Agreement, any additional charge will be determined by written agreement between You and Pennybyrn at that time. You agree to sign a new Agreement for the new Residence.

- E. **Loss of Property.** Pennybyrn shall not be responsible for the loss of any property belonging to You due to theft, mysterious disappearance, fire or any other cause. You will be responsible for securing personal property insurance.

- F. **Medical Insurance.** You are required to maintain Medicare Part A, Medicare Part B, and one supplemental health insurance policy or equivalent insurance coverage acceptable to us to assure your ability to fully cover a Medicare-qualified stay in the Health Center. Such supplemental insurance should cover Medicare co-insurance and deductibles. You will furnish to us such evidence of coverage as we may from time to time request. Should your supplemental health insurance or equivalent coverage not fully cover a Medicare-qualified stay in the Health Center, or should you fail to purchase supplemental health insurance or equivalent coverage to fully cover a Medicare-qualified stay in the Health Center, you will be financially responsible to pay for deductibles, co-insurance amounts, and any other costs for each Medicare-qualified stay in the Health Center.
- G. **Right of Entry.** You authorize employees or agents of Pennybyrn to enter the Residence for the purposes of housekeeping, repairs, maintenance, inspection, and in the event of an emergency. Pennybyrn will always endeavor to maintain Your privacy and the privacy of the Residence.
- H. **Residents' Organizations.** Residents of Pennybyrn are members of a Residents' Association that is open to all Residents. Such organization elects representatives, officers, and other positions to engage in activities of interest to all residents.
- I. **Occupancy by Two Residents.** When two (2) Residents occupy a Residence, upon the permanent transfer or the death of one Resident, or in the event of the termination of this Agreement with respect to one of the Residents, the Agreement shall continue in effect for the remaining Resident. The remaining Resident will thereafter pay the Monthly Service Fee for one Resident associated with the Residence. No Entrance Fee refunds shall be paid to the remaining Resident until the Residence is vacated and a replacement Entrance Fee for the Residence is received by Pennybyrn.
- J. **Marriage During Occupancy.**
1. **Marriage to Another Resident** - Should You marry a person who is also a Resident of Pennybyrn, the two of You may occupy either Residence and shall surrender the unoccupied Residence. You will pay the Monthly Service Fee for two residents upon Occupancy by both of You in the chosen Residence. No Entrance Fee refunds shall be payable with respect to the unoccupied Residence. Refunds are made in accordance with **Sections III.A. and VII.G** of this Agreement.
  2. **Marriage to Non-Resident** - If You should marry a person who is not a Resident of Pennybyrn, Your spouse may become a Resident if your spouse meets all the requirements for admission and enters into an Agreement with Pennybyrn. You and Your spouse shall pay the Monthly Service Fee for two Residents. If Your spouse does not meet

the requirements of Pennybyrn for admission as a Resident, You may terminate this Agreement in the same manner as provided in **Section VII.B.** of this Agreement with respect to a voluntary termination, or Your spouse may be approved for admission under special circumstances as agreed to in writing by Pennybyrn and You. Refunds are made in accordance with **Sections III.A. and VII.G.** of this Agreement.

- 3. Other Shared Occupancy Arrangements** - In the event that a Resident wishes to share occupancy with another person and the shared occupancy is approved in writing by Pennybyrn, the provisions of **Section V.J.1.** of this Agreement for **Marriage to Another Resident** above shall apply.

In the event that you wish to share occupancy with a Non-Resident and the shared occupancy is approved in writing by Pennybyrn, the new Resident will be required to meet all normal admission requirements and enter into an Agreement with Pennybyrn for the dwelling unit to be occupied.

**VI. TRANSFERS OR CHANGES IN LEVELS OF CARE**

- A. **Transfer to a Health Care Residence.** Pennybyrn recognizes the right of self-determination of the Resident and will attempt to involve the Resident or the Resident's representative in all decisions related to transfers and changes in level of care. In cases of potential harm to Yourself or others, to assure the health and well being of You and others, or to provide for the highest quality of life possible, management reserves the right to determine if You should be transferred from Residence to a Health Care Residence, or from one level of care to another within Pennybyrn. Such determination shall be based on the opinion of the Pennybyrn administration and/or the Pennybyrn Medical Director and shall be made after consultation with You and Your representative and attending physician. Such decisions shall be made only in Your best interest and in the best interest of the larger Community as determined by Pennybyrn.
- B. **Temporary Health Care.** If You are in need of temporary care in a Health Care Residence, it will be provided after consultation between the Pennybyrn Medical Director, Your physician, You, and Your spouse (if any) or Your immediate family. Pennybyrn shall provide nursing care accommodation in the Health Care Center or assisted living care in the Assisted Living Facility, as deemed appropriate and only if space is available. The cost of such care would be in addition to Your Monthly Service Fee, including the cost of any additional meals not already included in Your Monthly Service Fee, and any other charges described in **Section I.F.10.** herein.
- C. **Transfer to Another Facility.** In the event that the Health Care Residences of Pennybyrn do not have available appropriate accommodations or other services, You may, at Your discretion, and after consultation with Your physician, spouse (if any) and family, be moved to another facility either on a temporary basis until such time as an appropriate Health Care Residence becomes available or a permanent basis. The costs of services provided at such facility shall be paid by You.

If it is determined by Pennybyrn that You need care beyond that which can be provided by Pennybyrn, You may be transferred to a hospital or facility equipped to provide such care at Your expense. Such transfer will be made only after consultation with You and/or Your representative, and Your attending physician.

- D. Psychiatric Illness, Dangerous Communicable Disease, Drug or Alcohol Abuse.** Pennybyrn is not designed to care for persons who have an active psychiatric illness, a dangerous communicable disease or who require treatment for drug or alcohol abuse. Should Pennybyrn, in consultation with the Medical Director, determine that your physical or psychiatric illness or that your condition as a result of drug or alcohol abuse, is such that your continued presence is either dangerous or detrimental to your life, health, safety or peace, or the life, health, safety or peace of others in the community, then Pennybyrn may transfer you to another facility of your choosing or require you to terminate your residency at Pennybyrn.
- E. Surrender of Residence.** If a determination is made by Pennybyrn that any transfer described in **Section VI.A.** is permanent, You agree to surrender Your present Residence. You will have priority to move to such Health Care Residences, or another facility determined to best suit Your needs, as soon as the appropriate accommodations are available.

It is understood that, if You are the only Resident in Your Residence, once You permanently move into a Health Care Residence, You relinquish the right to reoccupy that Residence. In the event that You again become able to live independently, You will be entitled to the first available Residence of the type accommodation last occupied by You.

## **VII. TERMINATION AND REFUND PROVISIONS**

### **A. 30-Day Right of Rescission.**

This Agreement may be rescinded by You within 30 days following the later of the execution of this Agreement or the receipt of a disclosure statement that meets the requirements of N.C.G.S. § 58-64-20. You will not be required to move into Your Residence before the expiration of this 30-day rescission period. In the event of rescission, You shall receive a refund of all monies transferred to Pennybyrn less (i) periodic charges specified in this Agreement and applicable only to the period a Residence was actually occupied by You; (ii) any non-standard costs specifically incurred by Pennybyrn at Your request and described in this Agreement or any Amendment signed by You.

### **B. Termination After 30-Day Rescission Period.**

This Agreement may be terminated by You for any reason after the thirty-day rescission period and prior to Occupancy by giving written notice to Pennybyrn. In the event of such termination, You will receive a refund of Your ten percent (10%) deposit, less any non-standard costs specifically incurred by Your request.

Any such refund described in **Sections VII.A.** and **VII.B.** above shall be paid by Pennybyrn within sixty (60) days following receipt of written notification of such termination by You to:

Director of Marketing  
Pennybyrn  
109 Penny Road  
High Point, NC 27260

**C. Voluntary Termination by Resident After Occupancy.** At any time after Occupancy and the 30-day rescission period, You may terminate this Agreement by giving Pennybyrn written notice of Your intention to cancel Residency at least thirty (30) days prior to the date of termination. The amount of refund due to You shall be determined according to the Entrance Fee amortization schedule described in **Section III.A.** and **VII.G.**

**D. Termination Upon Death or Illness Prior to Occupancy.** If a Resident dies following the 30-day rescission period but prior to occupying a living unit (Residence) in the Community, or if, on account of illness, injury or incapacity, a Resident would be precluded from occupying a living unit (Residence) in the Community under the terms of this Agreement, this Agreement is automatically cancelled and the Resident or legal representative of the Resident shall receive a refund of all money or property transferred to Pennybyrn, within sixty (60) days following receipt of written notification of such termination by Resident or legal representative of the Resident to:

Director of Marketing  
Pennybyrn  
109 Penny Road  
High Point, NC 27260

- E. Termination Upon Death After Occupancy.** In the event of death of a single Resident, or the survivor of two Residents, at any time after Occupancy, this Agreement shall terminate, and the refund of the Entrance Fee shall be determined in the same manner described in **Section III.A. and VII.G.**
- F. Termination by Pennybyrn After Occupancy.** Pennybyrn may terminate this Agreement at any time if there has been a material misrepresentation or omission made by You in Your Application for Residency, Personal Health History, Confidential Financial Statement, or ; if You fail to make payment to Pennybyrn of any fees or charges due within sixty (60) days of the date when due; or if You do not abide by the rules and regulations adopted by Pennybyrn, or breach any of the terms and conditions of this Agreement. In the event of termination due to any of such causes, the refund of the Entrance Fee paid by You shall be determined in the same manner described in **Section III.A. and VII.G.**
- G. Payment of Refunds.** Upon termination of your agreement all Entrance Fee refunds due will be paid approximately sixty (60) days after Pennybyrn has received a replacement Entrance Fee, paid in full, for the Independent Living Residence most recently occupied by the Resident. Any applicable refund is subject to the following deductions: 1) any financial assistance subsidy provided to Resident by Pennybyrn, 2) and/or any amounts necessary to cover costs incurred by Pennybyrn to refurbish, restore or repair the Residence in the event of unreasonable wear, and tear, 3) and any monthly billing outstanding amount due to Pennybyrn. In the case of dual occupancy, refunds will not be paid until both Residents have permanently vacated the Residence and removed their personal belongings. Resident acknowledges and agrees that any transfer from one level of care to another within Pennybyrn (including without limitation a transfer from Resident's current Living Accommodation to assisted or skilled nursing) shall not be deemed a termination of this Agreement nor entitle Resident to a refund or partial refund of their Entrance Fee.
- H. Condition of Residence.** Upon vacating the Residence, You shall leave it in good condition except for normal wear and tear. You, or Your estate shall be liable to Pennybyrn for costs required to restore the Residence to good condition. Pennybyrn reserves the right to charge You or Your estate for any expenses incurred in returning the Residence to its original condition, normal wear and tear excepted. Such costs may be deducted from the refundable portion of the Entrance Fee due to You, if any.
- I. Vacating the Residence.** You have 60 days to vacate the residence. After sixty (60) days Pennybyrn reserves the right to relocate your belongings to an offsite storage facility at your expense and end monthly billing for the residence.

## **VIII. FINANCIAL ASSISTANCE**

It is the policy of Pennybyrn that a Resident will not be dismissed nor will the Agreement be terminated solely due to the financial inability of the Resident to pay the Monthly Service Fee, as long as such inability to pay is due to circumstances beyond the control of the Resident. Pennybyrn will make reasonable efforts to maintain the Resident's status at Pennybyrn, even if unexpected financial difficulties make it impossible for Resident to keep up with monthly obligations. As long as a Resident has acted in good faith in his/her dealings with Pennybyrn, and management determines that the facts justify special consideration, management will make reasonable efforts to work with the Resident toward a confidential plan that will secure Resident's status in the Community. Including but not limited to movement of the resident to an alternative Pennybyrn residences.

Residents agree and understand that Pennybyrn policy of assisting Residents through times of financial hardship is conditioned upon the Resident's efforts as well. Along these lines, Residents must not voluntarily weaken their ability to pay in any material fashion, Residents agree to cooperate with management in providing additional financial information upon request and Residents must take action to shift personal assets in order to pay outstanding balances due Pennybyrn. Failure to assist as described herein may result in termination of the Agreement with such Resident. The policies relating to financial assistance are determined by the Board of Directors. The amount of assistance is determined on an individual basis and there is no guarantee of assistance to any individual.

## **IX. GENERAL**

- A. **Assignment.** Your rights and privileges under this Agreement to the Residence, common areas and amenities, services and programs of Pennybyrn are personal to You and may not be transferred or assigned by You.
- B. **Pet Policy.** You may bring such pets into Pennybyrn as you now own, with the prior written approval of Pennybyrn and as noted in the current pet policy located in the Resident Handbook. "Pets" shall be defined as household dogs, cats, tropical fish, and caged birds or other acceptable pet as determined by Pennybyrn. No other animals shall be permitted. Pets may not be a nuisance or pose a health or safety threat to other Residents or Pennybyrn and must be properly cared for at all times. Failure to comply with any rules and regulations regarding pets may necessitate the removal of such pet from the Community. If a pet is not removed from the Community after Pennybyrn requests such removal, Pennybyrn reserves the right to terminate this Agreement. You shall be responsible for all damages caused by your pet. Pets will be leashed or carried and in the control of the owner at all times when outside of your Residence and are not allowed in the Community Center. Further rules and regulations regarding pets will be found in the Resident Handbook.
- C. **Guest Privileges.** Guests may stay with you in the Residence at no additional charge other than for meals, etc., but such stays shall be limited to fourteen (14) consecutive days. The maximum number of guests allowed will be at the discretion of Pennybyrn.
- D. **Management of Pennybyrn.** The absolute rights of management are reserved by Pennybyrn, its Board of Directors, and its administrators as delegated by the Board of Directors. Pennybyrn reserves the right to accept or reject any person for residency. Residents do not have the right to determine admission or terms of admission for any other Resident.
- E. **Entire Agreement.** This Agreement and addenda, if any, constitutes the entire contract between Pennybyrn and You. Pennybyrn shall not be liable or bound in any manner by any statements, representations, or promises made by any person representing or assuming to represent Pennybyrn, unless such statements, representations, or promises are set forth in this Agreement or its Addenda.
- F. **Successors and Assigns.** Except as set forth herein, this Agreement shall bind and inure to the benefit of the successors and assigns of Pennybyrn and Your heirs, executors, administrators, and assigns.

- G. Transfer of Property.** You agree not to make any gift or other transfer of property for the purpose of evading Your obligations under this Agreement or if such gift or transfer would render You unable to meet such obligations.
- H. Affiliation with Religious Organization.** Pennybyrn is affiliated with its Sole Member, the Roman Catholic Diocese of Charlotte. This organization has no financial responsibility for any of the contractual obligations of Pennybyrn under this Agreement.
- I. Tax Disclosure Statement.** A portion of your Entrance Fee and Monthly Fee *may* be deductible on your personal income tax return as an itemized deduction for medical expenses and/or real estate taxes. Pennybyrn will inform you of the amount of your Entrance Fee and Monthly Service Fee that *may* be deductible. If You need assistance in preparing or filing your taxes, it is Your responsibility to engage a qualified tax professional. Pennybyrn cannot provide tax advice or guidance.
- J. Governing Law.** This Agreement shall be governed by the laws of the State of North Carolina.
- K. Ad Valorem Taxes.** Pennybyrn shall be responsible for payment of any ad valorem property taxes against the Residence that may be assessed in the future. The amount of such taxes shall be added to the Monthly Service Fee for the Residence.
- L. Guardianship.** If the Resident becomes legally incompetent, or is unable to properly care for himself or herself or his or her property, and if the Resident has made no other designation of a person or legal entity to serve as his or her guardian, then the Resident hereby agrees that Pennybyrn or its designee may initiate legal proceedings relating to Resident's competence and may act as Resident's legal guardian when qualified according to law. Resident agrees to pay to Pennybyrn and its designee any attorneys' fees and other expenses incurred in connection with any such guardianship upon demand.

**IN WITNESS WHEREOF**, Pennybyrn and the Resident have executed this Agreement, the Resident has received a copy of the current Pennybyrn Disclosure Statement, and the ten percent (10%) deposit has been paid as of the day and year first above written.

Addenda Attached:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Date

MARYFIELD, INC.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

## **Appendix E — Examination Report**

The North Carolina Department of Insurance has not conducted an examination of Maryfield, Inc. dba Pennybyrn pursuant to Article 64A of the North Carolina General Statutes.

## Appendix F — Statutory Ratio and Supporting Definitions

This Appendix reproduces certain statutory definitions referenced in Section 35 — Key Financial Metrics. The definitions below are quoted verbatim from N.C. Gen. Stat. §§ 58-64A-5 and 58-64A-145 and are provided for reference only.

**Adjusted Net Operating Margin Ratio.** *“A profitability ratio that measures the margin generated from the core operations of a provider and net cash proceeds from entrance fees. The quotient shall be calculated by dividing the sum of resident operating income and net proceeds from entrance fees by the sum of resident revenue and net cash proceeds from entrance fees.”* (G.S. 58-64A-145(1))

**Annual Debt Service.** *“The current year’s capitalized interest cost plus interest expense and scheduled principal payments, excluding any balloon principal payment amounts and any portion of the annual debt service that has been or will be funded by debt for the payment of debt service.”* (G.S. 58-64A-5(7))

**Average Daily Cash Operating Expenses.** *“The total expenses of a provider incurred in the conduct of the provider’s business over a defined period of time, divided by the number of days in that period. For purposes of this definition, ‘total expenses’ includes interest expense, but excludes depreciation expense, amortization expense, realized or unrealized nonoperating losses or expenses, bad debt expense, and other noncash expenses.”* (G.S. 58-64A-145(2))

**Capital Expenditures as a Percentage of Depreciation Ratio.** *“A capital structure ratio that indicates the level of capital reinvestment by a provider. The quotient shall be computed by dividing total purchases of property, plant, and equipment by total depreciation expense.”* (G.S. 58-64A-145(3))

**Cushion Ratio.** *“A liquidity ratio that measures a provider’s ability to pay its annual debt service using its unrestricted cash and investments. The quotient shall be computed by dividing unrestricted cash and investments by annual debt service.”* (G.S. 58-64A-145(4))

**Days Cash on Hand Ratio.** *“A liquidity ratio that measures the number of days of cash operating expenses a provider could cover using its existing unrestricted cash and investments. The quotient shall be computed by dividing unrestricted cash and investments by average daily cash operating expenses.”* (G.S. 58-64A-145(5))

**Debt Service Coverage Ratio.** *“A capital structure ratio that measures a provider’s ability to pay annual debt service with cash flow from net cash revenues and net entrance fee receipts. The quotient shall be calculated by dividing the sum of total excess of revenues over or under expenses plus interest expense, depreciation expense, amortization expense, other noncash operating losses or expenses, and net cash proceeds from entrance fees, minus entrance fee amortization, entrance fee refunds contractually past due, and other noncash operating gains or revenues divided by annual debt service. Entrance fees received from the initial residents of independent living units at a continuing care retirement community that have been financed in whole or in part with the proceeds of*

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