



Disclosure Statement

Stanley Total Living Center, Inc
Continuing Care Retirement Community
Provider: Stanley Total Living Center, Inc.

Date of Disclosure Statement: 9/30/2025

Last Date for Delivery: 3/09/2027

- **This Disclosure Statement must be delivered to a contracting party before the execution of a binding reservation agreement or continuing care 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 Stanley Total Living Center, Inc. to penalties under Article 64A.**

Financial Snapshot: Key Ratios for Stanley Total Living Center, 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 th % ¹	NC 50 th % ¹	NC 75 th % ¹
DCOH	162	133	152	255	268	280	—	—	—
CUSH	NA	NA	NA	NA	NA	NA	—	—	—
OR	110%	104%	102%	95.0%	95.0%	95.0%	—	—	—
NOM	-10%	-4.0%	-2.0%	5.0%	5.0%	5.0%	—	—	—
NOM-A	-9%	-3.0%	-2.0%	5.0%	5.0%	5.0%	—	—	—
DSCR	NA	NA	NA	NA	NA	NA	—	—	—
CD	NA	NA	NA	NA	NA	NA	—	—	—
CED	.44	1.21	.78	.31	.30	.28	—	—	—

Cushion/Debt Service/ Cash to Long Term Debt Ratios are not applicable because we are Debt Free.

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.

¹ **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

Stanley Total Living Center, 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)

Stanley Total Living Center, Inc. conducts business under the name “Stanley Total Living Center, Inc.” The name “The Parke” is a trade name only and does not represent a separate legal entity. Stanley Total Living Center, Inc. remains legally responsible for providing continuing care and performing all obligations under continuing care contracts.

Item	Information
Legal Provider Name:	Stanley Total Living Center, Inc.
Doing Business As (DBA):	Stanley Total Living Center, Inc. and The Parke
Business Address:	514 Old Mount Holly Rd, Stanley, NC 28164
Telephone Number:	(704) 263-1986
Legal Entity Type:	Nonprofit corporation organized under the laws of North Carolina
For-Profit / Nonprofit Status:	Nonprofit
Federal Tax Status:	Tax-exempt under Section 501(c)(3) of the Internal Revenue Code
Ownership Type:	Privately owned and controlled nonprofit organization. The provider is not part of any publicly held or publicly traded corporate system.
Tax Filing Status:	Current on all required federal and state tax filings
Ownership / Control:	Stanley Total Living Center, Inc. is a North Carolina nonprofit corporation

2. Organizational Structure

2.1 Multi-Entity Organization Status

Stanley Total Living Center, Inc. is not part of a multi-entity organization and is a stand-alone facility, a North Carolina nonprofit corporation.

2.2 Consolidation of Financial Statements

Consolidated Financial Statements do not apply. Audited financial statements are prepared for Stanley Total Living Center, Inc. as a single entity.

Item	Information
Name:	Stanley Total Living Center, Inc.
Business Address:	514 Old Mount Holly Rd, Stanley, NC 28164
Telephone Number:	(704) 263-1986

2.3 Company Structure Chart

Stanley Total Living Center, Inc. is a stand-alone CCRC, not part of a multi-entity organization.

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 Stanley Total Living Center, Inc.

Name / Role	Education	Experience	Length of Service
Jennifer DeFelice Administrator, Executive Director, Chief Executive Officer Executive Board Member At Large	Associates Degree in Nursing from Queens College/Presbyterian Hospital School of Nursing Licensed RN NC#151848 Licensed NCNHA #2389	27 years in senior-living care all at Stanley Total Living Center, Inc.	Executive Board Member for 4 years 17 years as Administrator/Executive Director/CEO 6 years as Director of Nursing 4 years working as RN
Sharon Bryant Chief Financial Officer General Board Secretary Executive Board Member At Large	MAcc, UNC Charlotte; B.S. Accounting & Business Admin Belmont Abbey College; CPA (NC) #35693 NCNHA # 2727	32 + years in nonprofit healthcare finance; all at Stanley Total Living Center, Inc.	Executive Board Member for 4 years 33 years in the business office as Bookkeeper, Controller, and currently the CFO

Business Address: 514 Old Mount Holly Rd, Stanley, NC 28164

Disclosure: Neither officer has reported any Outside Interests or Adverse Disclosures.

3.2 Community Management – Stanley Total Living Center, Inc.

Name / Role	Education	Experience	Length of Service
Jennifer DeFelice Administrator, Executive Director, Chief Executive Officer Executive Board Member At Large	Associates Degree in Nursing from Queens College/Presbyterian Hospital School of Nursing Licensed RN NC#151848 Licensed NCNHA #2389	27 years in senior-living care all at Stanley Total Living Center, Inc.	Executive Board Member for 4 years 17 years as Administrator/CEO 6 years as Director of Nursing 4 years working as RN

Business Address: 514 Old Mount Holly Rd, Stanley, NC 28164

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

3.3 Board of Directors (Executive Board Members) — Stanley Total Living Center, Inc.

Name / Role	Education	Experience	Length of Service
Ronnie Lee Ensley President First Presbyterian Church, Stanley, NC	BS in Textile Mgmt- NC State & University of Virginia’s Darden Graduate Executive Program (MBA)	Senior Vice President Manufacturing for 30 years, now retired	Executive Board Member for 31 years (since 1995) General Board Member for 33 years (since 1993)
Michael W Dixon Treasurer CFO/Emeritus First Presbyterian Church, Stanley, NC	BS in Chemistry & Math Western Carolina University	Marketing & Business Management for 28 years, now retired	General & Executive Board Member for 42 years (Since 1984)
Steven Smith First Vice President First Presbyterian Church, Stanley, NC	B.S. Economics UNC Charlotte	Owner/Operator of Independent Insurance Agency for 34 years	Executive Board member for 13 years (since 6/7/2013) General Board Member for 14 years (since 6/7/2012)
Rob McMinn Second Vice President At Large Member	St Pete Junior College & Belmont Abbey College	Regional Sales Manager for 31 years	Executive Board Member for 8 years (since 1/1/2018) General Board Member for 15 years (since 1/1/2011)
Allison Crotts Secretary First Baptist Church, Stanley, NC	BS in Horticulture Virginia Tech, Special Education Certification Belmont Abbey	Teacher at Charlotte-Meck High School & Holy Angels, Belmont, NC	Board Member for 11 years (since 10/1/2015) Executive Member for 7 years (since 10/1/2019)

Business Address: 514 Old Mount Holly Rd, Stanley Total Living Center, Inc.

Disclosure: None of the directors of Stanley Total Living Center, Inc. have reported any Adverse Disclosures.

None of the directors of Stanley Total Living Center, Inc. have reported any Outside Interests, except for two Board Members. These Board Members have signed the necessary exception clauses and have been approved by the Board of Directors following the Conflict of Interest Policy of the facility.

Michael Dixon, 1940 Rhyne Road, Dallas, NC 28034, is the CFO/Emeritus of Stanley Total Living Center, a paid financial consultant managing investments for the facility and also the Treasurer of the Board of Directors.

Steve Smith is Owner of InSouth Insurance, 119 N Maxwell Avenue, P O Box 3206, Huntersville, NC 28070, which provides general insurance coverage for Stanley Total Living Center. Steve Smith is also the 1st Vice-President of the Board of Directors.

3.4 Board of Directors (General Board Members)— Stanley Total Living Center, Inc.

Name / Role	Education	Experience	Length of Service
Melissa Smith General Board Member First Presbyterian Church, Stanley, NC	BS - Rehabilitative & Therapeutic Recreation & Minor in Psych from East Carolina University	Office Manager for 23 years, now retired	General Board Member for 19 years (since 1/1/2007)
Teresa Neely General Board Member First Presbyterian Church, Stanley, NC	Gaston College, Gaston Memorial Hospital School of Radiologic Tech Diploma, Caldwell Community College-Cardiovascular Ultrasound Certificate	Ultrasound Technologist 30 + years-now retired	General Board Member for 29 years (since 1/1/1997)
Dana Baker General Board Member First Presbyterian Church, Stanley, NC	Doctor of Pharmacy UNCC MBA New England College	Practiced at Atrium Health, Carolina LT Care Hospital, Manager for University Hospital in Charlotte, Currently Director of Pharmacy at Atrium Health Lincolnton, NC	General Board Member for 5 years (since 1/1/2022)

Name / Role	Education	Experience	Length of Service
Deborah Harper General Board Member First Presbyterian Church, Stanley, NC	BS in Nursing, UNCC	Worked as a nurse for 6 years, SAP Analyst at Bank of America Since 2011	General Board Member for 13 years (since 1/26/2013)
Cathy Kirkland General Board Member Town of Stanley		Stanley Town Council Member & Stanley Town Mayor	General Board Member for 6 years (since 3 /1/2021)
Teresa West General Board Member Stanley Methodist Church	Western Carolina University	Accounting, AR, AP and HR	General Board Member for 19 years (since 1/1/2007)
Judith Abernathy General Board Member Christ's Lutheran Church	Graduate of Gaston Memorial School of Nursing	Director of Case Mgmt 10 years at Caromont Health, now retired	General Board Member for 12 years. (since 7/1/2013)
Derrick Gantt General Board Member Stanley Pentecostal Holiness Church	BS Marketing UNCC	21 years employed at HISCO	General Board Member for 3 years (since 1/5/2023)
Lisa Grice General Board Member First Presbyterian Church, Stanley, NC	BS Business Admin & MAcc UNC, NC CPA	CFO-Brooks Investment Holdings Corp	General Board Member for 7 years (since 1/1/2019)
Kevin Mauney General Board Member At Large		Owner Operator Rock Ridge Nursery . 28 years International Dyeing & Mfg.	General Board Member for 8 years (since 1/1/2019)

Business Address: 514 Old Mount Holly Rd, Stanley, NC 28164

Disclosure: None of the directors of Stanley Total Living, Inc. have reported any Outside Interests or Adverse Disclosures.

3.5 Management Entity — Does Not Apply

3.6 10% + Ownership Interests

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

Stanley Total Living Center, Inc. is organized as a nonprofit corporation and therefore has no equity ownership interest. No individual holds a ten percent (10%) or greater beneficial interest in the entity.

4. Governing Body and Oversight

4.1 Provider Governing Body

Stanley Total Living Center, Inc. is governed by a Board of Directors consisting of 17 members. 15 are volunteers and 2 are facility-paid employees in management roles appointed by the Executive Board (the Administrator/Executive Director/CEO and the CFO). Of the 17 members, 7 members form the Executive Board and 10 form the General Board.

The 7-member Executive Board consists of the President, 1st Vice President, 2nd Vice President, Secretary, Treasurer, and 2 At Large members.

The Board is responsible for the overall direction and oversight of Stanley Total Living Center 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 Stanley Total Living, Inc.'s solvency and operations.

4.1.1 Selection of Members

Directors are appointed by Stanley Total Living Center, Inc.'s Board of Directors. The term for each Board seat is 4 years, with time limits staggered to eliminate the risk of the entire Board turning over simultaneously.

4.1.2 Oversight of Management and Operations

The Board delegates day-to-day operations of Stanley Total Living Center, Inc. to the Executive Director/Administrator/CEO of Stanley Total Living Center, Inc. The Board maintains oversight through:

- Regular review of financial and operating reports.
- Approval of major contracts, capital projects, and debt issuances.
- Quarterly board meetings and periodic committee reports.
- Evaluation of management performance and compliance with the management agreement (if applicable).

4.1.3 Committees

The Stanley Total Living Center, Inc. Board maintains standing committees for:

- **Finance:** budget review, financial performance monitoring.

4.2 Controlling Person Governing Body

Stanley Total Living Center, Inc., is governed by its own Board of Directors. That board is responsible for system-level strategy and oversight, with the following responsibilities:

1. To oversee the hiring and job duties of the Executive Director/Administrator/CEO who is ultimately then responsible for the day-to-day operations of the facility as a whole.
2. To keep the organization focused on its mission and vision, assisting the Executive Director/Administrator/CEO with strategic planning for both short- and long-term goals.
3. To provide financial oversight for the organization, including direct involvement in reviewing and approving the operating and capital budgets annually.
4. To monitor internal controls put in place to prevent financial loss/theft following best practices.
5. To create and maintain a code of business ethics for the organization.
6. To recruit and orient new members of the board.

4.2.1 Selection of Members

The Board of Directors consists of 17 members—15 are volunteers and 2 are facility-paid employees in management roles appointed by the Executive Board (the Executive Director and the CFO). Of the 17 members, 7 members form the Executive Board and 10 form the General Board.

- The 7-member Executive Board consists of the President, 1st Vice President, 2nd Vice President, Secretary, Treasurer, and 2 At Large members.

Board members consist of representatives from local churches in the town of Stanley and the Stanley Town Council as follows:

- 9 seats (the majority) are held specifically by members nominated and appointed by the First Presbyterian Church of Stanley as the original founder of the organization.
- 1 seat is held specifically by a member specifically nominated and appointed by the Town of Stanley council
- The remaining 7 seats are held by nominations and appointments made by the other various churches within the town of Stanley as specifically noted by their membership or as At Large members

The term for each Board seat is 4 years, with time limits staggered to eliminate the risk of the entire Board turning over simultaneously.

The Board of Directors is selected by local churches and the Town of Stanley, but the churches and town are in no way responsible for the financial or contractual obligations of the corporation.

4.2.2 Oversight of Management and Operations

The Board of Directors do not directly employ staff. The Board of Directors' responsibility is to oversee the hiring and job duties of the Executive Director/Administrator/CEO.

Administrative and operational support is provided to the Executive Director/Administrator/CEO who is ultimately responsible for the day-to-day operations of the facility.

4.2.3 Committees

The Stanley Total Living Center, Inc. Executive Board of Directors serve as the standing committees for:

- **Finance and Audit:** system-level budgeting, financial reporting, independent auditor oversight, and debt covenant compliance.
- **Governance and Nominating:** system board recruitment, evaluation, and succession.
- **Strategic Planning:** long-term planning, market development, and risk management.

4.3 Division of Responsibilities

To avoid duplication and ensure effective oversight:

- The Executive Director/Administrator/CEO focuses on resident-level matters, including community operations, quality of care, resident satisfaction, and financial performance.
- Stanley Total Living Center, Inc. Board focuses on system-level matters, including appointment of subsidiary directors, financial oversight, debt covenant compliance, and long-term strategic planning.

5. Related Parties

Stanley Total Living Center, Inc. has a relationship with Stanley Total Living Center Foundation, Inc. does not have common control. Stanley Total Living Center Foundation, Inc., a 501(c)(3) non-profit organization, was formed for the purpose of raising funds and providing support to Stanley Total Living Center, Inc. The assets of the Foundation are not carried on the books of Stanley Total Living Center, Inc since they do not meet the requirements of the Financial Accounting Standards Board FASB ASC 958.

Stanley Total Living Center Foundation, Inc. arrangement did not exceed \$5,000 in FY2025. For purposes of this section, Actual/Probable Cost refers to the cost incurred by Stanley Total Living Center, Inc. and does not apply because there is no cost incurred by Stanley Total Living Center, Inc. in connection with Stanley Total Living Center Foundation, Inc.

Stanley Total Living Center, Inc. receives support from Stanley Total Living Center Foundation, a nonprofit 501 (c)(3) supporting organization was formed for the sole purpose of raising funds and providing support to Stanley Total Living Center, Inc. The Foundation provides charitable resources but does not appoint directors or exercise governance authority.

5.1 Stanley Total Living Center Foundation, Inc.

- **Nature of Relationship:** Stanley Total Living Center Foundation, Inc. a 501(c)(3) non-profit organization was formed for the purpose of raising funds and providing support to Stanley Total Living Center, Inc. Neither organization is controlled by the other.
- **Goods/Leases/Services Provided:** Stanley Total Living Center Foundation, Inc. provides donations to Stanley Total Living Center, Inc. in support of its mission.
- **Actual/Probable Cost:** There is no cost incurred by Stanley Total Living Center, Inc. in connection with Stanley Total Living Center Foundation, Inc. The Foundation provided no funding support to Stanley Total Living Center, Inc. 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.

Neither Stanley Total Living Center, Inc., nor Stanley Total Living Center Foundation, Inc., have a relationship with a sponsoring religious denomination, faith-based community, or educational institution. Memberships in industry organizations such as North Carolina Healthcare Facilities Association are limited to networking and professional development and carry no governance authority or financial support.

7. Other Persons Responsible for Obligations

Stanley Total Living Center, Inc. has no other person or entity responsible for the financial or contractual obligations of Stanley Total Living Center, Inc.

8. Obligated Groups

Stanley Total Living Center, Inc. has no affiliation with an obligated group.

9. Debt Covenants and Compliance

Stanley Total Living Center, Inc. have no debt and therefore have no related requirements.

10. Third-Party Management Arrangements

Stanley Total Living Center, Inc. does not employ a third-party manager to operate Stanley Total Living Center, Inc. Day-to-day operations are carried out by the Executive Director/Administrator/CEO and senior management employed by Stanley Total Living Center, Inc.

11. Real Property Leases

Stanley Total Living Center Foundation, Inc. secured 9.5 acres June 22, 2005, located about 300 yards from Stanley Total Living Center, Inc. facility location. STLC Foundation has leased this land to Stanley Total Living Center, Inc. Base Rent due and payable to Stanley Total Living Center Foundation, Inc. during the Lease Term of 50 years, which shall be \$1.00 per Lease Year (12) consecutive month period beginning 2/12/2015.

12. Endowment Funds

Stanley Total Living Center, Inc. does not maintain endowment funds.

13. Description and Location of the Community

Stanley Total Living Center, Inc. owns and operates Stanley Total Living Center, Inc., a non-profit corporation chartered under laws of the State of North Carolina. located at 514 Old Mount Holly Rd, Stanley, North Carolina 28164.

Stanley Total Living Center, Inc. is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Stanley Total Living Center, Inc. is also exempt from property taxes in the State of North Carolina under G.S.105-278.6A

The primary objective of Stanley Total Living Center, Inc. is to provide the highest level of resident care possible with due regard for the individual resident's specific medical, social, emotional, and spiritual needs.

Stanley Total Living Center, Inc. is a full-service retirement community located on a ten-acre site at 514 Old Mt. Holly Rd., Stanley, NC. The main building consists of the Healthcare Center with 106 bed skilled nursing section, a 40 bed Assisted Living, an eight (8) apartment independent living section (these 8 apartments are unavailable pending renovation), plus 20 apartment units at a different location at 151 E. Dallas Rd., Stanley, NC 28164, These units are named THE PARKE, and numerous public and service areas.

Stanley Total Living Center, Inc. is a not-for-profit retirement center offering retirement apartments, assisted living, and nursing care in a spirit of compassion. The official motto is "A Ministry of Compassion." Envisioned and planned by the First Presbyterian Church, Stanley Total Living Center, Inc. gained the support of other local churches and the Town of Stanley. A Board of Directors composed of local town representatives, governs the operation of Stanley Total Living Center, Inc.

Stanley Total Living Center, Inc. officially opened in November of 1983 with sixty beds and twenty-one apartments. In August of 1993 the 20-bed Alzheimer's Unit (Unit 400) and the 50-bed acute Nursing Unit (Unit 500) opened. In October 2006, eight additional ILU's were licensed and opened with a total of 29 units. In 2016, we converted 21 apartments into assisted living beds at 514 Old Mount Holly Rd, Stanley, NC location and opened 20 apartment units at a different location at 151 E. Dallas Rd., Stanley, NC 28164, These units are named THE PARKE.

Stanley Total Living Center, Inc. is committed to providing a safe and secure environment where active seniors can lead the independent lifestyle they choose. Our apartments are for people who can live independently without direct assistance from others for routine personal activities. Our Health Center provides two areas of care: Assisted Living and Skilled nursing care. Residents join Stanley Total Living Center, Inc. in the apartments and may move

to the Health Center in the future if the need arises, either on a temporary or permanent basis at the prescribed fee rate. Healthcare Center fees would apply.

Staff is not normally available for direct personal assistance for the Independent Apartment residential areas, so we place a lot of emphasis on our residents' ability to live independently. Functional ability is the primary criteria for residency in the apartments of Stanley Total Living Center, Inc. We define this as having sufficient mobility, dexterity, sensory function, and mental status to live without direct assistance of another. This includes activities of daily living and getting to meals. Of course, adaptive devices which enhance abilities are encouraged and welcomed, such as aid for ambulation, mobility, dexterity, or sensory improvement.

14. Living Units by Level of Care

As of September 30, 2025, Stanley Total Living Center, Inc. included:

- 28 independent living units (20 apartments available at The Parke located at 151 East Dallas Rd, Stanley, NC and 8 units located on the property with the Healthcare Center currently unavailable due to pending renovations.)
- 40 assisted living units
- 106 skilled nursing beds

15. Continuing Care at Home Program

Stanley Total Living Center, Inc. is not licensed to operate a Continuing Care at Home (CCaH) program.

16. Resident Population Served

As of September 30, 2025, the resident population served by Stanley Total Living Center, Inc. under continuing care contracts was as follows:

- 20 residents in independent living
- 30 residents in assisted living
- 90 residents in skilled nursing

As of September 30, 2025, the community did not maintain a waitlist for admission to independent living.

There is no fee to be placed on the independent living waitlist.

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 Stanley Total Living Center, Inc. for the past five fiscal years were as follows:

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

Fiscal Year-End	Independent Living (%)	Assisted Living (%)	Skilled Nursing (%)
9/30/2025	94%	60%	83%
9/30/2024	89%	46%	82%
9/30/2023	94%	44%	70%
9/30/2022	77%	45%	56%
9/30/2021	86%	51%	59%

18. Semiannual Resident Meetings

Stanley Total Living Center, Inc. holds meetings with residents of the Stanley Total Living Center, Inc. at least twice each year, as required by law.

Fiscal Year 2025 Meeting Dates

- July 14, 2025
- Sept 19, 2025

As required by law, an independent member of the provider’s board of directors was unable to be present at each of the meetings presented by Sharon Bryant, CFO. However, Jennifer DeFelice, Executive Board Member/Executive Director/CEO attended on July 14, 2025, and on Sept 19, 2025.

19. Resident Property Rights

Residents do not hold ownership or property rights in the real estate of Stanley Total Living Center, Inc. Residency and access to services are governed solely by the continuing care contract.

20. Services Provided Under the Contract

Stanley Total Living Center, Inc. offers services under continuing care contracts, the following disclosures describe the services included in each contract type, as well as those available for additional charge.

20.1 Health Care Services

Residents of Stanley Total Living Center, Inc. have access to assisted living, skilled nursing, and memory support care on the Healthcare campus of the Skilled Nursing Facility. 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 the Stanley Total Living Center, Inc. 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

- Two daily meals independent living
- Three daily meals in assisted living and skilled nursing
- Special Diets when ordered by a physician (Assisted Living & Skilled Nursing)
- Weekly housekeeping services & Trash Removal (Independent Living)
- Daily housekeeping services & Trash Removal (Assisted Living & Skilled Nursing)
- Washer & Dryer Available for Personal Laundry (Independent Living)
- Laundry service (except dry cleaning) available if requested (Assisted living & Skilled nursing)
- Central Spa/Bath-(Assisted Living & Skilled Nursing)
- Physician Services (Assisted Living & Skilled Nursing)
- Medication Management by Licensed nurse and/or Medication Aide for 24/7 needs (Assisted Living & Skilled Nursing)
- Licensed Nurses are available on site in the skilled nursing area(s) for emergency needs on a 24/7 basis (Assisted Living & Skilled Nursing)
- Certified Nursing Assistants for 24/7 needs (Assisted Living & Skilled Nursing)
- Transportation to/from routine, non-emergency medical appointments within 20-mile radius of the facility if available
- Basic Furniture (each bedroom will contain a manual bed, pressure-reduction mattress, nightstand, bedside table, TV, and recliner while each shared living room will contain a loveseat, 2 chairs, and 2 tables) (Assisted Living)

- Basic Furniture (each bedroom will contain a manual bed, pressure-reduction mattress, nightstand, bedside table, TV (Skilled Nursing))
- Maintenance & Repair of property own by Stanley Total Living Center, Inc.
- Smoke Detectors
- Groundskeeping
- Use of Common Facilities
- Parking spaces as needed for daily use by Independent Apartment Resident
- Basic utilities; electricity, water, heating, air conditioning, phone, basic cable, and wireless Internet Services
- Use of community amenities (Fitness Center, Computer Room, Music Room, Library, Billiard Room, Small Conference Room, Gazebo, Patio, Grill) (Independent Living Only)
- Social activities Program (Educational, Spiritual, cultural, and recreational)
- Care coordination for transitions between levels of care

20.2.2 Services Available at Additional Charge

- Guest meals
- Salon and barber services
- Newspaper Delivery
- Additional cable or phone services not covered under the basic package available
- Extraordinary repairs, maintenance, or damage to Stanley Total Living Center, Inc. caused by the negligence of the resident and/or guests of the resident.
- For wireless internet services---each resident's personal computer must be compatible with the wireless internet services provided by the facility. Any upgrades needed or ongoing maintenance services for a resident's personal computer will be at their own expense.
- Priority for transition between levels of care when needed and when available provided the resident has the appropriate insurance coverage in which the facility is contracted.
- Medical Supplies, pharmaceuticals, equipment, etc. used for care including nutritional supplements provided by the facility.
- Rehabilitation services
- Transportation for non-emergency appointments outside of 20-mile radius of the facility as well as any emergency transportation
- Any room in the Healthcare Center (Assisted Living & Skilled Nursing), when available

20.3 Continuing Care at Home (CCaH) Contracts

Stanley Total Living Center, Inc. is not licensed to operate a Continuing Care at Home (CCaH) program.

21. Resident Fees

Nonancillary fees at Stanley Total Living Center, Inc. for the campus-based community consist of required, ongoing fees such as entrance fees, monthly service fees, and transfer fees. The following tables show Stanley Total Living Center, 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.

21.1 CCRC Contracts

CCRC contracts represent continuing care contracts for residents who live at Stanley Total Living Center, Inc.

Table 0.1: Current Monthly Fees (CCRC Contracts)

Unit Type	Single Occupant	Double Occupant
Independent Living – Apartment (1BR-Small)	\$3,531	\$4,031
Independent Living – Apartment (1 BR-Large)	\$3,681	\$4,181
Independent Living – Apartment (2 BR-Small)	\$3,840	\$4,340
Independent Living – Apartment (2 BR-Large)	\$4,267	\$4,767
Assisted Living	\$236 - \$297 per day	\$186 - \$247 per day
Skilled Nursing	\$369 per day	\$339 per day

Monthly fees are reviewed 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.

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

Fiscal Year-End	Average % Increase	Average \$ Increase	Frequency
9/30/2025	4.0%	\$135	Annual
9/30/2024	4.0%	\$135	Annual
9/30/2023	4.0%	\$120	Annual
9/30/2022	5.0%	\$142	Annual
9/30/2021	0%	\$0	Annual

Table 21.3: Current Entrance Fees (CCRC Contracts)

Unit Type	Entrance Fee (Single)	Entrance Fee (Double)
Independent Living – Apartment (1BR-Small)	\$36,000	\$36,000
Independent Living – Apartment (1 BR-Large)	\$38,000	\$38,000
Independent Living – Apartment (2 BR-Small)	\$40,000	\$40,000
Independent Living – Apartment (2 BR-Large)	\$42,000	\$42,000
Assisted Living	\$250	\$250

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

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

Fiscal Year-End	Average % Increase	Average \$ Increase	Frequency
9/30/2025	0%	\$0	Annual
9/30/2024	18.0%	\$6,000	Annual
9/30/2023	0%	\$0	Annual

Fiscal Year-End	Average % Increase	Average \$ Increase	Frequency
9/30/2022	3.5%	\$1,000	Annual
9/30/2021	0%	\$0	Annual

21.2 CCaH Contracts

Stanley Total Living Center, Inc. is not licensed to operate a Continuing Care at Home (CCaH) program.

21.3 Household Composition Changes

21.3.1 MARRIAGES/NEW SECOND OCCUPANT

Should a resident marry, the new spouse would need to be approved by the Admissions committee. The new spouse then could move into the apartment and the Monthly Fee would be adjusted accordingly. If the resident marries a person who does not meet the requirements for admission to an apartment due to health reasons, the new marriage partner (who does not meet the health requirements) would have the opportunity to be admitted into the assisted living or nursing section of the facility or to locate to another facility as he/she desires. These are the same options a married couple has who may occupy an apartment and one member of the couple has health problems that prevent independent living. Should a resident marry, and the new spouse does not meet the age requirement, the age requirement would be waived for the new spouse.

21.3.2 MARRIAGE BETWEEN TWO OCCUPANTS

In the event two residents living separately having two separate contracts/agreements marry and move into one unit of the two, their monthly fees would reflect the amount normally charged for the unit in which they choose to occupy. Any refunds due would apply to the person from the vacated unit and would be refunded within 30 days after the unit is vacated. Since entrance fees carry into the future, the resident who moved out of the unit could return to a similar unit after paying back any refunds, additional entrance fees if applicable, and the monthly rate in force at that time whenever any empty unit becomes available. If it suits the two occupants, they may cancel the existing resident agreements and enter into a new agreement with full credit allowed for the highest entrance fee paid toward either of the two units or any available unit that is not under contract. The refund terms from Section 22 would apply.

21.4 Transfer Fees and Resale Fees

If a resident transfers to a different independent living unit, a transfer fee is not 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

Stanley Total Living Center, Inc. does not withhold refunds dependent upon re-occupancy of another resident. If a resident moves furnishings into a unit and then elects not to occupy the unit, since a unit would not be available to the public in a timely manner the following would apply:

- The agreement may be terminated by the resident within thirty (30) days following the later of execution of the contract or receipt of Disclosure Statement by serving Stanley Total Living Center, Inc. with written notice of termination. The resident is not required to move into the facility before the expiration of the thirty (30) day period, but Stanley Total Living Center may require a non-refundable service fee of 2% of the Entrance Fee. Any refunds will be made within 30 days of receiving the written termination of agreement or 30 days after the unit is vacated by the resident in the contract. The concept of a 30-day notice allows the facility to market a unit in a timely manner.

In addition, Stanley Total Living Center, Inc. offers declining-balance contracts under which the refundable portion of the entrance fee decreases monthly and amortizes to 0% after a 48-month period. Once the amortization period has elapsed, no refund is payable upon termination of the contract or the death of the resident. These contracts therefore do not create refundable entrance fee obligations beyond the initial amortization period. The refund amount would be calculated as follows:

- This agreement may be terminated by the resident at any time, for any reason, after occupancy has been established at Stanley Total Living Center, Inc. by serving the Company thirty (30) days written notice of such termination. The Company shall refund to residents in the Parke Independent Apartments \$4,800.00 of the Entrance Deposit reduced by \$100.00 for each month of residency up to forty-eight (48) months. After forty-eight (48) months of residency Stanley Total Living Center, Inc. shall be under no obligation to make a refund to the resident. The amount of the refund due will be made within 30 days after being vacated.

22.2 Refund Obligations as of September 30, 2025

Category	Number of Contracts	Aggregate Amount
Refunds due once all contractual conditions are met	9	\$16,700
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	0	\$0

As of September 30, 2025, Stanley Total Living Center, Inc. had \$16,700 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. The amount of the refund due will be made within 30 days after being vacated.

23. Financial Hardship Policies

23.1 Policies for Residents Unable to Pay

It is the policy of Stanley Total Living Center, Inc. if the resident becomes unable to pay the appropriate Monthly Fees, the facility will have the right to discharge the resident.

24. Contract Cancellation and Refund Policies

24.1 Provider-Initiated Cancellation

Stanley Total Living Center, 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.

- in the event of resident's death or if a resident should become physically or mentally incapacitated or if, on account of illness, injury or other reasons of incapacity before occupying a living unit and to the extent that the Healthcare facilities available at Stanley Total Living Center, Inc. cannot provide adequate care for the resident under the terms of the contract for continuing care.

Any deposits will be refunded in full within 30 days after this determination is made. The refund terms from Section 22 would apply.

- After occupancy or commencement of services, if:
 - The resident fails to make the appropriate Entrance Deposit or Monthly Fee payments.
 - 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.
 - There is a material misrepresentation or omission made by the resident in the Application for Admission, Personal Health History, Medical History and Evaluation, or Confidential Financial Information,
 - Repeated failure to abide by the policies of Stanley Total Living Center, Inc.

24.2 Resident-Initiated Cancellation

A resident may cancel a contract under the following circumstances:

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

The agreement may be terminated by the resident within thirty (30) days following the later of execution of the contract or receipt of Disclosure Statement by serving Stanley Total Living Center, Inc. with written notice of termination. The resident is not required to move into the facility before the expiration of the thirty (30) day period, but Stanley Total Living Center may require a non-refundable service fee of 2% of the Entrance Fee. Any refunds will be made within 30 days of receiving the written termination of agreement or 30 days after the unit is vacated by the resident in the contract. The concept of a 30-day notice allows the facility to market a unit in a timely manner.

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

This agreement may be terminated by the resident after occupancy and within thirty (30) days from the date of occupancy and within 30 days of signing a contract to occupy a living unit by serving Stanley Total Living Center with written Notice of Termination. The resident will receive a refund in full of the portion of the Entrance Deposit paid by the resident within 30 days after the unit is vacated. The apartment must be vacated in less than thirty (30) days from the date of occupancy for this policy to be affected.

This agreement may be terminated by the resident at any time, for any reason, after occupancy has been established at Stanley Total Living Center, Inc. by serving the Company thirty (30) days written notice of such termination. The Company shall refund to residents in the Parke Independent Apartments \$4,800.00 of the Entrance Deposit reduced by \$100.00 for each month of residency up to forty-eight (48) months. After forty-eight (48) months of residency Stanley Total Living Center, Inc. shall be under no obligation to make a refund to the resident. The amount of the refund due will be made within 30 days after being vacated.

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 Stanley Total Living Center, Inc.
- Prepaid monthly fees are prorated to the date the living unit is vacated and belongings are removed; 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 within 30 days after written notification is received by Stanley Total Living Center, Inc..

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

Refunds are made according to the standard refundable entrance fee provisions described in Section 22.

The agreement shall be terminated on the death of a resident if the resident was a single resident of an apartment. The refund of the Entrance Deposit will be made to the resident's estate based on Section 22. Prepaid monthly fees are prorated to the date belongings are removed from the living unit and refunded within 30 Days.

25. Re-occupancy of Units

A living unit at Stanley Total Living Center, Inc. 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.
- **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 vacating of the living unit and do not permit re-occupancy by a new resident.

25.4 Refunds

Refunds associated with the vacating of a living unit are handled in accordance with Section 22 – Refundable Entrance Fee Obligations. Refunds are not contingent upon re-

occupancy by a new resident. Refunds will be processed within 30 days by Stanley Total Living Center, Inc. after written notification is received and unit is vacated.

26. Resident Relocation

Residents of Stanley Total Living Center, 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. Resident may move to the Health Center in the future if the need arises, either on a temporary or permanent basis at the prescribed fee rate. Health Center fees for assisted living, skilled care, and memory care would apply.
- **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).

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

- It is understood that Stanley Total Living Center, Inc. has the right to make or change living accommodation assignments, if necessary, to best serve the needs of the resident and Stanley Total Living Center, Inc.
- Relocation decisions are made in consultation with the resident, the resident's family (if applicable), appropriate health professionals, and the Executive Director/Administrator/CEO.
- The resident agrees that Stanley Total Living Center, Inc. shall have the authority to determine when or if the resident should be transferred from the resident's apartment to the Stanley Total Living Center, Inc. Health Center or from one level of care to another level of care within Stanley Total Living Center, Inc. Health Center.
- As a resident ages and declines in physical function, licensed nursing staff and a physician will assess and determine the need for placement in another level of care (assisted living or skilled nursing). If a resident is hospitalized and requires another level of care, he or she will be placed in the appropriate bed, if available. If there is no

availability and the resident must be placed in a different nursing home, he or she will be given the first opportunity as an appropriate bed becomes available. Health Center fees for assisted living, skilled care, and memory care would apply.

- 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 Stanley Total Living Center, Inc. is subject to both health and financial screening at the time of application. Stanley Total Living Center, Inc., through its Admissions Committee, has the right to reject any application for admission to Stanley Total Living Center, Inc.

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. The Resident affirms that the representations made in the Application for Admission, Personal Health History and Confidential Financial Statement are true and correct and may be relied upon by Stanley Total Living Center, Inc. as a basis for entering into this Agreement
- **Health Standards:** Applicants for independent living must be capable of living safely and independently at the time of entry, with or without reasonable accommodation. A current medical history and health assessment completed by the applicant's physician 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 Stanley Total Living Center, Inc. in the apartments with the payment of the appropriate Entrance Deposit and Monthly Fees or may move to the Health Center in the future if the need arises, either on a temporary or permanent basis at the prescribed fee rate. Health Center

fees for assisted living, skilled care, and memory care would apply. 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. Continuation Requirements must be met as stated in Section 24-Contract Cancellation and Refund Policies

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 Stanley Total Living Center, Inc. under a continuing care contract is 55 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

It is suggested that Applicants for CCRC contracts:

- Maintain Traditional Medicare Part A, Traditional Medicare Part B,
- 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.
- Or maintain adequate Health Insurance to cover Medical services

Long-term care insurance is not required.

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, Stanley Total Living Center, Inc. held \$15,286,846 in unrestricted cash and investments. These funds will be utilized as needed to prioritize liquidity for future entrance fee refunds. These funds remain unrestricted for accounting purposes but reflect the Board's intent to maintain liquidity for resident entrance fee refund obligations.

As of September 30, 2025, unrestricted cash and investments supported a Days Cash on Hand of 152 days, representing approximately five (5) months of projected operating expenses without new revenues.

29.2 Investment Management and Oversight

- **Oversight Body:** Finance Committee, consisting of the Members of the Executive Board of Directors of Stanley Total Living Center, Inc.
- **Day-to-Day Management:** Financial Consultant with 42 years Investment Strategy Experience
- **Experience:** Finance Committee members average 22 years of financial oversight and management experience.
- **Policy and Controls:** Investments are managed under a Board-approved policy emphasizing liquidity and capital preservation. The overall investment objective of the Organization is to maximize the return on invested assets while minimizing risk and expenses. This is done through prudent investing and planning, as well as through the maintenance of a diversified portfolio. Permitted investments include Cash and cash equivalents, marketable securities including equities and fixed income securities, bonds, ETF's, mutual funds, utilities, and sector funds. The Financial Consultant executes within these limits, reports quarterly to the Finance Committee, and maintains control over custody, counterparty limits, and rebalancing.

29.3 Statutory Operating Reserve Requirement

As of September 30, 2025, Stanley Total Living Center, Inc.'s 12-month rolling average independent living unit occupancy was 94%. Based on this level of occupancy, the required statutory operating reserve was 25% of projected operating costs for the next 12 months.

Because Stanley Total Living Center, Inc. has no debt, therefore, there is no required Debt Service Reserve Fund, principal and interest payments considered in the operating reserve calculation.

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

Component	Amount
Total projected operating expenses	15,950,179
Add: Debt service (principal and interest)	-0-
Less: Principal and interest (covered by Debt Service Reserve Fund)	-0-
Less: Depreciation and amortization	624,289
Net projected operating costs	15,325,890
Applicable reserve percentage based on occupancy	50%
Required operating reserve	7,662,946
Unrestricted cash & investments on hand	15,286,846
Excess above required reserve	7,623,900

Summary: The required statutory operating reserve was \$7,662,946. Stanley Total Living Center, Inc. held \$15,286,846 in unrestricted cash and investments, providing an excess cushion of \$7,623,900 above the statutory minimum.

29.4 Refund Security (Entrance Fee Refunds)

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

- \$7,623,900 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.

Stanley Total Living Center, 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	15,286,846	All liquid balances (cash and investments)
Less: Required operating reserve	7,662,946	Must be maintained; release requires regulatory approval
Less: Board-designated for refunds	-0-	Internal designation; unrestricted under GAAP
Excess unrestricted cash and investments above operating reserve and board designated refund reserve	7,623,900	Available for operations and refund needs (outside of designated reserves)

30. Expansion and Renovation Plans

As of September 30, 2025, the Board of Directors and the Executive Director/Administrator/CEO of Stanley Total Living Center, Inc. are in the discussion and planning phase of turning 8 empty Independent Living units attached to our current Healthcare Center campus into Private Assisted Living Units. This will take some time to go through the proper approvals as we are ready to move forward with our plan for 2026.

The Executive Director/Administrator/CEO is currently working with the architect and contractor on the plans/drawings that will be submitted to NCDHSR Life Safety for approval. The process of going through NCDHSR Life Safety can take some time, therefore, the project is contingent upon obtaining approval from NCDHSR Life Safety, NCDHHS, the North Carolina Health and Human Resources, North Carolina Department of Insurance, permits, and if necessary securing financing on acceptable terms.

This expansion will increase the number of private Assisted Living units available to current and future residents, it will, however, not change the total number of Assisted Living units under the Current Certificate of Need. Also, it will not alter existing residents' contracts or current fee structures.

During construction, temporary activity may affect access and noise levels in nearby areas of the campus. Residents will be informed in advance of any significant disruptions.

31. Audit Opinion and Timeliness

The financial statements of Stanley Total Living Center, Inc. for the fiscal year ended September 30, 2025, were audited by Gatewood, Bagley, & Huffman, CPAs, PC (Winston-Salem, 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 consolidated financial statements of Stanley Total Living Center, 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 Stanley Total Living Center, Inc. for the period 2026 through 2030 are attached hereto as Appendix B. These statements were prepared and compiled by Gatewood, Bagley, & Huffman, CPAs, PC, 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 Stanley Total Living Center, 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 Occupancy	90%	94%	4.0%	Occupancy numbers were consistent, as units became available we were able to fill units with new residents.
Assisted Living Occupancy	90%	60%	-30.0%	Slower-than-expected absorption of units following the COVID Pandemic; however, we have increased ALF occupancy

Category	Projected Amount	Actual Amount	Variance	Explanation
				by 17% during the past 12-month period.
Skilled Nursing Occupancy	90%	83%	-7.0%	Slower-than-expected absorption of units following the COVID Pandemic and resident admissions with higher acuity levels and shorter SNF length of stays.
Operating Income	\$16.2 million	\$15.9 million	\$(300,000)	SNF occupancy numbers were less than expected due to slower than expected absorption of units following the COVID pandemic and higher acuity levels and shorter length of stays
Operating Expenses	\$15.3 million	\$16.2 million	\$(900,000)	Increased wages due to unplanned wage increases for nursing staff to stay competitive with hospital wages and 3 add'l staff added to meet demands of increased census, acuity levels, & authorizations for payment. Other expenses increased due to increase in occupancy, cost of utilities, supplies, routine maintenance, etc.
Gain (loss) from Operations	\$210,989	\$(955,398)	-\$1.2 million	Income lower than projected and expenses higher than projected.
Investment Income	\$130,000	\$2.6 million	\$2.5 million	Realized gains of \$2.2 Million reported as stocks and mutual funds were sold when the value peaked, the remaining \$435,000 related to interest & dividend income.

Category	Projected Amount	Actual Amount	Variance	Explanation
Acquisition of Capital Assets	\$200,000	\$494,326	\$294,326	Capital Projects completed that were delayed during the COVID pandemic. Purchase of a new Activity Bus, Various equipment replacements
Increase in Long Term Investment Assets	\$12.8 million	\$13.1 million	\$300,000	Conservative & diversified management of investments based on 42 years of experience buying stable & reliable mutual funds, stocks, securities, etc. Created higher than projected increase in LT Investments

35.

Key Financial Metrics

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

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

Full statutory text of definitions is provided in Appendix F.

35.1 Liquidity Ratios

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

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

Table 35.1: Liquidity Ratios – Provider Only

Ratio	FY-2	FY-1	FY	FY+1	FY+2	FY+3
DCOH	162	133	152	255	268	280
CUSH	NA	NA	NA	NA	NA	NA

Narrative – Provider Only:

Cushion Ratio is not applicable because we are Debt Free.

Liquidity declined in FY 2024 because wages were increased for staff in all departments to meet industry standards and to be competitive with hospital pay scale. This leveled out in FY 2025 and with the expected increased occupancy and the decreased operating reserve percentage continued recovery is projected to improve our liquidity in coming fiscal years.

35.2 Profitability Ratios

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

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

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

Table 35.2: Profitability Ratios – Provider Only

Ratio	FY-2	FY-1	FY	FY+1	FY+2	FY+3
OR	110%	104%	102%	95.0%	95.0%	95.0%
NOM	-10%	-4.0%	-2.0%	5.0%	5.0%	5.0%
NOM-A	-9%	-3.0%	-2.0%	5.0%	5.0%	5.0%

Narrative – Provider Only:

Margins improved beginning FY 2024 as census began to recover from the COVID Pandemic. Moving into FY 2025 our census continued to improve and going into the next few years we expect occupancy to stabilize, increasing our revenue and 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 – Provider Only

Ratio	FY-2	FY-1	FY	FY+1	FY+2	FY+3
DSCR	NA	NA	NA	NA	NA	NA
CD	NA	NA	NA	NA	NA	NA
CED	.44	1.21	.78	.31	.30	.28

Narrative – Provider Only:

Debt Service/ Cash to Long Term Debt Ratios are not applicable because we are Debt Free. Except for FY 2024, Capital-expenditure ratios remain below 1.0. Our strategic plan is to reserve cash when possible while we continue to make necessary improvements to the facility infrastructure as needed.

35.4 Overall Summary

Stanley Total Living Center, Inc. demonstrates sound liquidity, improving profitability, and conservative leverage. Liquidity dipped during FY2024 due to necessary wage increases to meet current market demands for staffing. In FY 2025 liquidity improved as these wage increases leveled out and census increased. Stanley Total Living Center, Inc. continues to remain comfortably above the required statutory operating reserve level. Stanley Total Living Center, Inc. operates within a financially resilient and conservative environment that provides stability and longevity as we continue to recover from the COVID Pandemic. Projected performance indicates stable or modestly improving results through FY 2028, with sufficient capacity to fund operations and support ongoing capital renewal.

36. Actuarial Opinion and Balance

Actuarial Study Pending:

North Carolina Gen. Stat. § 58-64A-210 requires certain continuing care providers to obtain an actuarial study, including a statement of actuarial opinion, at least once every three years. Due to the timing of the enactment of this requirement and the applicable statutory filing schedule, the actuarial study for this community has not yet been completed. The Provider is required to submit its actuarial study to the North Carolina Department of Insurance no later than December 1, 2028.

37. Most Recent Department Examination Report

The North Carolina Department of Insurance has not conducted an examination of Stanley Total Living Center, 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 Stanley Total Living Center, 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

Stanley Total Living Center, Inc. offers continuing care contracts. Representative forms of each are attached hereto as Appendix D.

39.1 Continuing Care Contracts

Stanley Total Living Center, Inc. provides one continuing care contract to meet the needs of both the Independent Living Units and the Assisted Living Units. A representative form of this contract 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

FINANCIAL STATEMENTS
STANLEY TOTAL LIVING CENTER, INC.
STANLEY, NORTH CAROLINA
Year ended September 30, 2025 and 2024

GATEWOOD, BAGLEY & HUFFMAN, CPAS, PC

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GATEWOOD, BAGLEY & HUFFMAN, CPAs, PC

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To the Board of Directors
Stanley Total Living Center, Inc.
Stanley, North Carolina

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the accompanying financial statements of Stanley Total Living Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2025 and 2024, and the related statements of activities 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 financial statements referred to above present fairly, in all material respects, the financial position of Stanley Total Living Center, 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Stanley Total Living Center, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 about Stanley Total Living Center Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Stanley Total Living Center 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 Stanley Total Living Center 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.

Lattwood, Bagley + Huffman, CPAs, PC

Winston-Salem, North Carolina
December 31, 2025

STANLEY TOTAL LIVING CENTER, INC.
STANLEY, NORTH CAROLINA
STATEMENTS OF FINANCIAL POSITION
September 30, 2025 and 2024

<u>ASSETS</u>	2025	2024	<u>LIABILITIES AND NET ASSETS</u>	2025	2024
<u>Current Assets</u>			<u>Current Liabilities</u>		
Cash - Operating Account	\$ 1,322,847	\$ 847,202	Accounts Payable:		
Note Receivable (Note 4)	20,714	20,714	Trade	\$ 368,073	\$ 374,412
Accounts Receivable:			Patient	22,504	21,666
Intermediaries and Residents	863,381	1,254,160	Accrued Expenses		
Other	18,472	16,647	Salaries and Wages	<u>493,581</u>	<u>469,043</u>
Prepaid Expenses	30,188	38,995			
Inventories (Note 2)	<u>71,763</u>	<u>76,998</u>	<u>Total Current Liabilities</u>	<u>\$ 884,158</u>	<u>\$ 865,121</u>
<u>Total Current Assets</u>	<u>\$ 2,327,365</u>	<u>\$ 2,254,716</u>			
 <u>Property, Plant and Equipment (Note 2)</u>			<u>Long-Term Liabilities</u>		
Land	\$ 280,000	\$ 280,000	Refundable Entrance Fees (Note 2)	\$ 16,700	\$ 17,400
Buildings and Improvements	18,529,488	18,478,103	Deferred Revenue from Advance Fees (Note 2)	<u>209,310</u>	<u>220,545</u>
Equipment	3,403,557	3,095,661	<u>Total Long-Term Liabilities</u>	<u>\$ 226,010</u>	<u>\$ 237,945</u>
Vehicles	<u>184,460</u>	<u>72,040</u>			
	\$ 22,397,505	\$ 21,925,804	<u>Total Liabilities</u>	<u>\$ 1,110,168</u>	<u>\$ 1,103,066</u>
Less Accumulated Depreciation	<u>(9,868,055)</u>	<u>(9,255,309)</u>			
<u>Net Property, Plant and Equipment</u>	<u>\$ 12,529,450</u>	<u>\$ 12,670,495</u>	<u>Net Assets</u>		
 <u>Other Assets</u>			Without Donor Restrictions	\$ 26,867,980	\$ 25,148,354
Investments - Other (Notes 2, 5 & 6)					
Unrestricted - Cash and Investments	\$ 5,437,672	\$ 4,616,578	<u>Total Net Assets</u>	<u>\$ 26,867,980</u>	<u>\$ 25,148,354</u>
Restricted for Operating Reserve (Note 13)	7,662,946	6,668,202			
Notes Receivable - Due After One Year (Note 4)	<u>\$ 20,715</u>	<u>\$ 41,429</u>	<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 27,978,148</u>	<u>\$ 26,251,420</u>
<u>Total Other Assets</u>	<u>\$ 13,121,333</u>	<u>\$ 11,326,209</u>			
 <u>TOTAL ASSETS</u>	<u>\$ 27,978,148</u>	<u>\$ 26,251,420</u>			

The accompanying notes of these financial statements are an integral part of this statement.
See Accountants' Report.

STANLEY TOTAL LIVING CENTER, INC.
 STANLEY, NORTH CAROLINA
 STATEMENTS OF ACTIVITY AND CHANGES IN NET ASSETS
 For the Years Ended September 30, 2025 and 2024

	2025	2024
<u>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</u>		
<u>Operating Revenue</u>		
Residents' Room, Board and Nursing Care	\$ 15,878,796	\$ 14,492,415
 <u>Operating Expenses</u>		
General Operations and Administration	<u>16,198,824</u>	<u>15,002,248</u>
Depreciation and Amortization	\$ (320,028)	\$ (509,833)
	<u>635,370</u>	<u>614,289</u>
	\$ (955,398)	\$ (1,124,122)
 <u>Other Revenues (Expenses) and Support</u>		
COVID-19 Reimbursements	\$ -	\$ 1,251
Contributions Received - Foundation	-	8,300
Contributions Received - Other	4,472	1,351
Interest Income - Finance Charges	2,945	2,994
Gain (Loss) on Disposal of Assets	5,000	-
Investment Income on Long-Term Investments	432,169	400,637
Realized Gains on Long-Term Investments	2,195,928	396,427
Unrealized Gains on Long-Term Investments	<u>34,510</u>	<u>1,743,047</u>
	\$ 2,675,024	\$ 2,554,007
 <u>INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</u>	\$ 1,719,626	\$ 1,429,885
 <u>NET ASSETS - BEGINNING OF YEAR</u>	<u>25,148,354</u>	<u>23,718,469</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$ 26,867,980</u>	<u>\$ 25,148,354</u>

The accompanying notes of these financial statements are an integral part of this statement.
 See Accountants' Report.

STANLEY TOTAL LIVING CENTER, INC.
 STANLEY, NORTH CAROLINA
 STATEMENTS OF CASH FLOWS
 For the Years Ended September 30, 2025 and 2024

	2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Increase in Net Assets (Exhibit B)	\$ 1,719,626	\$ 1,429,885
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities		
Depreciation and Amortization	635,370	614,289
Amortization of Deferred Revenue from Advance Fees	(700)	100
Advance Fee Deposits Received - Net	(11,235)	(10,905)
Net Unrealized (Gains) Losses on Long-Term Investments	(34,510)	(1,743,047)
	<u>\$ 2,308,551</u>	<u>\$ 290,322</u>
Changes in Operating Asset and Liability Items		
(Increase) Decrease in Notes Receivable	\$ 20,714	\$ 20,714
(Increase) Decrease in Accounts Receivable	388,954	(468,842)
(Increase) Decrease in Prepaid Expenses	8,807	(1,839)
(Increase) Decrease in Inventories	5,235	13,421
Increase (Decrease) in Accounts Payable	(5,501)	21,211
Increase (Decrease) in Accrued Expenses	24,538	110,584
	<u>\$ 442,747</u>	<u>\$ (304,751)</u>
<u>NET CASH PROVIDED (USED) BY OPERATIONS</u>	<u>\$ 2,751,298</u>	<u>\$ (14,429)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of Property, Construction in Progress and Equipment	\$ (494,326)	\$ (741,665)
Proceeds on Sale of Securities	11,967,517	2,650,770
Purchase of Investments	(13,748,844)	(3,022,542)
<u>NET CASH (USED) BY INVESTING ACTIVITIES</u>	<u>\$ (2,275,653)</u>	<u>\$ (1,113,437)</u>
<u>NET INCREASE (DECREASE) IN CASH BALANCE</u>	<u>\$ 475,645</u>	<u>\$ (1,127,866)</u>
<u>CASH AT BEGINNING OF YEAR</u>	<u>847,202</u>	<u>1,975,068</u>
<u>CASH AT END OF YEAR</u>	<u>\$ 1,322,847</u>	<u>\$ 847,202</u>

The accompanying notes of these financial statements are an integral part of this statement.
 See Accountants' Report.

STANLEY TOTAL LIVING CENTER, INC.
STANLEY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1: DESCRIPTION OF ORGANIZATION

Stanley Total Living Center, Inc. (the Organization) is a nonprofit corporation, organized under the laws of the State of North Carolina for the purpose of developing and owning health care facilities. The Organization is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code.

Management and general activities include the functions necessary to provide support for the Organization's program activities. They include activities that provide governance (Board of Directors), oversight, business management, financial recordkeeping, budgeting, human resource management and similar functions that ensure an adequate working environment and an adequate employment program.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the Organization are described subsequently to enhance the usefulness and understandability of the financial statements.

Basis of Accounting

The Organization prepares its financial statements using the accrual basis of accounting and accounting principles generally accepted in the United States of America.

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets with Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature. The Organization must continue to use the resources in accordance with the donor's instructions.

The Organization's unspent contributions are included in this class if the donor limited their use, as are its donor-restricted endowment funds and its beneficial interest in a perpetual charitable trust held by a bank trustee.

STANLEY TOTAL LIVING CENTER, INC.
 STANLEY, NORTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2025

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets with Donor Restrictions (continued)

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

Classification of Transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets with donor restrictions and net losses on endowment investments reduce that net asset class.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash with maturity date no longer than ninety days (90) consists of the following:

	<u>2025</u>	<u>2024</u>
Cash in Bank	\$ 1,322,497	\$ 846,852
Petty Cash	350	350
	\$ 1,322,847	\$ 847,202

The Organization maintains their cash in banks at federally insured institutions. The balance of some of the accounts during the year, and at September 30, 2025 and 2024 exceeded the federally insured limits.

Accounts Receivable – Intermediaries

Accounts receivable from intermediaries – Division of Medical Assistance and Palmetto GBA – represents the balances due at September 30, 2025 and 2024 for patient services rendered. Management feels that because the preponderance of the Organization's accounts receivables are due from Medicaid or Medicare intermediaries no allowance for bad debts is recognized. The Organization's management reviews the accounts receivables due from non-governmental sources at year end to determine the accounts to be written off for the year.

Inventories

Inventories consist of medical, food, dietary and housekeeping supplies. The inventories are stated at cost. Cost is determined by the first-in, first-out (FIFO) method.

Prepaid Assets

Prepaid assets are primary expenses prepaid for a future period.

STANLEY TOTAL LIVING CENTER, INC.
STANLEY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost when acquired by purchase and at estimated market values when acquired by gift. Depreciation is computed on the straight-line basis using the following estimated useful lives:

Building	30 – 50 years
Equipment	5 – 10 years
Furniture	10 years
Vehicles	5 years

Fair Value Measurements

The Organization's financial instruments consist primarily of cash and investments. The carrying amount of cash, grants receivable, accounts receivable and accounts payable approximate their fair value due to the short-term nature of such instruments.

Investments

The Organization follows the Not-For-Profit Entities subtopic of the FASB Accounting Standards Codification with respect to investments. Under this subtopic, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Estimates and Assumptions

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

Debt Issuance Expense

The debt issuance expense is being amortized over the life of the bonds payable.

Refundable Entrance Fees

Advance entrance fee deposits are fully refundable prior to becoming a resident of the facility. After becoming a resident, (occupancy for 30 days), these fees are non-refundable except for independent living units which are refundable at \$3,600/\$4,800 reduced by \$100 per month of occupancy. All non-refundable fees are reclassified to deferred revenue from advanced fees.

Deferred Revenue From Advanced Fees

Advanced fees that are not refundable represent payment for future services. The Organization amortizes these fees on the straight-line method. The amortization period is based on the residents' expected remaining life span at their date of entrance into the facility. The expected remaining life span is determined by using ordinary life annuity tables. If a resident vacates the facility, any non-refundable fees will be taken into income in the current period.

Advertising

The Organization's policy is to expense advertising costs as the costs are incurred.

STANLEY TOTAL LIVING CENTER, INC.
STANLEY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expense Recognition and Allocation

The cost of providing the Organization's programs and other activities is summarized on a functional basis (see Note 14). Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied as follows:

Salaries and wages, benefits and payroll taxes are allocated based on activity reports prepared by key personnel.

Occupancy, depreciation and interest are allocated on a square foot basis dependent on the programs and supporting activities occupying the space.

Telephone and internet services, insurance and supplies and other expenses that cannot be directly identified are allocated on the basis of employee headcount for each program and supporting activity.

Every three years the allocations are reevaluated.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct its fundraising activities in conjunction with its other activities.

Lease Accounting Policy

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, *Leases*) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted Accounting Standards Update (ASU) No. 2016-02, *Leases* and the related amendments for the accounting period beginning October 1, 2022. We identified one operating lease for the copier. The Organization set a lease capitalization policy of 1% of net property, plant and equipment. It was determined that the copier lease does not meet this threshold and, therefore will not be recorded as an operating lease under ASC 842. The copier lease payments will be expensed as incurred.

STANLEY TOTAL LIVING CENTER, INC.
 STANLEY, NORTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2025

NOTE 3: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of September 30, 2025 are:

<u>Financial Assets</u>	
Cash and Cash Equivalents	\$ 1,322,847
Accounts Receivable – Net	863,381
Long Term Investments	<u>13,100,618</u>
Total Financial Assets	\$ 15,286,846
Less Restricted for Operating Reserve	<u>(7,662,946)</u>
 Amount Available for General Expenditures Within One Year	 <u>\$ 7,623,900</u>

NOTE 4: NOTE RECEIVABLE

During the year 2020, Stanley Total Living Center, Inc. loaned the First Presbyterian Church, located in Stanley, North Carolina, \$145,000. Terms of the non-interest bearing loan are \$20,714 per year beginning April 1, 2021.

NOTE 5: INVESTMENTS

Investments are comprised of the following:

As of September 30, 2025

	<u>COST</u>	<u>UNREALIZED GAIN</u>	<u>FAIR VALUE</u>
Cash and Cash Equivalents	\$ 260,720	\$ -0-	\$ 260,720
Stock Equity	3,293,816	1,220,718	4,514,534
Mutual Funds	<u>7,204,447</u>	<u>1,120,917</u>	<u>8,325,364</u>
	<u>\$ 10,758,983</u>	<u>\$ 2,341,635</u>	<u>\$ 13,100,618</u>

As of September 30, 2024

	<u>COST</u>	<u>UNREALIZED GAIN</u>	<u>FAIR VALUE</u>
Cash and Cash Equivalents	\$ 872,791	\$ -0-	\$ 872,791
Stock Equity	2,635,850	1,055,941	3,691,791
Mutual Funds	<u>5,469,014</u>	<u>1,251,184</u>	<u>6,720,198</u>
	<u>\$ 8,977,655</u>	<u>\$ 2,307,125</u>	<u>\$ 11,284,780</u>

Cash and investments restricted for operating reserve is as follows:

	<u>2025</u>	<u>2024</u>
Fidelity	\$ 13,100,618	\$ 10,557,248
T. Rowe Price	-0-	727,532
	<u>\$ 13,100,618</u>	<u>\$ 11,284,780</u>

STANLEY TOTAL LIVING CENTER, INC.
 STANLEY, NORTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2025

NOTE 6: FAIR VALUE MEASUREMENTS

The Fair Value Measurements and Disclosures topic of the FASB Accounting Standards Codification 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs would be used only when Level 1 or Level 2 inputs are not available. The Organization has elected under Section 825 of the code to value the investments as of the beginning of their respective current year.

The fair values were computed as follows:

As of September 30, 2025

	<u>FAIR VALUE</u>	<u>QUOTED MARKET PRICE - LEVEL 1</u>
Cash and Cash Equivalents	\$ 260,720	\$ 260,720
Stock Equity	4,514,534	4,514,534
Mutual Funds	8,325,364	8,325,364
	<u>\$ 13,100,618</u>	<u>\$ 13,100,618</u>

As of September 30, 2024

	<u>FAIR VALUE</u>	<u>QUOTED MARKET PRICE - LEVEL 1</u>
Cash and Cash Equivalents	\$ 872,791	\$ 872,791
Stock Equity	3,691,791	3,691,791
Mutual Funds	6,720,198	6,720,198
	<u>\$ 11,284,780</u>	<u>\$ 11,284,780</u>

NOTE 7: CONCENTRATION- MEDICAID/ MEDICARE REVENUE

Revenues of \$10,445,732 (\$9,601,537 in 2024) under the Medicare and Medicaid program were received during the year subject to subsequent audit with possible retroactive adjustments by the intermediaries.

NOTE 8: RETIREMENT PLAN

The Organization has a 403(b) retirement plan. The plan covers all employees with one year of service (1,000 or more hours are required to constitute one year of service). The organization's contribution is based on matching 50% of the first 4% of salary deferral elected by each eligible employee. The Organization's contribution for the year ended September 30, 2025 was \$31,063 (\$33,084 in 2024).

STANLEY TOTAL LIVING CENTER, INC.
 STANLEY, NORTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2025

NOTE 9: LEASE EXPENSE

The Organization currently has the following leases:

	<u>ANNUAL LEASE EXPENSE</u>
Copier Equipment	
Beginning January 15, 2023	
60-month Term	
Payment - \$700 Per Month	<u>\$ 8,400</u>

NOTE 10: SUPPLEMENTAL DISCLOSURES – STATEMENT OF CASH FLOWS

The Organization is exempt from paying income taxes under IRS Code Section 501(c)(3).

NOTE 11: STANLEY TOTAL LIVING CENTER FOUNDATION

Stanley Total Living Center Foundation, a 501(c)(3) non-profit organization was formed for the purpose of raising funds and providing support to Stanley Total Living Center, Inc. The assets of the Foundation are not carried on the books of the Organization since they do not meet the requirements of the Financial Accounting Standards Board FASB ASC 958. The fair market value of the investment assets in the Foundation at September 30, 2025 and 2024 were \$7,111,267 and \$5,896,936 respectively.

NOTE 12: CHARITY CARE

Stanley Total Living Center, Inc. provides services at no charge, or amounts less than established rates, to residents who meet the criteria of its charity care policy. Usually, criteria is based on the ability to pay for the financial obligations of health care services.

Charity care also extends to the community in providing health care clinics and other activities.

The net cost of charity care provided was approximately \$1,449,561 during the year ended September 30, 2025 (\$1,299,063 for 2024).

NOTE 13: OPERATING RESERVE

The North Carolina Department of Insurance requires Stanley Total Living Center Inc. to show the operating reserve calculated by forecasting the expenditures for the years 2025 and 2024 on Exhibit "A", Statements of Financial Position, as restricted funds. Since the Organization's occupancy falls below the ninety percent (90%), the restricted reserve is based on 50% of the calculated expenditures as follows:

	<u>2025</u>	<u>2024</u>
Forecasted Operating Expenditures	\$ 15,950,179	\$ 13,987,716
Less Depreciation	(624,289)	(651,314)
Total Operating Costs	<u>\$ 15,325,890</u>	<u>\$ 13,336,402</u>
Occupancy Factor	50%	50%
Operating Reserve Requirement	<u>\$ 7,662,946</u>	<u>\$ 6,668,202</u>

STANLEY TOTAL LIVING CENTER, INC.
 STANLEY, NORTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2025

NOTE 14: EXPENSES BY NATURE AND FUNCTION

Not-for-profit organizations are required to analyze their expenses by nature and function as to operating and administrative expenses. These expenses are allocated by time studies, square footage and other appropriate measures. The following is a summary of Stanley Total Living Center's expenses:

	<u>2025</u>	<u>2024</u>
<u>Operating Expense</u>		
Salaries, Benefits and Taxes	\$ 11,165,186	\$ 10,591,211
Nursing, Rehabilitation, Supplies and Contract Services	2,343,103	1,899,063
Operation and Maintenance	665,590	666,265
Food and Dietary	714,008	665,296
Activity and Social	18,481	18,481
Depreciation	591,615	572,373
	<u>\$ 15,497,983</u>	<u>\$ 14,410,915</u>
<u>Management and General</u>		
Salaries, Benefits and Taxes	\$ 615,000	\$ 587,806
Administrative – Other	470,228	389,973
Operation and Maintenance	63,813	54,163
Depreciation and Amortization	43,755	41,916
Investment Expense	143,415	131,764
	<u>\$ 1,336,211</u>	<u>\$ 1,205,622</u>
<u>Total Expenses</u>	<u>\$ 16,834,194</u>	<u>\$ 15,616,537</u>

NOTE 15: RECLASSIFICATION

Various items on the financials for the year 2024 were reclassified to be comparable to 2025. These reclassifications had no effect on the net assets or statement of activities.

NOTE 17: SUBSEQUENT EVENTS

Management has evaluated the subsequent events through December 31, 2025, the date of these financial statements. No additional disclosures are required based upon their evaluation.

Appendix B — Five-Year Prospective Financial Statements

FORECASTED FINANCIAL STATEMENTS
STANLEY TOTAL LIVING CENTER, INC.
STANLEY, NORTH CAROLINA

September 30, 2026, 2027, 2028, 2029 and 2030

GATEWOOD, BAGLEY & HUFFMAN, CPAS, PC

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GATEWOOD, BAGLEY & HUFFMAN, CPAs, PC

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INDEPENDENT ACCOUNTANT'S REPORT

To The Board of Directors
Stanley Total Living Center, Inc.
Stanley, North Carolina

We have compiled the accompanying forecasted statements of financial position, statements of activities, changes in net assets and statements of cash flows of Stanley Total Living Center, Inc. as of September 30, 2026, 2027, 2028, 2029 and 2030, and for the year's then ending, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation of forecasted statements is limited to presenting in the form of a forecast information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying forecasted statements or assumptions. Furthermore, 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.

Management has elected to omit substantially all disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows for the periods presented. Accordingly, the accompanying presentations are not designed for those who are not informed about such matters.

Gatewood, Bagley & Huffman, CPAs, PC

December 31, 2025

STANLEY TOTAL LIVING CENTER, INC
FORECASTED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30,

	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
<u>ASSETS</u>					
<u>CURRENT ASSETS</u>					
CASH AND CASH EQUIVALENT	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000
NET PATIENT ACCOUNTS RECEIVABLE	852,441	878,164	904,659	931,949	960,057
NOTE RECEIVABLE	20,715	-	-	-	-
OTHER CURRENT ASSETS	132,603	135,682	138,852	142,118	145,481
TOTAL CURRENT ASSETS	<u>\$ 2,305,759</u>	<u>\$ 2,313,846</u>	<u>\$ 2,343,511</u>	<u>\$ 2,374,067</u>	<u>\$ 2,405,538</u>
<u>NET PROPERTY PLANT, EQUIPMENT AND CONSTRUCTION</u>	<u>\$ 12,084,080</u>	<u>\$ 11,608,710</u>	<u>\$ 11,103,340</u>	<u>\$ 10,567,970</u>	<u>\$ 10,002,600</u>
<u>INVESTMENTS:</u>					
RESTRICTED FOR OPERATING RESERVE	\$ 4,137,119	\$ 4,261,232	\$ 4,389,069	\$ 4,520,741	\$ 4,656,363
UNRESTRICTED	10,279,639	11,202,361	12,147,701	13,137,568	14,173,628
	<u>\$ 14,416,758</u>	<u>\$ 15,463,593</u>	<u>\$ 16,536,770</u>	<u>\$ 17,658,309</u>	<u>\$ 18,829,991</u>
	<u>\$ 26,500,838</u>	<u>\$ 27,072,303</u>	<u>\$ 27,640,110</u>	<u>\$ 28,226,279</u>	<u>\$ 28,832,591</u>
<u>TOTAL ASSETS</u>	<u>\$ 28,806,597</u>	<u>\$ 29,386,149</u>	<u>\$ 29,983,621</u>	<u>\$ 30,600,346</u>	<u>\$ 31,238,129</u>
<u>LIABILITIES AND NET ASSETS</u>					
<u>CURRENT LIABILITIES</u>					
DEFERRED REVENUES - REFUNDABLE	\$ 1,190,238	\$ 1,225,945	\$ 1,262,724	\$ 1,300,605	\$ 1,339,624
DEFERRED REVENUES - NON REFUNDABLE	13,778	10,856	7,934	5,012	2,090
	204,232	199,154	194,076	188,998	183,920
TOTAL LIABILITIES	<u>\$ 1,408,248</u>	<u>\$ 1,435,955</u>	<u>\$ 1,464,734</u>	<u>\$ 1,494,615</u>	<u>\$ 1,525,634</u>
<u>NET ASSETS</u>					
WITHOUT DONOR RESTRICTIONS	<u>\$ 27,398,349</u>	<u>\$ 27,950,194</u>	<u>\$ 28,518,887</u>	<u>\$ 29,105,731</u>	<u>\$ 29,712,495</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 28,806,597</u>	<u>\$ 29,386,149</u>	<u>\$ 29,983,621</u>	<u>\$ 30,600,346</u>	<u>\$ 31,238,129</u>

The Accompanying Notes of these Financial Statements are and Integral Part of This Statement.
See Accountant's Report

STANLEY TOTAL LIVING CENTER, INC
FORECASTED STATEMENTS OF ACTIVITY AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30,

	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
<u>CHANGE IN UNRESTRICTED NET ASSETS</u>					
<u>OPERATING REVENUE:</u>					
SKILLED NURSING CARE	\$ 14,767,061	\$ 15,210,073	\$ 15,666,375	\$ 16,136,366	\$ 16,620,457
ASSISTED LIVING	1,687,934	1,738,572	1,790,729	1,844,451	1,899,785
APARTMENT FEES	932,002	959,962	988,761	1,018,424	1,048,977
ENTRANCE FEES - AMORTIZED	48,000	48,000	48,000	48,000	48,000
OTHER OPERATING REVENUE	26,000	26,000	26,000	26,000	26,000
TOTAL OPERATING REVENUE	<u>\$ 17,460,997</u>	<u>\$ 17,982,607</u>	<u>\$ 18,519,865</u>	<u>\$ 19,073,241</u>	<u>\$ 19,643,219</u>
<u>OPERATING EXPENSES:</u>					
SALARIES AND BENEFITS	\$ 12,134,825	12,498,870	12,873,836	13,260,051	13,657,853
OTHER OPERATING EXPENSES:					
HEALTH CARE	2,269,412	2,337,495	2,407,619	2,479,848	2,554,243
SOCIAL AND ACTIVITIES	19,035	19,606	20,194	20,800	21,424
MAINTENANCE, LAUNDRY AND HOUSEKEEPING	896,896	923,803	951,517	980,063	1,009,465
DIETARY	735,428	757,491	780,216	803,622	827,731
ADMINISTRATIVE	475,488	489,753	504,446	519,579	535,166
DEPRECIATION	645,370	675,370	705,370	735,370	765,370
INTEREST	-	-	-	-	-
BAD DEBT EXPENSE	17,386	17,909	18,446	18,999	19,569
	<u>\$ 17,193,840</u>	<u>\$ 17,720,297</u>	<u>\$ 18,261,644</u>	<u>\$ 18,818,332</u>	<u>\$ 19,390,821</u>
GAIN FROM OPERATIONS	\$ 267,157	\$ 262,310	\$ 258,221	\$ 254,909	\$ 252,398
<u>NON OPERATING INCOME</u>					
INVESTMENT INCOME AND REALIZED GAINS	130,000	130,000	130,000	130,000	130,000
UNREALIZED GAINS	132,012	158,335	179,272	200,735	223,166
CONTRIBUTIONS RECEIVED	1,200	1,200	1,200	1,200	1,200
	<u>533,212</u>	<u>518,535</u>	<u>568,472</u>	<u>581,935</u>	<u>606,366</u>
INCREASE IN NET ASSETS WITOUT DONOR RESTRICTIONS	<u>\$ 530,369</u>	<u>\$ 551,845</u>	<u>\$ 568,693</u>	<u>\$ 586,844</u>	<u>\$ 606,764</u>
DEPRECIATION AND INTEREST	<u>\$ 995,727</u>	<u>\$ 1,020,880</u>	<u>\$ 1,046,791</u>	<u>\$ 1,073,479</u>	<u>\$ 1,100,968</u>
LONG-TERM DEBT SERVICE COVERAGE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Accompanying Notes of these Financial Statements are and Integral Part of This Statement.
See Accountant's Report

STANLEY TOTAL LIVING CENTER
FORECASTED CASH FLOW
FOR THE YEARS ENDED SEPTEMBER 30,

	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
CHANGE IN NET ASSETS	\$ 530,369	\$ 551,845	\$ 568,693	\$ 586,844	\$ 606,764
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
DEPRECIATION AND AMORTIZATION	645,370	675,370	705,370	735,370	765,370
PROVISION FOR BAD DEBTS	17,386	17,909	18,446	18,999	19,569
AMORTIZATION OF DEFERRED REVENUE	(48,000)	(48,000)	(48,000)	(48,000)	(48,000)
ADVANCE FEE DEPOSITS RECEIVED	40,000	40,000	40,000	40,000	40,000
UNREALIZED GAINS ON LONG-TERM INVESTMENTS	(132,012)	(158,335)	(179,272)	(200,735)	(223,166)
NET CHANGE IN ASSETS AND LIABILITIES:					
PATIENT ACCOUNTS RECEIVABLE	12,026	(43,632)	(44,942)	(46,289)	(47,677)
NOTE RECEIVABLE	20,714	20,715	-	-	-
OTHER CURRENT ASSETS	(30,652)	(3,079)	(3,170)	(3,266)	(3,363)
CURRENT LIABILITIES	306,080	35,707	36,779	37,881	39,019
<u>NET CASH FROM OPERATING ACTIVITIES</u>	<u>\$ 1,361,281</u>	<u>\$ 1,088,500</u>	<u>\$ 1,093,904</u>	<u>\$ 1,120,804</u>	<u>\$ 1,148,516</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
PURCHASE OF PROPERTY AND EQUIPMENT	\$ (200,000)	\$ (200,000)	\$ (200,000)	\$ (200,000)	\$ (200,000)
(INCREASE) DECREASE IN LONG-TERM INVESTMENTS	(1,184,128)	(888,500)	(893,904)	(920,804)	(948,516)
<u>NET CASH FROM (USED BY) INVESTING ACTIVITIES</u>	<u>\$ (1,384,128)</u>	<u>\$ (1,088,500)</u>	<u>\$ (1,093,904)</u>	<u>\$ (1,120,804)</u>	<u>\$ (1,148,516)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>					
<u>NET CASH (USED BY) FINANCING ACTIVITIES</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u>	<u>\$ (22,847)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BEGINNING CASH AND CASH EQUIVALENTS	1,322,847	1,300,000	1,300,000	1,300,000	1,300,000
<u>ENDING CASH AND CASH EQUIVALENTS</u>	<u>\$ 1,300,000</u>	<u>\$ 1,300,000</u>	<u>\$ 1,300,000</u>	<u>\$ 1,300,000</u>	<u>\$ 1,300,000</u>

The Accompanying Notes of these Financial Statements are and Integral Part of This Statement.
See Accountant's Report

STANLEY TOTAL LIVING CENTER
FORECASTED FINANCIAL STATEMENT ASSUMPTIONS

GENERAL:

The projections are based on the Stanley Total Living Center's September 30, 2025 Financial Statements and adjusted, based on the following assumptions:

ASSETS:

Cash:

Cash is maintained for operations at \$1,300,000 after satisfying the restricted reserve

Net Patient Accounts Receivable:

Days in accounts receivable is forecasted to be 18 days. The bad debt reserve is forecasted to be approximately \$5,000.

Other Current Assets:

Other current assets are made up of the following components:

1. Inventories are forecasted to be 3% of medical and dietary supplies
2. Other receivables are kept constant for the five year period at \$30,000
3. Prepaid expenses are estimated to be 2.5% of general administrative expense

Net Property, Plant and Equipment:

Current plant and plant equipment was used to forecast depreciation cost plus additional purchases, were forecasted as follows:

2026	\$ 200,000
2027	\$ 200,000
2028	\$ 200,000
2029	\$ 200,000
2030	\$ 200,000

Restricted Assets:

Restricted assets and investments recorded at fair market value are increased or decreased based on the forecasted earnings and anticipated cash flow requirements in the forecast. They are restricted for operating reserves and debt servicing.

LIABILITIES AND FUND BALANCES:

Current Liabilities:

Current liabilities are forecasted to be 7.20% of total operating expenses.

Long-Term Liabilities:

Refundable entrance fees will be increased by the addition of \$40,000 per year and reduced by the forecasted amortization of \$48,000 per year.

Fund Balance:

The fund balance is increased by net income.

STANLEY TOTAL LIVING CENTER
FORECASTED FINANCIAL STATEMENT ASSUMPTIONS

OPERATING REVENUES:

Net Patient Revenue:

Patient revenues are forecasted on the following assumptions:

Health care census will be 90 percent (90%) occupancy.

Patient per diem revenues are forecasted to increase as follows:

2026, 2027, 2028, 2029 and 2030 3.0%

Stanley Total Living Center, Inc. does not anticipate Medicare or Medicaid paybacks from the revenues they receive.

Other Operating Revenue:

Other operating revenues that are forecasted based on history will remain relatively constant.

Contributions are fixed at \$1,200.

DEPRECIATION:

Forecasts reflect plant asset depreciation schedules for 2026, 2027, 2028, 2029 and 2030 as well as depreciation from expected expenditures. Computed on the following lives:

Building and improvements	40 years
Furniture and equipment	5 to 10 years

BAD DEBT:

Bad debt is forecasted to 0.1% of net patient revenue. This percent is within the current facility historical experience as well as the industry norm.

NON-OPERATING INCOME:

Investment Income:

Investment income and realized and unrealized gains are assumed to have a growth of two percent (2%) and will have cash additions as follows:

	<u>EARNINGS</u>	<u>CASH ADDITIONS</u>
2026	2.00%	\$ 1,316,140
2027	2.00%	1,046,835
2028	2.00%	1,073,177
2029	2.00%	1,121,539
2030	2.00%	1,171,682

LONG-TERM DEBT SERVICE RATIO:

The long-term debt service ratio excludes unrealized gains and entrance fee amortization forecasted during the five years.

STANLEY TOTAL LIVING CENTER
FORECASTED FINANCIAL STATEMENT ASSUMPTIONS

OPERATING EXPENSES:

Forecasted to Increase By:

Salaries and Benefits (17.4% of Salaries):

2026	3.00%
2027	3.00%
2028	3.00%
2029	3.00%
2030	3.00%

Other Expenses - Health Care

2026	3.00%
2027	3.00%
2028	3.00%
2029	3.00%
2030	3.00%

Social and Activities

2026	3.00%
2027	3.00%
2028	3.00%
2029	3.00%
2030	3.00%

Maintenance, Laundry and Housekeeping

2026	3.00%
2027	3.00%
2028	3.00%
2029	3.00%
2030	3.00%

Dietary

2026	3.00%
2027	3.00%
2028	3.00%
2029	3.00%
2030	3.00%

Administrative

2026	3.00%
2027	3.00%
2028	3.00%
2029	3.00%
2030	3.00%

STANLEY TOTAL LIVING CENTER
ASSETS IDENTIFIED AND SERVING AS THE OPERATING RESERVE

Investments restricted for operating reserve are calculated each year based on 25% of the sum of the forecasted expenses plus debt service less depreciation and amortization.

The Stanley Total Living Center Foundation, a 501(c)(3) Non-Profit Organization has pledged their support for Stanley Total Living Center's project. The invested assets of the Foundation (which are not carried on the books of the Center) have a fair market value of approximately \$7,111,267, as of September 30, 2025.

Appendix C — Statement of Actuarial Opinion

[Placeholder – Insert Actuarial Opinion, if applicable]

Actuarial Study Pending:

North Carolina Gen. Stat. § 58-64A-210 requires certain continuing care providers to obtain an actuarial study, including a statement of actuarial opinion, at least once every three years. Due to the timing of the enactment of this requirement and the applicable statutory filing schedule, the actuarial study for this community has not yet been completed. The Provider is required to submit its actuarial study to the North Carolina Department of Insurance no later than December 1, 2028.

Appendix D — Representative Contract(s)

[Placeholder - Insert representative continuing care contract]

Stanley Total Living Center, Inc.
Residency Agreement
For Independent Apartments and Private Pay Assisted Living Residents

Whereas anyone desirous of becoming a resident of Stanley Total Living Center, Inc., the following are the obligations of each party:

A. Stanley Total Living Center's Obligation

Stanley Total Living Center agrees to make available to _____, hereafter known as the Resident, subject to the terms of this agreement and in consideration of the Entrance Fee referred to below, the use of common facilities and Apartment Unit/Room _____ and to provide the amenities, programs, and facilities as described in Section B.

NOTE for admission to Assisted Living—due to the specifications of the facility license, the initially assigned room will be _____ for the 1st 30 days and the resident will then be relocated to room _____ once the obligation has been met requiring a CCRC contract for services.

B. Amenities, Programs, Facilities Provided

Stanley Total Living Center, Inc. agrees to provide the Resident, in consideration of the monthly fee referred to below the following:

_____ **Assisted Living Standard Services Available located at 514 Old Mount Holly Road**
Monthly Fees cover the costs of providing the following services:

- *3 meals and all snacks daily including specialty diets as ordered by the primary physician
- *All utilities including basic cable and phone services
- *Daily Housekeeping services and trash removal
- *Maintenance and repair of property owned by Stanley Total Living Center
- *Smoke detectors
- *Grounds keeping
- *Use of common facilities
- *Social activities program (recreational, educational, spiritual, and cultural)
- *Central Spa/Bath
- *Physician services
- *Medication Management by a licensed nurse and/or Medication Aide for 24/7 needs
- *Licensed nurses are available on site in the skilled nursing area(s) for emergency needs on a 24/7basis
- *Laundry Services except dry cleaning
- *Certified Nursing Assistants for 24/7 needs
- *Transportation to/from routine, non-emergency medical appointments within 20-mile radius of the facility if available
- *Basic furniture (each bedroom will contain a manual bed, pressure-reduction mattress, nightstand, bedside table, TV, and recliner while each shared living room will contain a loveseat, 2 chairs, and 2 tables)
- *Wireless Internet Services

Apartment Standard Services Available located at 151 East Dallas Road (The Parke)

Monthly Fees cover the costs of providing the following services for apartment residents:

- *2 meals per day (continental breakfast and lunch—dinner can be ordered from the menu at lunch and taken back daily) and snacks
- *All utilities including basic cable and phone services
- *Weekly Housekeeping services and trash removal
- *Maintenance and repair of property owned by Stanley Total Living Center
- *Smoke detectors
- *Grounds keeping
- *Use of common facilities
- *Social activities program
- *Parking Space if car is driven daily by the resident
- *Washer & Dryer for personal laundry
- *Fitness Center
- *Computer Room
- *Music Room
- *Library
- *Billiard Room
- *Small Conference Room
- *Gazebo, Patio, Grill
- *Transportation to/from routine, non-emergency medical appointments within 20-mile radius of the facility if available
- *Wireless Internet Services

Services Available at additional fees in ANY area (Assisted Living or Apartments) include:

- *Meal for guest (\$9.00 per person per meal)
- *Newspaper delivery
- *Priority in assisted living (if in an apartment) or in skilled nursing when needed and when available provided the resident has the appropriate insurance coverage in which the facility has a contract with
- *Medical supplies, pharmaceuticals, and equipment used to provide care including nutritional supplements provided by the facility
- *For wireless internet services—each resident's personal computer must be compatible with the wireless internet services provided by the facility. Any upgrades needed or ongoing maintenance services for a resident's personal computer will be at their own expense.
- *Extraordinary repairs, maintenance, or damage to Stanley Total Living Center, Inc. caused by the negligence of the resident and/or guests of the resident
- *Beauty/Barber shop services
- *Additional cable or phone services not covered under the basic package available
- *Rehabilitation services
- *Transportation for non-emergency appointments outside of 20-mile radius of the facility as well as any emergency transportation

Health Services Available:

Stanley Total Living Center, Inc. is licensed as a CCRC (Continuing Care Retirement Community) by the State of North Carolina, with a capacity for 106 skilled nursing facility beds, 40 Assisted Living, and 20 independent living apartments off site from the Healthcare Center in a separate location known as The Parke, 151 East Dallas Rd, Stanley, NC 28164 and 8 independent living units located on the property with the Healthcare Center currently unavailable due to pending renovations.

Assisted Living located at 514 Old Mount Holly Road

Medications will be dispensed according to written physician's orders by licensed nurses and/or Medication Aides and must be obtained from the contracted pharmacy for proper packaging and oversight by a licensed Pharmacist. Residents may be able to self-medicate/manage personal medications only through an assessment for safety and a written care plan by a licensed nurse.

As a resident ages and declines in physical function, a licensed nurse and the physician will assess and determine the need for placement in a skilled nursing bed. If a resident is hospitalized and requires skilled nursing placement, he or she will be placed in the appropriate skilled nursing bed, if available. If there is no availability and the resident must be placed in a different nursing home, he or she will be given the first opportunity as an appropriate bed becomes available.

Stanley Total Living Center, Inc. has a contract with a therapy company to provide physical therapy, speech therapy, and occupational therapy. The billing for this as well as other outside professional services is done directly between the resident and the provider. A physician's order is required for any therapy service. Medicare B services will be utilized if possible.

Levels of Health Services Available in Assisted Living

Licensed nurses, medication aides, and certified nursing assistants provide services in Assisted Living. The amount of assistance everyone requires will vary from time to time and from person to person. A resident's placement at any level will be based on the hours of nursing care required each day by both licensed nurses and certified nursing assistants. The fees for each level are also based on the amount of time required by nursing staff daily.

For those who are paying privately, there are 4 different levels of care in which a resident is assessed for assisted living, each with a different monthly payment required —any health concerns or needs that go beyond this level will require the resident to move into skilled nursing as a bed is available.

Dialysis will only be considered in assisted living with a written agreement that family will provide or pay privately for transportation to and from each dialysis appointment AND if the resident has no other significant health concerns—resident must otherwise fit into a Level (2) below or will be considered as skilled nursing

Hospice will be considered for any level provided he/she meets all requirements of that level with Hospice services.

LEVEL (1)—The resident must meet ALL areas to qualify for this level of ALF care

- Medication management of medications given by an LPN, RN, or Medication Tech which include oral, sublingual, eye drops/ointments, ear drops, nasal sprays, patches, suppositories, and/or topical creams/ointments BUT NO injections, fingerstick blood sugar checks, and/or nebulizers.
- Resident is continent of bladder OR occasional bladder incontinence of less than 7 times per week (may have an established colostomy and/or urinary catheter in place BUT resident must be able to manage without any staff assistance).
- Resident is continent of bowel OR occasional bowel incontinence of no more than 1 episode of incontinence per week.
- Resident is routinely independent (no touching required by staff to complete the tasks-resident does alone without any staff assistance) for dressing/undressing, grooming, toileting, positioning self in bed, ambulation/locomotion to and from locations, and transfers BUT may require supervision by 1 CNA/Medication Tech (staff talking to the resident to provide cueing but not physically touching) for such actions at any time.
- May be able to drive a personal vehicle if properly licensed and insured AND provided there are no safety concerns assessed by nursing staff.

LEVEL (2)--If ANY of the following apply the resident will be assessed at the following level:

- Medication management is the same as provided for Level 1
- Resident is incontinent of bladder more than 7 times per week WITH AT LEAST 1 episode of continence.
- Resident is incontinent of bowel more than once per week WITH AT LEAST 1 episode of continence.
- Routinely requires 1 CNA/Medication Tech to provide limited assistance (resident is highly involved in the tasks with the staff providing guided maneuvering of limbs or other non-weight bearing support known as talking and touching support) for 2 or more ADL's. including dressing/undressing, grooming, toileting, positioning self in bed, ambulation/locomotion to and from locations, and transfers.

LEVEL (3)--If ANY of the following apply the resident will be assessed at the following level:

- Medication management of medications given by an LPN, RN, or Medication Tech which include injections, nebulizer treatments, and/or fingerstick blood sugar checks from at least once weekly up to once per day.
- Resident is incontinent of bladder and/or bowel at all times—no episodes of continence.
- Requires 1 CNA/Medication Tech to provide extensive assistance (resident is involved in the tasks but the staff provides weight-bearing support such as lifting the legs into bed or assisting with transfers known as talking, touching, and lifting support) during 3 or more instances per week for 2 or more ADL's including dressing/undressing, grooming, toileting, positioning self in bed, ambulation/locomotion to and from locations, and transfers.
- Requires the use of adaptive dining equipment for continued self-feeding and/or safety OR the use of puree diet and/or thickened liquids for significant swallowing concerns that require direct staff monitoring in the dining room for all meals.
- Resident wanders around the unit requiring staff redirection and monitoring for safety but is not at risk for exit seeking/elopement from the unit.
- Resident requires routine care of acute wounds that require specific medical treatment by an LPN, RN, or Medication Aide scheduled less than daily (every other day, every 3 days, etc.).

LEVEL (4)-- If ANY of the following apply the resident will be assessed at the following level:

- Medication management of medications given by an LPN, RN, or Medication Tech which includes injections, nebulizer treatments, and/or fingerstick blood sugar checks more than once per day
- Requires 1 CNA/Medication Tech to provide total care (resident does not assist at all with any actions and is dependent on the staff member) during 3 or more instances per week for 2 or more ADL's including dressing/undressing, grooming, toileting, feeding, positioning in bed, and ambulation/locomotion to and from locations
 - This DOES NOT INCLUDE a resident who is dependent for transfers and requires the use of any type of mechanical lift (Sit to Stand lift or Total lift) OR requires more than 1 staff member to physically transfer the resident to/from locations—this requires the resident to move to skilled nursing
- Resident wanders around the unit requiring staff redirection and monitoring for safety specifically due to a high risk for exit seeking/elopement
- Resident requires routine use of oxygen
- Resident has a stable colostomy or urinary catheter requiring staff management/care
- Resident requires routine care of wounds that are either chronic, require daily treatment/care, or continue to require specific medical treatment after 30 days by an LPN, RN, or Medication Aide
 - Typically wounds higher than a Stage II are not allowed to remain in an assisted living due to the need for licensed nurse assessments and care but STLC may allow wounds that are Stage III because of the availability of both licensed nurses and a Wound Care Physician for wound care management
 - Stage IV wounds will require the resident to move to skilled nursing

*Dialysis will only be considered with a written agreement that family will provide or pay privately for transportation to and from each dialysis appointment AND if the resident has no other significant health concerns at one of the levels noted above.

*Hospice will be considered provided the resident continues to meet all requirements of the levels noted above.

Prior to admission to Assisted Living, an FL2 must be completed within 30 days of the review to determine the appropriate level of care. The resident will also require an assessment by a licensed nurse either at the facility or in the resident's current setting to compare the information provided on the FL2. The resident may be admitted at a Level 1 rate for the 1st 30 days to allow ample time for an appropriate clinical assessment that will determine the level moving forward.

Within 30 days of admission to assisted living, an assessment will be conducted by a licensed nurse—this assessment will determine the true level at which the resident will be placed and what the required daily rate will be at that point. The rate may be higher than the initial rate and **any changes in the daily rate with a level change will be effective on the 31st day following admission and will be provided to the resident and/or Responsible Party via phone contact.**

Assessments will then be conducted at least on a quarterly basis by a licensed nurse to determine what, if any changes are necessary to the level for each resident— **any changes in the daily rate with a level change will be effective on the day immediately following completion of the assessment and will be provided to the resident and/or Responsible Party via phone within 2 business days.**

If at any time the resident experiences a change in his/her health condition which creates an improvement or a decline in function that is not acute (lasting more than 2-3 weeks), the licensed nurse will conduct a significant change assessment to determine what, if any changes are necessary to the level for each resident—**any changes in the daily rate with a level change will be effective on the day immediately following completion of the assessment and will be provided to the resident and/or Responsible Party via phone within 2 business days.**

The Interdisciplinary Team involved in planning resident care will conduct resident/family meetings as needed to discuss resident needs. This meeting will allow for a review of the most recent assessment, any changes noted to the level of care within the ALF itself, or any changes to the rates based on such assessment.

Independent Living Services at The Parke

The apartments are independent senior living. Residents living here are expected to be able to perform basic activities of daily living without assistance (bathing, dressing, eating, for example). If there is a noted decline in function due to acute illness and the resident is unable to dress, bathe, or feed self, help will be provided on a short-term basis (3 weeks), as appropriate and available. Should assistance be needed longer than 3 weeks, an assessment will be done by a licensed nurse and/or a physician to determine the ability to remain in an independent living environment.

Medications must be kept in each individual apartment. Residents, if needed, will be given a 7-day pill organizer to help as a reminder for timely medication. If a resident needs any further assistance with medication, the physician will reassess the ability remain in an independent living environment.

Residents will be assisted with making physician appointments, as requested. Transportation to and from appointments within a 20-mile radius of the facility can be arranged at no charge if Stanley Total Living Center staff makes the appointment. Transportation to and from appointments outside of a 20-mile radius of the

facility, those without enough notice that are urgent, or those that have not been made by facility staff can be arranged with an outside agency for a fee (amount determined by the individual agency providing the service).

Stanley Total Living Center, Inc. also has a contract with a therapy company to provide physical therapy, speech therapy, and occupational therapy. The billing for this as well as other outside professional services is done directly between the resident and the provider. A physician's order is required for any therapy service.

As a resident ages and declines in physical function, licensed nursing staff and a physician will assess and determine the need for placement in another level of care (assisted living or skilled nursing). If a resident is hospitalized and requires another level of care, he or she will be placed in the appropriate bed, if available. If there is no availability and the resident must be placed in a different nursing home, he or she will be given the first opportunity as an appropriate bed becomes available.

Maintenance Services Available:

- Stanley Total Living Center, Inc. is responsible for normal wear and tear to the property, furnishings, and equipment owned by Stanley Total Living Center, Inc., as well as continued capital repairs and facility improvements.
- The resident is financially responsible for any extraordinary repairs, maintenance, or damage caused by the negligence of the resident, approved pets, and/or guests of the resident of Stanley Total Living Center, Inc. property.
 - Carpet cleaning due to pet damage, excessive spillage of any kind (urine, makeup, bleach, etc.), which is beyond normal wear and tear, will be billed directly to the resident including labor and chemical expenses. A \$250 non-refundable fee per approved pet will be required (pets are only allowed in independent apartments—not in assisted living). In addition to the non-refundable pet fee(s), a \$1,500.00 fee will be added should the facility not be able to clean any carpet in the unit that has to be replaced.
 - The facility maintains a contract for pest control services; however, should there be problems with pests of any kind directly related to the resident due to any pets or due to personal cleanliness—the rates for these additional services will be billed directly to the resident.
 - The resident is financially responsible for any/all repairs to personal property and equipment brought with them into the facility.
 - Flowers, shrubs, or vegetables may be added at the resident's expense in the grounds area outside of each apartment with prior approval of Administration.

HIPAA:

A notice of HIPAA Privacy Practices will be given to the Resident/Representative upon admission. This notice explains in detail how medical information about the Resident may be used and disclosed and how the Resident and/or Representative can get access to this information. Resident will be able to place names in his/her medical record to make clinical information available, as necessary.

C. Fees Paid by Resident

1. The Resident shall pay Stanley Total Living Center, Inc. the sum of \$ _____ as an Entrance Fee to become a Resident of Stanley Total Living Center, Inc. It is agreed that the payment terms of the Entrance Fee will be made as follows:

(This entrance fee is separate and apart from the monthly fee, which is charged by Stanley Total Living Center, Inc. for programs, food, utilities, maintenance, housekeeping, and other amenities offered by Stanley Total Living Center, Inc.).

The resident may elect to forgo an entrance fee upon entering the apartment unit and pay an additional \$1,000 per month over normal monthly fees **for a full 48-month period**. After a period of 48 months, the monthly fees will be reduced by \$1,000 and the charges will be the same as those who paid an entrance fee. The monthly fees are subject to change but are normally reviewed annually. There are no refunds available under this option and the resident will have 90 days from the date of the contract to change his/her mind on paying the full entrance fee and any additional monthly fees paid to that point will be deducted from the full entrance fee (up to \$3,000)—if the decision is made to pay the entrance fee 90 days after the contract, the full entrance fee will be due with no credit for any other additional monthly fees that have been paid.

If the resident IS electing to pay the additional \$1,000/month for 48 full months in lieu of paying the Entrance Fee:

I fully understand and agree that by not paying the full entrance fee amount within the 1st 90 days of admission, I am obligated to pay the additional rent of \$1,000 per month for a full 48 months:

Resident Signature

DATE

2. The Monthly Fee (for an apartment) or the daily rate/fee (for an Assisted Living room) is charged by Stanley Total Living Center, Inc. to provide the Programs and Amenities as outlined in Section B and to provide for all other financial requirements more than the Entrance Fee including, but not limited to, debt service, property taxes, insurance, and staffing of the facility. The Monthly Fee shall be paid to Stanley Total Living Center, Inc. on the first day of each month in advance during the term of the Agreement. Any Monthly Fee not paid by the tenth (10th) of each month is subject to a late charge. Increases in the Monthly Fee or other charges may be made by Stanley Total Living Center, Inc. upon thirty (30) days written notice.
3. If a prospective resident wishes to hold an Apartment/Assisted Living room after paying an entrance fee, the monthly fee/daily rate would be reduced by the current raw food cost until it is occupied.
4. A table is attached indicating the monthly apartment unit rates and the daily Assisted Living room rates. It should be noted that rates differ based on the size of each unit/room and living space provided as well as the type of Assisted Living room as each has been certified by the state of NC.
5. Pet Fee (nonrefundable) of \$250 per approved pet (up to 2 approved pets only are allowed in independent apartment only) in the sum of \$_____.

D. Admission Requirements

The admission requirements for residency with Stanley Total Living Center, Inc. are as follows:

1. Stanley Total Living Center, Inc. is open to married couples in accordance with the laws of the State of North Carolina, as well as to men and women of all races, religions, and without regard to place of former residence. The Resident is required to meet the following standards prior to admission to Stanley Total Living Center, Inc.:
 - For initial admission, residents must be at least 55 years of age or older at the time of admission.
 - Two residents of the opposite sex sharing a room must be legally married (as accepted by the state of NC) or both abilities to consent to such living arrangements. If not legally married (as accepted by the state of NC) or one becomes unable to consent to such an arrangement at any point in time, he/she must be relocated to another room with someone of the same sex.

2. Resident shall submit for review by the Stanley Total Living Center, Inc. Admissions Committee an Application for Admission which includes the ability to demonstrate sufficient resources to reasonably cover the entrance fee and projected monthly fees for the chosen living unit.
3. Resident shall submit a report of physical examination of Resident made by a physician selected by Resident within thirty (30) days of the projected occupancy date.
 - For independent living, this report must show the resident is capable of living safely and independently at the time of entry, with or without reasonable accommodation. A current medical history and health assessment completed by the applicants' physician is required. Applicants requiring immediate assisted living, memory care, or skilled nursing are not eligible for independent living entry.
 - For an Assisted Living room, this report must be on an FL2 form specifically noting the needs for this level of care.
 - Stanley Total Living Center, Inc. may require Resident to have another physical examination by the Medical Director or by another physician approved by Stanley Total Living Center, Inc. if there are any concerns related to physical function/health status during the interview process.
 - If the health of Resident as disclosed by such physical examination differs materially from that disclosed in Resident's Application for Admission and Personal Health History, Stanley Total Living Center, Inc. shall have the right to decline admission of Resident and to offer occupancy of accommodations at Stanley Total Living Center, Inc. suitable to the needs of the Resident.
4. Resident shall have an interview with a representative of Stanley Total Living Center, Inc. prior to acceptance at Stanley Total Living Center, Inc. After reviewing all information required to be furnished herein, additional personal interviews may be required by Stanley Total Living Center, Inc. to determine which level is most appropriate to meet his/her current needs (Independent Living/Assisted Living, or Skilled Nursing).
5. It is understood that Stanley Total Living Center, Inc. through its Admissions Committee has the right to reject any application for admission to Stanley Total Living Center, Inc.
6. The Resident affirms that the representations made in the Application for Admission, Personal Health History and Confidential Financial Statement are true and correct and may be relied upon by Stanley Total Living Center, Inc. as a basis for entering into this Agreement.

E. Terms of Residence

1. The Resident has the right to occupy and enjoy the described living space unless terminated as provided in Section G. It is understood that the Resident is not given ownership and exclusive possession of the unit and that this agreement is not a sale, lease, or easement and does not transfer or grant any interest in the real or personal property owned by Stanley Total Living Center, Inc. The rights of the Resident are not assignable nor shall benefit the heirs, assigns or successors of the Resident.
2. The Resident has the right to use and enjoy (as described under Section B of this agreement) all common facilities of the facility but may not abuse or damage the facilities or the furnishings and equipment within the facility.
3. Stanley Total Living Center, Inc. has the right to change an apartment unit or assisted living room and the requirements to meet any applicable statute, law, or regulation. Resident rooms may not be used for a business or a profession or in any manner or violation of any law or zoning ordinance.

4. The Resident must have management approval from Stanley Total Living Center, Inc. for any physical change or remodeling of any kind within or about the apartment. The Resident shall pay the cost of any changes by the Resident, unless agreed in writing by Stanley Total Living Center, Inc.
5. Residents' pets are NOT allowed to live in the assisted living unit for any reason—they may be brought in for visits provided the appropriate shot records are on file and the person bringing in the animal maintains responsibility for cleaning up any accidents or for any injuries caused by the animal.
6. Residents' pets ARE allowed to live in the apartments following very specific guidelines as noted in the Resident Handbook.
7. Except for short term visitors or guests, no person other than the Resident may reside in the Apartment unit or Assisted Living room. Stanley Total Living Center, Inc. may also limit the number of visitors and the length of stay, as necessary.
8. The Resident shall provide all other furnishings and furniture not provided by Stanley Total Living Center, Inc. as outlined under Section B of this Agreement. Such furnishings by Residents shall not interfere with the health, safety, and general welfare of all the Residents.
9. Stanley Total Living Center and The Parke are both smoke free properties (cigarettes, cigars, pipes, and vapes)—this includes residents, visitors, AND staff both inside the building and outside on the grounds/property surrounding the building. Smoking is grounds for discharge for the safety of other residents.
10. Stanley Total Living Center, Inc. shall not be financially responsible for the loss of any property belonging to a Resident in an apartment unit due to theft, mysterious disappearance, fire, or any other cause, it being understood that the Resident will have the responsibility of providing any desired insurance protection covering any such loss. Stanley Total Living Center, Inc. shall have the right to promptly remove all property from the accommodations of a Resident who is deceased or whose accommodations others have released for occupancy, or whose Agreement has been terminated. The Resident or his estate will have the obligation for the payment of normal charges and shall reimburse Stanley Total Living Center, Inc. for its expense in such matters.
11. The Resident understands and agrees that all rights of the Resident under this agreement are subject to and subordinate to the mortgage liens and other documents creating liens encumbering Stanley Total Living Center, Inc. The Resident is not liable for any indebtedness of Stanley Total Living Center, Inc.
12. The Resident agrees to pay or reimburse Stanley Total Living Center, Inc. for any loss of damage suffered by Stanley Total Living Center, Inc. as the result of intentional misconduct of the Resident or guest. Stanley Total Living Center, Inc. assumes no responsibility for any injury or illness resulting from such intentional misconduct.
13. In the event it is determined that the Resident requires a level of care change or can no longer live independently in the apartment unit or in the Assisted Living under the highest level of care, the resident must relocate to the most appropriate level of care within the facility or must transfer/discharge from the facility. Such determination shall be based on professional opinion

of the Medical Committee composed of the Medical Director, Administrator, Director of Nursing, and/or other licensed nursing staff.

14. In the event the Resident is relocated or transferred to more protective accommodations or level of care that best provides for the Resident's safety and care, Stanley Total Living Center, Inc. has the right to assign the Resident's apartment unit or Assisted Living bed to others. If, however, Stanley Total Living Center, Inc. subsequently determines that the Resident can resume occupancy in accommodations equivalent to those he previously occupied, he shall have over-riding priority right to such accommodations as soon as they are available. Such decision to transfer the Resident will be made only after consultation to the extent practical with the Resident, representative(s) of the Resident's family, or the Resident's physician.
15. If in the Assisted Living, Resident may be transferred or discharged if necessary for the residents' welfare, if the residents' needs cannot be met, if the residents' health has improved sufficiently so that services are no longer necessary, if other residents' safety/health is endangered, or if the resident has failed after reasonable and appropriate notice, to pay for a stay. Proper notice will be given prior to transfer and/or discharge following state & federal regulations.
16. As apartments become available, Stanley Total Living Center, Inc.; if it so desires, can lease those available apartments at less than the normal entrance fee and monthly fees. If an apartment becomes available, Stanley Total Living Center, Inc. may allow an existing resident to change to a smaller or larger apartment and pay the monthly rate associated with that unit. The difference in entrance fees will be required for a larger unit, but no refund will be returned if resident chooses to move to a smaller unit.
17. If two (2) Residents occupy an apartment unit under the terms of this agreement; upon the death, termination, or permanent leaving of the Apartment by one of the Residents, the remaining resident has the rights and options to:
 - a. retain the same apartment, but with the Monthly Fee changed to the rate for one Resident: or.
 - b. move to a smaller apartment when available with no reduction or refund in the initial Entrance Fee and pay the Monthly Fee for one Resident in the new apartment; or.
 - c. move to a larger apartment when available and paying the difference in the amount of Entrance Fee for these two apartments and paying the Monthly Fee for one Resident in an apartment.

F. Obligations of a Resident

1. Stanley Total Living Center, Inc. shall not be liable or responsible for any expense incurred or debt or obligation of any nature or any kind contracted by the Resident on his own account, and is not obligated to furnish, supply, or give the Resident any support, maintenance, board, or lodging when the Resident is absent from Stanley Total Living Center, Inc. premises.
2. The Resident agrees to follow and abide by policies of Stanley Total Living Center, Inc., as outlined in the Resident Handbook & Disclosure Statement, both of which are designed for the comfort, safety, and security of all residents. The Resident will be furnished a current copy of the Resident Handbook (specific to the level of care) & Disclosure Statement at the time of admission, or prior to, the transfer of any money to Stanley Total Living Center, Inc. by, or on behalf of a prospective resident. Any changes and/or revisions to either the Resident Handbook or the Disclosure Statement will be provided to the Resident at that time.

3. Stanley Total Living Center has a limited number of beds in Assisted Living and Skilled Nursing that are licensed for Medicaid in the event of depleted funds by the Resident at any time. The Resident or his/her family should contact Gaston County Social Services to determine if he/she is qualified at least 45 days before the resident has used all funds available and plan as necessary based on individual financial situations.
4. The Resident living in the apartment unit will maintain his living accommodations in clean, sanitary, and orderly conditions and perform all usual light housekeeping tasks in between scheduled housekeeping services.

G. Cancellation/Termination

The reason for canceling the contract of a Resident and an explanation of the refund provisions is explained below:

PRIOR TO OCCUPANCY

1. This agreement will be automatically canceled if, in the event of resident's death or if a resident should become physically or mentally incapacitated or if, on account of illness, injury or other reasons of incapacity before occupying a unit and to the extent that the facilities available at Stanley Total Living Center, Inc. cannot provide adequate care for the resident under the terms of the contract for continuing care. Any deposits will be refunded in full within 30 days after this determination is made.
2. This agreement may be terminated by the resident within thirty (30) days following the later of execution of the contract or receipt of current Disclosure Statement by serving Stanley Total Living Center, Inc. with written notice of termination. The resident is not required to move into the facility before the expiration of the thirty (30) day period, but Stanley Total Living Center may require a non-refundable service fee of not more than 2% of the Entrance Fee. Any refunds will be made within 30 days of receiving the termination of the agreement or 30 days after the unit is vacated by the resident in the agreement.

AFTER OCCUPANCY

1. This agreement may be terminated by the resident after occupancy and within thirty (30) days from the date of occupancy and within 30 days of signing a contract to occupy a unit/room by serving Stanley Total Living Center with written Notice of Termination. The resident will receive a refund in full without interest thereon of the portion of the entrance deposit paid by the resident within 30 days after the unit is vacated. The unit/room must be vacated in less than (30) days from the date of occupancy for this policy to be affected.
2. There is no refund of the \$250.00 **Assisted Living** Entrance Fee after the initial 30 days.
3. This agreement may be terminated by the resident at any time, for any reason, after occupancy has been established at **The Parke**. by serving Stanley Total Living Center, Inc. thirty (30) days written notice of such termination. Stanley Total Living Center, Inc. shall refund \$4,800.00 of the Entrance Deposit reduced by \$100.00 for each month of residency up to forty-eight (48) months. After forty-eight (48) months of residency, Stanley Total Living Center, Inc. shall be under no obligation to make a refund to the resident. The amount of the refund due will be made within 30 days after vacated.

4. Should an apartment resident elect to forgo an entrance fee upon entering the apartment unit and pay an additional \$1,000 per month over normal monthly fees, after a period of 48 months, the monthly fees will be reduced by \$1,000 and the charges would be the same as those who paid an entrance fee, The monthly fees are subject to change but are normally reviewed annually. **There are no refunds available under this option.**
5. This agreement, after occupancy, shall be terminated on the death of a resident, if the resident was a single resident of an apartment, any refunds due from the entrance fees will be paid to the resident's Estate as outlined in paragraphs 3 above.
6. At the effective date of termination of this Agreement, the resident shall vacate the unit and shall leave the unit in good condition except for normal wear and tear. The resident shall be liable to Stanley Total Living Center, Inc. for any cost incurred in restoring the apartment to good condition except for normal wear and tear. Monthly fees will be continued until all personal effects have been removed from the unit.

GENERAL INFORMATION

1. For those residents in Assisted Living, the Resident may be transferred or discharged if necessary for the residents' welfare, if the residents' needs cannot be met by the facility, if the residents' health has improved significantly so that services are no longer necessary, if the safety/health of other residents' is in danger, or if the resident has failed after reasonable and appropriate notice to pay for a stay. Proper notice will be given prior to transfer and/or discharge following state and federal regulations.
2. For those residents in an apartment unit, this agreement may be terminated by Stanley Total Living Center in the event of any activity on the part of the resident that is illegal, any language that is offensive to others, any actions that may be offensive to others, or any conduct that is found to be socially unacceptable to Stanley Total Living Center that would unduly make unpleasant or unacceptable living arrangements to others. The refund of any entrance fees will be based upon as outlined in Paragraph 3 (After Occupancy) above.
3. For those residents in the apartment unit, Stanley Total Living Center, Inc. may terminate this agreement at any time if there is material misrepresentation or omission made by the resident in the Application for Admission, Personal Health History, Medical History and Evaluation, Confidential Financial Statements, material change takes place before occupancy, if the resident fails to make the appropriate Entrance Deposit or Monthly Fee payments to Stanley Total Living Center, Inc. or for repeated failure to abide by the policies of Stanley Total Living Center, Inc. In such an event, the resident shall be entitled to the refund as outlined under Paragraph 3 (After Occupancy).
4. Entrance fee refunds: The facility does not withhold refunds dependent upon occupancy of another resident. Under PRIOR TO OCCUPANCY. Paragraph 4, if a resident moves furnishings into a unit and then elects not to occupy the unit, the terms under Paragraph 4. would apply since a unit would not be available to the public in a timely manner. The concept of a 30-day notice allows the facility to market a unit in a timely manner.
5. STLC uses an automated messaging system to send important reminders and facility updates to the Resident Representative, including invitations to the routine care planning meetings. This does not replace direct communication that staff will have with you regarding specific details about the resident but is a simple way for mass communication to be made. This is not optional as this is how vital information will be shared.

Please list how YOU would like to receive your automated VoiceFriend messages (MUST choose at least one method of contact—may choose all if desired)

_____ cell phone # _____
_____ land line # _____
_____ email address _____

H. Miscellaneous

1. The absolute right of management is reserved to Stanley Total Living Center, Inc., its administrators as delegated by Stanley Total Living Center, Inc. Stanley Total Living Center, Inc. reserves the right to determine admissions or terms of admission of any Resident.
2. The Agreement constitutes the Entire contract between Stanley Total Living Center, Inc., and Resident. Stanley Total Living Center, Inc. is neither liable for nor bound in any manner by any statement, representations or promises not set forth in this Agreement.
3. This Agreement shall bind and ensure to the benefit of the successors and assigns of Stanley Total Living Center, Inc. and the heirs, executors, administrators, and assigns of the Resident.
4. The Stanley Total Living Center, Inc. has no religious affiliation nor is supported by any charitable organization and has no means of financial support other than routine pay-for-service fees charged by the facility.
5. There is no requirement that any resident apply for Medicaid, Medicare, public assistance, or any public benefit program. The pay-for-service fees will not be waived for any resident unable to meet the financial obligations of occupancy at Stanley Total Living Center, Inc.

Revised 1/28/26

I. Payments

1. Total Entrance Fee Due \$ _____
2. Entrance Fee Paid _____ \$ _____
(Date)
3. Balance of Entrance Fee due on admission \$ _____
4. Balance of Entrance Fee Paid _____ \$ _____
5. Pet Fee (non-refundable) _____ \$ _____
(# of approved pets up to 2)
6. Monthly rent—Apartment # _____ \$ _____
PLUS \$500 fee for additional person \$ _____
PLUS \$1,000 for Entrance Fees NOT paid \$ _____

Should an apartment resident elect to forgo an entrance fee upon entering the apartment unit and pay an additional \$1,000 per month over normal monthly fees—this will be for a total of 48 months after which time the monthly fees will be reduced by \$1,000 and the charges will then be the same as those who paid an entrance fee at the current rate.

****rates are reviewed annually with increases effective 10/1 of each subsequent year****

OR

Daily rate—Assisted Living # _____ \$ _____

@ Level _____ upon admission

rates are reviewed annually with increases effective 10/1 of each subsequent year

Conditions and explanation of any changes or preferences: _____

In witness thereof, the parties have set their hands and seals this _____ day of

_____, 20_____.

Stanley Total Living Center, Inc.: By: _____

Witness: _____

Resident (or Responsible Party): _____

Witness: _____

_____ I acknowledge that I have been given a copy of the most recent Disclosure Statement AND Resident Handbook for the appropriate level of care as on _____ (Date).



Stanley Total Living Center, Inc.

514 OLD MT.HOLLY ROAD, STANLEY, NC 28164-2191 704-263-1986 FAX 704-263-8959

INDEPENDENT APARTMENT RATES EFFECTIVE 10/1/25

Apartments located at The Parke

*Residents age 55+ must be able to live independently and not require any additional assistance in any capacity, and are able to drive/have personal transportation, and are able to do basic cooking as needed. There are NO nursing staff on site.

	<u>ENTRANCE FEE</u>	<u>MONTHLY RATE</u>
One Bedroom (716 sq ft)	\$36,000	\$3,531
One Bedroom (849 sq ft)	\$38,000	\$3,681
Two Bedroom (969 sq ft)	\$40,000	\$3,840
Two Bedroom (1,159 sq ft)	\$42,000	\$4,267

*Rate is all-inclusive of utilities (including basic phone and cable) and all meals/snacks provided.

*Additional person (spouse/sibling) will add **\$500/month** in any apartment unit.

*Anyone wishing to waive the Entrance Fee would pay an additional **\$1,000 per month** over the base monthly rate in any apartment unit.

*Non-refundable pet fee of \$250/pet up to (2) approved pets

OTHER AVAILABLE SERVICES

Guest Meals \$9.00 per meal (lunch only)

Beauty Shop/Spa Services:

Beard Trim	\$10		
Cut Only	\$20	Facial	\$25
Set Only	\$25	Pedicure	\$30
Shampoo & Dry	\$30	*Facials & Pedicures by appointment only*	
Shampoo/Cut/Dry	\$35		
Shampoo/Cut/Beard trim	\$35		
Cut & Set	\$40		
Shampoo & Set	\$45		
Shampoo/Cut/Set	\$55		
Color	\$65		
Permanent	\$75		



Stanley Total Living Center, Inc.

514 OLD MT.HOLLY ROAD, STANLEY, NC 28164-2191 704-263-1986 FAX 704-263-8959

Assisted Living Rate Schedule EFFECTIVE 10/1/25

An entrance fee of \$250.00 is required—this is non-refundable after the 1st 30 days.

24 beds available that are certified for Medicaid or private pay --Private studio bedroom with shared bathroom—380 square feet shared by (2):

Level 1— \$186/day **Level 3**—\$219/day
Level 2— \$202/day **Level 4**—\$239/day

16 beds available that are certified for private pay (may only be admitted from the CCRC after 30 days in a non-nursing area with a signed CCRC contract)--Private bedroom with shared bathroom and sitting area—435 square feet shared by (2):

Level 1—\$192/day **Level 3**—\$227/day
Level 2—\$208/day **Level 4**—\$247/day

OTHER AVAILABLE SERVICES

Oxygen Concentrator \$130.00 per month + supplies
Guest Meals \$9.00 per meal (lunch or dinner only)

Beauty Shop/Spa Services:

Beard Trim	\$10		
Cut Only	\$20	Facial	\$25
Set Only	\$25	Pedicure	\$30
Shampoo & Dry	\$30	*Facials & Pedicures by appointment only*	
Shampoo/Cut/Dry	\$35		
Shampoo/Cut/Beard trim	\$35		
Cut & Set	\$40		
Shampoo & Set	\$45		
Shampoo/Cut/Set	\$55		
Color	\$65		
Permanent	\$75		

Primary physicians, Podiatrists, Dentists, Psychiatrists, and Ophthalmologists come to the facility routinely, but will bill insurances separately. Daily rates do not include medication not covered by insurance or additional supplies used for care



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Skilled Nursing Daily Rate Schedule Effective 10/1/25

Private Room \$369.00 per day

Semi-Private Room \$339.00 per day

NOTE—The Medicaid per diem rate is for a semi-private room only. Any resident receiving Medicaid benefits for skilled nursing care may choose to pay the difference between the daily private room rate and the daily semi-private room rate should he/she want a private room. **\$30.00 per day in addition to the Medicaid payment**

OTHER AVAILABLE SERVICES

Oxygen Concentrator \$ 130.00 per month + supplies
Guest Meals \$ 9.00 per meal (lunch or dinner only)

Beauty Shop/Spa Services:

Beard Trim	\$10		
Cut Only	\$20	Facial	\$25
Set Only	\$25	Pedicure	\$30
Shampoo & Dry	\$30	*Facials & Pedicures by appointment only*	
Shampoo/Cut/Dry	\$35		
Shampoo/Cut/Beard trim	\$35		
Cut & Set	\$40		
Shampoo & Set	\$45		
Shampoo/Cut/Set	\$55		
Color	\$65		
Permanent	\$75		

Primary physicians, Podiatrists, Dentists, Psychiatrists, and Ophthalmologists come to the facility routinely, but will bill insurance separately.

Rates do not include medications not covered by insurance plan(s) or additional supplies necessary for daily care and medical needs.

Appendix E — Examination Report

[Placeholder - Insert Department examination report or summary, if applicable]

The North Carolina Department of Insurance has not conducted an examination of Stanley Total Living Center, Inc. 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*

indebtedness shall be excluded from the net proceeds from entrance fees up to an amount equal to the aggregate of the principal amount of the indebtedness.” (G.S. 58-64A-5(17))

Net Cash Proceeds from Entrance Fees. *“Total entrance fees received less entrance fees refunded, and less initial entrance fees received for new independent living units.” (G.S. 58-64A-5(30))*

Net Operating Margin Ratio. *“A profitability ratio that measures the margin generated from the core operations of a provider. The quotient shall be calculated by dividing resident operating income by resident revenue.” (G.S. 58-64A-145(7))*

Operating Ratio. *“A profitability ratio that measures whether current year cash operating revenues are sufficient to cover current year cash operating expenses without the inclusion of cash from entrance fee receipts. The quotient shall be computed by dividing total operating expenses, excluding depreciation expense and amortization expense, by total operating revenues, excluding amortization of entrance fees and other deferred revenue.” (G.S. 58-64A-145(8))*

Prospective Financial Statements. *“Financial forecasts or financial projections, including the summaries of significant assumptions and accounting policies prepared by an independent certified public accountant.” (G.S. 58-64A-5(38))*

Resident Expense. *“Total operating expenses excluding interest expense, depreciation expense, amortization expense, and income taxes.” (G.S. 58-64A-145(10))*

Resident Revenue. *“Total operating revenue excluding interest and dividend income, entrance fee amortization, and contributions.” (G.S. 58-64A-145(11))*

Unrestricted Cash and Investments. *“The sum of the provider's unrestricted cash, cash equivalents and investments, and any provider restricted funds that are available to pay debt or to pay operating expenses. For purposes of this definition, the assets serving as the operating reserve required by G.S. 58-64A-245 shall be considered unrestricted.” (G.S. 58-64A-145(12))*

Unrestricted Cash and Investments to Long-Term Debt Ratio. *“A capital structure ratio that (i) measures a provider's position in available cash and marketable securities in relation to its long-term debt and (ii) measures a provider's ability to withstand annual fluctuations in cash. The quotient shall be calculated by dividing unrestricted cash and investments by total long-term debt, less the current portion of long-term debt.” (G.S. 58-64A-145(13))*

Source: N.C. Gen. Stat. §§ 58-64A-5 and 58-64A-145 (Session Law 2025-58). If the statutory definitions are amended, the statute as amended controls.