



DISCLOSURE STATEMENT

Dated February 27, 2026

Name of Program: ThriveMore at Home
A division of Baptist Retirement Homes of North Carolina,
Incorporated dba ThriveMore

Phone: (336) 725-0202

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

- **This Disclosure Statement may be delivered until revised, but not after February 27, 2027;**
- **Delivery of the Disclosure Statement to a contracting party before execution of a contract for continuing care is required;**
- **This Disclosure Statement has not been reviewed or approved by any government agency or representative to insure accuracy or completeness of the information set out.**

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Section I. Introduction

The North Carolina General Assembly statute, § 58-64-7, permits Continuing Care Retirement Communities (CCRCs) licensed in the state to make application to offer “continuing care services without lodging.” Baptist Retirement Homes of North Carolina, Incorporated, dba ThriveMore at Home, has obtained licensure from the North Carolina Department of Insurance to offer a without lodging program (hereinafter the “ThriveMore at Home Program”) that will offer such services, as more fully described hereinafter.

Section II. Organization Information

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

PO Box 11024
Winston-Salem, NC 27116

Baptist Retirement Homes of North Carolina, Incorporated, dba ThriveMore is a not-for-profit corporation incorporated under the laws of the State of North Carolina.

In winter 2022, Baptist Retirement Homes of North Carolina engaged with a marketing firm to review our name and brand. This was part of the strategic planning for the organization, which included leadership, board members and residents. The new brand was announced in November of 2022, Thrivemore. Faith. Family. Fulfillment. The idea of the new brand is to show the growth and positive impact the organization is making on older adults living in our communities, as well as honoring the history. Baptist Retirement Homes of North Carolina is now DBA Thrivemore. Brookridge, The Gardens of Taylor Glen, The Taylor House and Ardenwoods maintained their names. The four communities listed are branded as Thrivemore communities to tie them back to the parent organization.

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

ThriveMore is an active member in LeadingAge and LeadingAge NC participating in both local and national conferences, leadership academy training and awards recognizing outstanding colleagues. For two years in a row, the organization received the recognition of a Best Place to Work certification by Activated Insights.

Financial Snapshot: Key Ratios for Baptist Retirement Homes of North Carolina (dba ThriveMore)

Consolidated Ratios for Fiscal Year Ended September 30, 2025, with comparative historical and prospective periods

Ratio	FY-2	FY-1	FY 2025	FY+1	FY+2	FY+3	NC 25th %	NC 50th %	NC 75th %
DCOH	471.21	509.74	475.24	525.00	535.00	550.00	-	-	-
CUSH	20.20	17.03	18.06	18.00	19.00	18.00	-	-	-
OR	111.87%	112.38%	116.30%	110.00%	108.00%	103.00%	-	-	-
NOM	-15.77%	-10.42%	-15.40%	2.03%	5.00%	7.00%	-	-	-
NOM-A	3.83%	10.49%	1.52%	41.19%	19.75%	20.00%	-	-	-
DSCR	N/A	2.47	1.36	1.60	1.75	1.85	-	-	-
CD	202.05%	108.36%	62.56%	41.00%	62.00%	70.00%	-	-	-
CED	26.89%	478.89%	520.11%	520.00%	450.00%	350.00%	-	-	-

From Audit W/P (See 2025 TM Ratio Calcs)

*** Taylor Glen IL Expansion and Childcare Center open in FY 2026

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 related 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.

Section III. Trustees, Officers and Management Staff

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

Board of Trustees

2026 OFFICERS

Mike Taylor, Chair
Phil Feagan, Vice Chair
Betty Lynne Johnson, Immediate Past Chair
Audrey Johnson, Secretary
Bob Watson, Treasurer

Terms Expiring 2026

Perry Bailey Occupation: Management, Banking
Sammy Gianopoulos Occupation: Restaurateur
Betty Lynne Johnson Occupation: Retired Physician Assistant
Nidra Ricks Occupation: IT Consultant
Nathan Scovens Occupation: Pastor and Teacher

Terms Expiring 2027

Tamara Caple Occupation: Director of Nursing
Jo Cleveland Occupation: Physician
Powell Dew Occupation: Senior Pastor
Phil Feagan Occupation: Attorney
Mike Taylor Occupation: Retired Community College Administrator
Bob Watson Occupation: CPA/Businessman

Terms Expiring 2028

Audrey Johnson Occupation: Investments Leader
Clarence Lambe Occupation: President/Owner, Commercial Real Estate
Rhonda Lowe Occupation: Director, Health Care
Wanda Rose Occupation: Retired Insurance Professional

Terms Expiring 2029

Amber Apple Occupation: Marketing Professional
Dave Horne Occupation: Attorney

Mary Beth Johnston Occupation: Attorney
James Otterberg Occupation: Finance Executive
Danny Rice Occupation: Retired

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

Trustees:

<u>Trustee</u>	<u>Has served as a Trustee since</u>
Amber Apple	2026
Perry Bailey	2019
Tamara Caple	2024
Jo Cleveland	2024
H. Powell Dew	2024
Phil Feagan	1986
Sammy Gianopoulos	2023
Dave Horne	2021
Audrey Johnson	2025
Betty Lynne Johnson	2019
Mary Beth Johnston	2018
Clarence Lambe	1993
Rhonda Lowe	2020
James Otterberg	2026
Danny Rice	2020
Nidra Ricks	2023
Wanda Rose	2020
Nathan Scovens	2023
Mike Taylor	2007
Bob Watson	2017

Officers:

Mike Taylor has been a member of the Board of Trustees for 19 years and is serving his second term as Chair of the Board.

Phil Feagan has been a member of the Board of Trustees for 40 years and is serving his second term as Vice Chair of the Board.

Betty Lynne Johnson has been a member of the Board of Trustees for 7 years and is serving her first term as Immediate past Chair of the Board.

Audrey Johnson has been a member of the Board of Trustees for 2 years and is serving her first term as Corporate Secretary.

Bob Watson has been a member of the Board of Trustees for 9 years and is serving his first term as Treasurer.

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

Management Staff:

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

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

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

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

Allison Vessels joined ThriveMore in September 2025, serving as the Chief Human Resources Officer. She brings over 30 years of progressive HR experience. Allison holds a B.S. in Psychology from Presbyterian College and both a Master's and Doctorate in Human Resources Development from Clemson University. She also maintains SHRM-SCP and SPHR certifications.

Kevin Cook joined ThriveMore in September of 2024, serving as the Chief Development Officer. Prior to joining the organization, he served in various fundraising roles at DFTD, Davidson College, College of Wooster in OH, and Hamilton College in Clinton, NY. He holds a Master's of Public Administration from the Maxwell School at Syracuse University, and a Bachelor's of Science degree from Davidson College.

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

Perry Bailey, Director of Premier Client Solutions of First Citizens Bank is employed by a financial institution with which ThriveMore transacts business. (The "bank" provides commercial banking and investment services to the organization). The Trustees mentioned

above are not involved in the provision of those services to the ThriveMore organization. Due to the changing nature of the services provided by those institutions, it is not possible to estimate how much those services cost the organization on an annual basis. None of the other individuals named as Trustees, Officers or Management Staff above are currently providing nor in the foreseeable future shall provide goods, leases or services to the organization or the residents of the organization, of an aggregate value of five hundred dollars (\$500) or more except for services rendered in their respective capacity as a Trustee or Officer or Management Staff member of the corporation. None of the Trustees, Officers or Management Staff named above has ownership in any professional service, association, trust, partnership or corporation in which this person has, or which has in this person, a ten percent (10%) or greater interest and which it is presently intended shall currently or in the future provide goods, leases, or services to the facility, of an aggregate value of five hundred dollars (\$500) or more within any year, including a description of the goods, leases, or services and the probable or anticipated cost thereof to the facility, provider, or residents or a statement that the cost cannot presently be estimated.

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

ThriveMore presently operates the following existing facilities:

Brookridge Retirement Community, Winston-Salem, North Carolina

Total Occupancy as of September 30, 2025 - 92%

Brookridge Retirement Community (Brookridge Health Care Center)

77-bed nursing care center

Occupancy as of September 30, 2025 - 84%

Brookridge Retirement Community (Adult Care Home Residence)

26 adult care home residences

10 memory-enhanced residences

Occupancy as of September 30, 2025 - 92%

Brookridge Retirement Community (Independent Living Residences)

132 independent living residences

Occupancy as of September 30, 2025 - 95%

The Gardens of Taylor Glen Retirement Community, Concord, North Carolina

Total Occupancy as of September 30, 2025 - 92%

The Gardens of Taylor Glen Retirement Community (Health Care Center)

24-bed nursing care center

Occupancy as of September 30, 2025 - 54%

The Gardens of Taylor Glen Retirement Community (Adult Care Home Residences)

12 adult care home residences / 12 memory-enhanced residences

Occupancy as of September 30, 2025 - 92%

The Gardens of Taylor Glen Retirement Community (Independent Living Apartments)

130 independent living apartments

Occupancy as of September 30, 2025 - 99%

Ardenwoods Retirement Community, Arden, North Carolina

Total Occupancy as of September 30, 2025 - 97%

Ardenwoods Independent Living

96 independent living apartments

Occupancy as of September 30, 2025 - 99%

Ardenwoods Assistant Living – Heather Glen

47 adult care home residences / assisted living

Occupancy as of September 30, 2025 - 94%

The Taylor House, Albemarle, North Carolina

30 adult care home residences

Occupancy as of September 30, 2025 - 89%

Thrive More at Home, Raleigh, North Carolina

35 members

Section IV. ThriveMore at Home – Core Elements

Baptist Retirement Homes of North Carolina, Incorporated, dba ThriveMore at Home, desires to offer older adults of North Carolina a Continuing Care Services without Lodging (CCSWL) program in addition to its current “brick and mortar” campuses. This will be a life care membership program for independent adults, without major health concerns, ages 62 and older who have expressed a desire to “age in place” in their own homes. Members will be covered by a comprehensive package of long-term care services designed to enable them to remain independent and live at home as their care needs increase.

The core elements of the ThriveMore at Home Program are as follows:

Eligible applicants will be independent with Activities of Daily Living and without major health concerns at time of acceptance as well as demonstrate the financial ability to afford the program. A \$500 Application fee will be charged to process the application and review medical and financial records for eligibility.

Acceptance is based upon a review of the potential member’s medical records by the program’s Medical Advisor and a review of provided financial information by the company’s Chief Financial Officer.

Members do not reserve a residential unit on any campus nor are they planning to move to a campus in the immediate future.

Upon acceptance, the person becomes a “Member” of the ThriveMore at Home Program and remains living in their current home. Members accept the ThriveMore at Home Services Agreement (the “ThriveMore at Home Services Agreement”) providing them with support services and access to financial protections for the ability to project and plan for the cost of future health care.

Members pay a Membership Fee based on their age at time of application and plan choice and agree to a Monthly Services Fee that covers the costs of support services and future access to long-term care services. Members with existing "traditional" long term care insurance may receive a discount to their monthly fees based on calculations by our actuaries, with the requirement the coverage remain in place at the levels reviewed at membership throughout membership period. Long Term Care insurance coverage is calculated when applicable prior to the program paying for care services.

If the ThriveMore at Home Program Member subsequently moves to an independent living residence in one of Baptist Retirement Homes campuses, a portion of the membership fee (fee less cost of care paid by program) they paid originally for the ThriveMore at Home Program may be applied to the entrance fee for the residence to which they are moving.

Member's individual needs and goals will be reviewed initially and updated on an annual basis and as needed from time to time.

In-home services, such as personal care aides, licensed health care aides and nurses that might be needed over time may be provided either by the Program, a Provider Preferred Vendor, or other area providers as engaged by the Program.

Section V. Program Plan Types

ThriveMore at Home will offer Five (5) plan types without any lifetime maximum benefit which provide the following:

- Relationship with a Wellness Coordinator
- Creation of individualized wellness plan with expressed goals
- Support to achieve goals of plan
- Ready access to knowledgeable professional to navigate health care systems
- Monthly “check-in” to assess any needs
- Access to Provider and Preferred Vendors for Home Health, Home Care and additional services
- In-home safety assessment with attention to fall prevention and aging in place upon enrollment
- Access to our Medical Advisor
- Provision of educational opportunities addressing healthy aging and safety
- Provision of opportunities for social connection with other members
- Asset protection by providing “known costs” for long term care for lifetime
- Peace of mind to know care will be organized and provided by trusted professionals without the need to “burden” family members and friends

PLANS AND COVERAGE LEVELS – 2026 Published Cost of Care = \$392 Daily Maximum Benefit

	DIAMOND	PLATINUM	GOLD	SILVER	BRONZE *
Type of Service					
<i>Wellness Coordinator</i>	100%	100%	100%	100%	2 Hrs/Mo
<i>Wellness Plan Development</i>	100%	100%	100%	100%	100%
<i>CAPS Home Inspection</i>	100%	100%	100%	100%	100%
<i>Activities (Social and Educational)</i>	100%	100%	100%	100%	100%
Health Support Services					
<i>Emergency Response System</i>	100%	100%	100%	100%	100%
<i>Annual Physical Exam Review</i>	100%	100%	100%	100%	100%
<i>Transportation</i>	100%	100%	100%	100%	0%
In-Home Care Services					
<i>Home Care Aides</i>	100%	75%	50%	50%	0%
<i>Companion / Homemaker</i>	100%	75%	50%	50%	0%
<i>Live-in Assistant</i>	100%	75%	50%	50%	0%
<i>Adult Day Care</i>	100%	75%	50%	50%	0%
Facility-Based Services					
<i>Assisted Living</i>	100%	75%	50%	0%	0%
<i>Memory Support</i>	100%	75%	50%	0%	0%
<i>Skilled / Nursing Home Care</i>	100%	75%	50%	0%	0%

Maximum Daily Benefit Amount means the amount equal to the lesser of: (i) the actual fees, costs and charges to Member by VENDOR for the services provided to Member in a day; and (ii) the maximum dollar amount limit of fees, costs and charges covered per day by PROVIDER as published by PROVIDER from time to time (“Published Cost of Care”) for services provided by VENDOR with both

(i) and (ii) subject to the Member Plan (and corresponding percentages thereunder) selected by Member, including co-payments, deductibles and limitations, and subject to fees, costs and charges that are covered by any governmental payor program and/or insurance.

Section VI. Program Fee Schedules 2025-2026

Age	DIAMOND			
	Single	Couple	Single	Couple
	Entrance	per Person	Monthly	per Person
	Fees	Entrance	Fees	Monthly
60	56925	44505	807	767
61	60030	47610	807	767
62	63135	50715	807	767
63	66240	53820	807	767
64	69345	56925	807	767
65	72450	60030	807	767
66	75348	62721	807	767
67	78246	65412	807	767
68	81144	68103	807	767
69	84042	70794	807	767
70	86940	73485	807	767
71	90252	75348	807	767
72	93564	77211	807	767
73	96876	79074	807	767
74	100188	80937	807	767
75	103500	82800	807	767
76	105984	84870	807	767
77	108468	86940	807	767
78	110952	89010	807	767
79	113436	91080	807	767
80	115920	93150	807	767
81	116127	93254	807	767
82	116334	93357	807	767
83	116541	93461	807	767
84	116748	93564	807	767
85	116955	93668	807	767
86	117162	93771	807	767
87	117369	93875	807	767
88	117576	93978	807	767
89	117783	94082	807	767
90	117990	94185	807	767

Age	PLATINUM			
	Single	Couple	Single	Couple
	Entrance	per Person	Monthly	per Person
	Fees	Entrance	Fees	Monthly
60	47610	33638	699	664
61	49680	36018	699	664
62	51750	38399	699	664
63	53820	40779	699	664
64	55890	43160	699	664
65	57960	45540	699	664
66	60444	47610	699	664
67	62928	49680	699	664
68	65412	51750	699	664
69	67896	53820	699	664
70	70380	55890	699	664
71	71415	57546	699	664
72	72450	59202	699	664
73	73485	60858	699	664
74	74520	62514	699	664
75	75555	64170	699	664
76	78246	65826	699	664
77	80937	67482	699	664
78	83628	69138	699	664
79	86319	70794	699	664
80	89010	72450	699	664
81	89631	72554	699	664
82	90252	72657	699	664
83	90873	72761	699	664
84	91494	72864	699	664
85	92115	72968	699	664
86	92322	73071	699	664
87	92529	73175	699	664
88	92736	73278	699	664
89	92943	73382	699	664
90	93150	73485	699	664

Age	GOLD			
	Single	Couple	Single	Couple
	Entrance	per Person	Monthly	per Person
	Fees	Entrance	Fees	Monthly
60	47610	36225	538	511
61	48852	37260	538	511
62	50094	38295	538	511
63	51336	39330	538	511
64	52578	40365	538	511
65	53820	41400	538	511
66	55062	42642	538	511
67	56304	43884	538	511
68	57546	45126	538	511
69	58788	46368	538	511
70	60030	47610	538	511
71	60651	48749	538	511
72	61272	49887	538	511
73	61893	51026	538	511
74	62514	52164	538	511
75	63135	53303	538	511
76	64170	53406	538	511
77	65205	53510	538	511
78	66240	53613	538	511
79	67275	53717	538	511
80	68310	53820	538	511
81	68517	53924	538	511
82	68724	54027	538	511
83	68931	54131	538	511
84	69138	54234	538	511
85	69345	54338	538	511
86	69552	54441	538	511
87	69759	54545	538	511
88	69966	54648	538	511
89	70173	54752	538	511
90	70380	54855	538	511

Age	SILVER			
	Single	Couple	Single	Couple
	Entrance	per Person	Monthly	per Person
	Fees	Entrance	Fees	Monthly
60	47610	31050	435	413
61	48438	31878	435	413
62	49266	32706	435	413
63	50094	33534	435	413
64	50922	34362	435	413
65	51750	35190	435	413
66	52164	36018	435	413
67	52578	36846	435	413
68	52992	37674	435	413
69	53406	38502	435	413
70	53820	39330	435	413
71	54027	39641	435	413
72	54234	39951	435	413
73	54441	40262	435	413
74	54648	40572	435	413
75	54855	40883	435	413
76	55062	40986	435	413
77	55269	41090	435	413
78	55476	41193	435	413
79	55683	41297	435	413
80	55890	41400	435	413
81	56304	41504	435	413
82	56718	41607	435	413
83	57132	41711	435	413
84	57546	41814	435	413
85	57960	41918	435	413
86	58167	42021	435	413
87	58374	42125	435	413
88	58581	42228	435	413
89	58788	42332	435	413
90	58995	42435	435	413

<u>Age</u>	BRONZE			
	Single	Couple	Single	Couple
	Entrance	per Person	Monthly	per Person
	<u>Fees</u>	<u>Entrance</u>	<u>Fees</u>	<u>Monthly</u>
60	7245	3881	414	394
61	7556	4037	414	394
62	7866	4192	414	394
63	8177	4347	414	394
64	8487	4502	414	394
65	8798	4658	414	394
66	9419	4968	414	394
67	10040	5279	414	394
68	10661	5589	414	394
69	11282	5900	414	394
70	11903	6210	414	394
71	12317	6417	414	394
72	12731	6624	414	394
73	13145	6831	414	394
74	13559	7038	414	394
75	13973	7245	414	394
76	14387	7452	414	394
77	14801	7659	414	394
78	15215	7866	414	394
79	15629	8073	414	394
80	16043	8280	414	394
81	16250	8384	414	394
82	16457	8487	414	394
83	16664	8591	414	394
84	16871	8694	414	394
85	17078	8798	414	394
86	17181	8849	414	394
87	17285	8901	414	394
88	17388	8953	414	394
89	17492	9005	414	394
90	17595	9056	414	394



Section VII. MEMBERSHIP SERVICES AGREEMENT

ThriveMore at Home
MEMBERSHIP SERVICES AGREEMENT

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**ThriveMore at Home
Membership Services Agreement**

This Membership Services Agreement ("Agreement") is made between _____ ("Member") of _____ (Member's "Residence") and Baptist Retirement Homes of North Carolina, Incorporated, a North Carolina nonprofit corporation (referred to as "Provider"), doing business as "ThriveMore at Home" (referred to as "Program"). Member made application and has been accepted into the Program. Member and Provider desire to set forth their agreements as to the Member's membership in the Program.

Whereas, Provider has established and is offering the Program which allows members to remain in their private residences while enjoying many of the benefits and services offered at a continuing care retirement community; and

WHEREAS, Member desires to become a participant of the Program and engage with the offerings and services provided or caused to be provided by Provider, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, for the promises made herein by Member and Provider and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Member and Provider agree as follows:

1. KEY TERMS AND DEFINITIONS

All terms not defined under this Section I shall have the meanings ascribed to them elsewhere in this Agreement, or their common meaning.

Activities of Daily Living (ADL) means activities such as bathing, dressing, eating, transferring between surfaces, walking, mobility, grooming and urinary and bowel continence.

ADL Deficiencies means deficiencies, as determined by the Wellness Coordination Team, in activities of daily living ("ADL"). Those persons deemed to have ADL Deficiencies may include, but are not limited to those who need personal assistance, those with varying levels of cognitive impairment, those who are bed bound or homebound, or those who need special equipment to ambulate (i.e., wheelchair, walker).

Adult Day Facility means a facility that offers Adult Day Services.

Adult Day Services means a program of services for adults in a congregate setting for a scheduled number of hours per week. Elements of an adult day services program usually include transportation, meals and activities (both health related and social).

Agreement means this Membership Services Agreement.

Assisted Living Facility means a residential facility for persons in need of assistance with Activities of Daily Living. This is an area of care licensed by the Adult Care Licensure Section of the North Carolina Department of Health Services Regulation.

Care Coordination Plan means the written plan for long-term care services, including type of service, start date, quantity, frequency, duration of service, Program Participating Provider or Program Participating Facility, if applicable, and any special considerations, which is developed and approved by the Wellness Coordination Team for Member based on a comprehensive needs assessment. The Care Coordination Plan shall be agreed to in writing by Member and/or Member's Designated Representative.

Continuing Care at Home (CCaH) – also called “Continuing Care Services Without Lodging” (CCSWL) means a program providing or committing to provide a range of services designed to allow a member to continue to reside in his or her private residence, including long-term care services, to an individual, other than an individual related by blood or marriage, (i) pursuant to an agreement, including mutually terminable contracts, effective for the life of the individual or for a period in excess of one year; and (ii) in consideration of the payment of an entrance fee and agreed upon monthly fees.

Companion means a person designated by Provider to provide Companion Services to Member at the Home Site.

Companion Services means those services provided by a Companion, which may include supervision of activities of daily living and medication reminders.

Determined To Be Appropriate means the Wellness Coordination Team, utilizing industry standards and accepted standards of healthcare practice, has assessed a Member's medical and functional status and concluded that services are necessary and will be provided or caused to be provided by Provider.

Effective Date means the date this Agreement is executed by both parties.

Emergency Response System means an in-home 24-hour electronic alarm system activated by a signal to local emergency service responders. This system allows Members to secure help in the event of a medical, physical, emotional or environmental emergency. The Member, who participates in the utilization of the Emergency Response System, agrees to allow designated responders to have access to the Member's home in the event of an emergency.

Facility means an Adult Day Facility, an Assisted Living Facility or a Nursing Home Facility.

Facility Based Services means services provided in a Facility other than the primary residence, including Adult Day Services, assisted living care, dementia care and skilled nursing care. Facility Based Services will be provided at the facility of Member's choice, subject to availability, and as agreed to by Provider.

Financial Statement means a financial statement of Member in a form acceptable to Provider.

Home Care Aide means a qualified person trained to provide assistance with personal care and designated by Provider to provide Home Care Services to Member at their Residence.

Home Care Services may include assistance with bathing and dressing and an established activity regimen, such as range of motion exercises, and nutritional needs, such as feeding assistance.

Home Health Services include the services of registered or licensed nurses and certified home health aides provided by an agency licensed by the state of North Carolina and certified by Medicare to provide acute, intermittent, medically related, home health services.

Homemaker is a person designated by Provider to provide Homemaker Services to Member at their Residence.

Homemaker Services are services provided by a Homemaker and may include assistance with day-to-day chore activities at the Residence, such as cooking, dishwashing, laundry, light housekeeping and errands.

Hospice means a provider, licensed by the State of North Carolina, primarily engaged in providing end-of-life care to individuals.

Maximum Daily Benefit Amount means the amount equal to the lesser of: (i) the actual fees, costs and charges to Member by Provider or a Program Participating Provider or Program Participating Facility for the Services provided to Member in a day; and (ii) the maximum dollar amount limit of fees, costs and charges covered per day by Provider as published by Provider from time to time (“Published Cost of Care”) for Facility Based Services, Home Care Services, Home Health Services or Residence Based Services provided Member under this Agreement, with both (i) and (ii) subject to the Plan (and corresponding percentages thereunder) selected by Member, including co-payments, deductibles and limitations, and subject to fees, costs and charges that are covered by any governmental payor program and/or insurance. *The Published Cost of Care and the Maximum Daily Benefit Amount shall be subject to change from time to time at the sole discretion of Provider.*

Medical Advisor means a physician appointed by Provider to complete reviews of medical records and participate as a member of the Wellness Coordination Team as deemed appropriate.

Medical Director means a physician appointed from time to time by Provider to oversee the provision of medical and health care services provided to Members.

Medical Record means all records relating to Member’s medical history and condition, which may be maintained by the Program or by a Program Participating Facility or a Program Participating Provider.

Medicare means the Health Insurance for the Aging Act, Title XVIII of the Social Security Amendment of 1965, as amended and the regulations promulgated thereunder in effect from time to time.

Medicare Covered Services means all hospital, skilled nursing, home care and medical services covered and paid for by Medicare Parts A and B and Member's MediGap or secondary insurance.

Medicare Supplemental Coverage means a private health insurance plan, which is certified by the Secretary of Health and Human Services as meeting federal requirements for Medicare supplemental policies. In general, Medicare Supplemental Coverage, also referred to as MediGap insurance or secondary insurance, pays some of the balance of the costs of care covered by Medicare Parts A and B when full costs are not paid by Medicare, and pays for certain deductibles and copayments.

Member means the individual party to this Agreement who has applied for and been accepted into the Program.

Member's Designated Representative means any person authorized by the Member to make decisions on his or her behalf, appointed by Member to represent Member's interests, or granted a Power of Attorney by Member or appointed Member's guardian by a court.

Membership Fee means the fee paid by Member to Provider as set forth in Section VI.A. of this Agreement.

Monthly Fee means the monthly fee described in Section VI.B. of this Agreement.

Nursing Home Facility means a residential facility licensed per statute 131 E-101 by the State of North Carolina to provide various levels of skilled nursing care.

Permanent Resident means when Member has resided in a Facility for one hundred (100) consecutive days and has been determined to be a Permanent Resident with respect to the Facility by the Wellness Coordination Team.

Plan means the pricing option that a Member selects upon enrollment in the Program.

Program means the ThriveMore at Home Residence Based Continuing Care at Home / Continuing Care Services Without Lodging program offering services and programs under this Agreement.

Program Participating Provider means a health, home or personal care services firm other than Provider that has an agreement with Provider to provide services to Member or is otherwise approved by Provider to provide services to Member.

Program Participating Facility means an Adult Day Facility, an Assisted Living Facility or a Nursing Home Facility other than Provider that has an agreement with Provider to provide Facility Based Services to Member or is otherwise approved by Provider to provide Facilities Based Services

to Member.

Program Provided Services The Program will, directly or through a Program Participating Provider or Program Participating Facility, make Services available at Provider's or Program Participating Provider's or Program Participating Facility's fees, costs and charges, subject to the Plan (and corresponding percentages thereunder) selected by Member, including co-payments, deductibles and limitations, subject to fees, costs and charges that are covered by any governmental payor program and/or insurance, and subject to the Maximum Daily Benefit Amount.

Referral Service means a service not provided under the Program whereby Provider, acting as an intermediary between Member and third-party vendors of such services, makes referrals to Member for such services as he/she may choose, at costs payable in full by Member.

Residence means Member's place of residence as identified in Section II.A. of this Agreement.

Residence Based Services means services provided by the Program at Member's Residence.

Services means any assistance, including wellness and care coordination, Member home inspection, Residence Based Services (including Home Health Services, Homemaker Services, Companion Services, Emergency Response System, and meals), Facility Based Services (including Adult Day Services, dementia care, Assisted Living Facility and Nursing Home Facility), transportation services, Referral Services and lifestyle and wellness programs, that are provided to Member in the Program, subject to the Plan (and corresponding percentages thereunder) selected by Member, including co-payments, deductibles and limitations, subject to fees, costs and charges that are covered by any governmental payor program and/or insurance, and subject to the Maximum Daily Benefit Amount.

ThriveMore at Home means the program of Services provided as outlined in this Agreement.

Transportation means the coordination of transportation services by the Provider to a Member as defined in Section II. F. of this Agreement.

Vendor - means a provider with a Vendor Agreement in place with Provider to provide services to Member with coordination and oversight by Provider

Wellness Coordination Team means the persons appointed by Provider for Member, comprised of the Wellness Coordinator (or his/her designee), a representative of Provider, and, in the case of medical and health care services, the Medical Advisor (or his/her designee) and other clinical professionals as deemed appropriate by Provider, in consultation with the Member and/or Member's Designated Representative. The Wellness Coordination Team may, at Provider's sole discretion, change titles and personnel from time to time.

Wellness Coordinator means the person appointed by Provider to be responsible for handling the needs of the Member for Services; for conducting specific needs assessments; and for making recommendations for Services subject to review and final determination of Member's eligibility for Services by the Wellness Coordination Team.

Wellness Goals Plan means the written plan for individualized goals to support "aging in place" in

Residence. The plan will also include the projected potential for care and support services, including type of service, quantity, frequency, duration of services that may be provided by Provider, Program Participating Providers or Program Participating Facilities and any special considerations. The plan will be developed at the time of Member's admission to the Program and approved by the Wellness Coordination Team for Member based on expressed personal goals in addition to a comprehensive potential needs assessment. The Wellness Goals Plan shall be agreed to in writing by Member and/or Member's Designated Representative.

2. ACCOMMODATIONS AND SERVICES

Provider will provide, or arrange for a Program Participating Provider or Program Participating Facility to provide, the Services described in this Agreement and Attachment A, in accordance with the Plan selected by the Member, for the Member's lifetime and subject to this Agreement. Services will be delivered with the goal of helping the Member remain in his or her Residence as long as practical, and to provide Facility-Based Services when needed.

Services will be provided at the applicable fees, costs, and charges, and are subject to the Member's selected Plan (including coverage percentages), co-payments, deductibles, limitations, amounts covered by insurance or governmental programs, and the Maximum Daily Benefit Amount.

Provider is responsible for paying on behalf of Member all fees, costs and charges incurred by Provider or a Program Participating Provider or Program Participating Facility for Services provided to Member by Provider or a Program Participating Provider or Program Participating Facility pursuant to this Agreement, and Provider will then bill Member and Member shall pay Provider for all fees, costs and charges incurred by Member, subject to the Plan (and corresponding percentages thereunder) selected by Member, including co-payments, deductibles and limitations, subject to fees, costs and charges that are covered by any governmental payor program and/or insurance, and subject to the Maximum Daily Benefit Amount.

Member agrees to accept and pay for the Services in the manner set forth in this Agreement and to abide by the rules and regulations of Provider, of Program Participating Providers and Program Participating Facilities with respect to the Services.

Residence. Member shall remain in residence at his or her existing address listed in this Agreement (or subsequent residence of his or her choice as notified to Provider). Member shall have the ability to make application for an independent living community in the future when desired under such terms and conditions noted in the then current residency agreement of such independent living community.

Member currently lives at _____
("Residence") and shall remain at such address or a new address as notified to Provider to remain eligible for all services, products and programs of the Program as described hereunder. Member

may choose to move to another primary Residence and still receive Program Services as mutually agreed upon by Provider and Member.

Wellness Coordination. A Wellness Coordinator will be assigned to Member. Under the direction of the assigned Wellness Coordinator, the Wellness Coordination Team, in consultation with Member and/or Member's Designated Representative, shall prepare a Wellness Goals Plan. Member's particular needs will be reviewed and updated on an annual basis and as needed from time to time during the term of this Agreement. All decisions involving Member's participation in various medical and health care services or permanent transfer from the Residence to Facility Based Services will be made by the Wellness Coordination Team following consultation with Member and/or Member's Designated Representative. If, at any time it is determined a permanent transfer to Facility Based Services is needed, the Wellness Coordination Team will develop a Care Coordination Plan in consultation with the receiving Facility, Member and/or Member's Designated Representative and will be updated as indicated by changes in Member's health status.

Member Residence Evaluation. During the first 60 days of Member's membership in the Program, and as deemed appropriate by the Member's Wellness Coordinator thereafter due to circumstances of a Member's health condition, Provider will provide a functional inspection, with notice, of the listed Residence for the purpose of ascertaining any functional and safety problems, and will make recommendations to Member based on the inspection. Please note this evaluation will focus on functional and safety concerns and should not be considered a comprehensive home inspection. Provider may require, based on circumstances of previous inspections or Member's health condition, that Member permit Provider to provide an updated functional inspection, with notice, of the Residence. Provider does not, however, represent that it will undertake steps necessary to effectuate any of such recommendations. Any recommended changes or corrections are Member's sole responsibility. It is Member's choice to make such recommended changes or corrections to his/her Residence. To aid Member in securing necessary goods or services, Provider will make available a list of possible vendors of such goods and services. Member is solely responsible for the full cost of any of the improvements to his/her Residence as a result of Member's home inspection.

Provider shall have no responsibility or liability for Member's decision or the timeliness of, or a delay in, the implementation of the recommendations.

Residence Based Services. Services will be provided in the Member's Residence as determined to be appropriate by the Wellness Coordination Team. Member must exhibit at least one or more ADL Deficiencies to be eligible for the following Residence Based Services.

Home Care Services. Provider will provide or cause to be provided non-Medicare covered Home Care Services, including assistance with Activities of Daily Living provided by a Home Care Aide as determined to be appropriate by the Wellness Coordination Team, subject to the Plan (and corresponding percentages thereunder) selected by Member, including co-payments, deductibles and limitations, subject to fees, costs and charges that are covered by any governmental payor program and/or insurance, and subject to the Maximum Daily Benefit Amount.

Homemaker Services. Provider will provide or cause to be provided Homemaker Services, including light housekeeping and chore services as determined to be appropriate by the Wellness Coordination Team, subject to the Plan (and corresponding percentages thereunder) selected by Member, including co-payments, deductibles and limitations, subject to fees, costs and charges that are covered by any governmental payor program and/or insurance, and subject to the Maximum Daily Benefit Amount.

Companion Services. Provider will provide or cause to be provided Companion Services as determined to be appropriate by the Wellness Coordination Team, subject to the Plan (and corresponding percentages thereunder) selected by Member, including co-payments, deductibles and limitations, subject to fees, costs and charges that are covered by any governmental payor program and/or insurance, and subject to the Maximum Daily Benefit Amount.

Emergency Response System. Provider will provide or cause to be provided an Emergency Response System designed for 24-hour coverage to members as indicated necessary by the Wellness Management Team and/or Wellness Coordinator for Member safety. Members must sign a release form to indicate that they have refused the provided Emergency Response System if they do not wish to utilize the provided system.

Facility Based Services. When determined to be appropriate by the Wellness Coordination Team and prescribed by a physician, Provider will provide or cause to be provided, Facility Based Services, including assisted living care, dementia care, and skilled nursing care in a private accommodation (subject to availability), subject to the Plan (and corresponding percentages thereunder) selected by Member, including co-payments, deductibles and limitations, subject to fees, costs and charges that are covered by any governmental payor program and/or insurance, and subject to the Maximum Daily Benefit Amount.

Assisted Living and Nursing Home Services. As determined to be appropriate by the Wellness Coordination Team, assisted living care, dementia care and skilled nursing care will be provided at Provider or a Program Participating Facility in accommodations as identified in Section II. E., subject to availability, subject to the Plan (and corresponding percentages thereunder) selected by Member, including co-payments, deductibles and limitations, subject to fees, costs and charges that are covered by any governmental payor program and/or insurance, and subject to the Maximum Daily Benefit Amount. Provider or a Program Participating Provider or Program Participating Facility will not be responsible for any ancillary charges including, but not limited to, laundry, prescription drugs, medical supplies, telephone, internet or television. Such charges shall be Member's sole responsibility.

Adult Day Services. Provider will provide or cause to be provided Adult Day Services as determined to be appropriate by the Wellness Coordination Team in Program Participating Facility options, subject to the Plan (and corresponding percentages thereunder) selected by Member, including co-payments, deductibles and limitations, subject to fees, costs and charges that are covered by any governmental payor program and/or insurance, and subject to the Maximum Daily Benefit Amount.

Transportation Services. If Member is unable to drive or instructed by his/her physician not to drive to and from medically necessary outpatient surgery or short procedures which may include, but are not limited to, cataract removal, chemotherapy treatments, and surgical biopsies, Provider will coordinate transportation. This does not include transportation for regular physician office visits, dialysis and routine specialist appointments. Transportation services will be provided to the extent provided for in the Plan selected by Member and subject to applicable co-payments, deductibles, limitations and the Maximum Daily Benefit Amount.

Preferred Providers or Third-Party Facilities. Member may have limited access to Provider Facilities or Program Participating Facilities, based on the availability of such programs and facilities.

Lifestyle and Wellness Programs. Lifestyle and wellness programs will be offered from time to time, free of charge or with an applicable fee for service, including but not limited to, exercise classes, arts and crafts, wellness seminars, speakers and day excursions. Members will be advised of the schedules and the cost of these programs on an as-offered basis.

Activities and Leisure Events. Provider will offer from time to time, free of charge or with an applicable fee for service, planned and scheduled social, recreational, spiritual, educational and cultural activities and leisure events, exercise and health programs, and other special activities designed to meet the needs of the Members of the Program.

Referral Service For Additional Services. In addition to the Services outlined in this Agreement, a Referral Service for other services is available through the Program. Each vendor will charge the Member accordingly for the agreed upon services, and Member shall be responsible for all such charges.

Other Services and Programs Available for Extra Charge. Other Provider, Program Participating Provider and Program Participating Facility services and programs will be available to Member at Member's expense. For a list of services currently available and the current charges for each service, see Attachment B of this Agreement. Provider will give at least thirty (30) days' notice of a change in the scope of services offered.

3. **AGREEMENT REQUIREMENTS AND PROCEDURES**

- a. **Condition of Membership in the ThriveMore at Home Program.** The Program is available to persons who are 62 years of age or older and who meet all eligibility requirements established by Provider. Through the application process, Member submitted the Application as well as other information required by Provider, participated in one or more interviews with Provider and arranged for Member's physician to furnish a physical examination report to Provider. As a condition of membership in the Program, Member must continue to meet all eligibility requirements established by Provider, including but not limited to qualifications to ensure that Provider can accommodate Member's health needs through the Program. Member agrees to provide such additional financial, health and other information that Provider may require from time to time to supplement the Application and the other information provided by Member in connection with the Application.

- b. Representations.** Member affirms that the representations made in the Application are true and correct and may be relied upon by Provider as a basis for entering into this Agreement.
- c. Medical Insurance.** Member agrees to procure and maintain in force at Member's own expense, maximum coverage available to Member under Medicare Part A, Medicare Part B and one supplemental health insurance policy or equivalent insurance coverage acceptable to Provider, and shall furnish Provider with evidence of coverage as Provider may from time to time request. If Member is not eligible for Medicare Parts A and B, Member will be required to obtain a health insurance policy satisfactory to Provider that is equivalent to both Medicare (A and B) and Medicare Supplemental Coverage. If Member fails or neglects to arrange for such medical insurance coverage, Provider may, in Provider's sole discretion, terminate this Agreement. Alternatively, Provider may, in Provider's sole discretion, make application on Member's behalf, pay Member's premium for this insurance and bill the costs to Member on the Monthly Fee statement. Member is responsible for procuring as well as maintaining such medical insurance coverage, and Provider, while authorized to do so, shall have no obligation to do so. Should Member incur a medical expense during a period of time for which such medical insurance was required by Provider but was not procured and/or maintained either by Member or by Provider, Member shall be responsible for any portion of such expense which would have been covered had such a medical insurance policy been procured and maintained. All changes in information regarding Member's insurance coverage, whether adding or canceling a policy, must be submitted in writing to Provider within ten (10) calendar days after such change.
- d. Limitation of Liability in Case of Refusal to Leave Residence.** If the Wellness Coordination Team reasonably determines that it would be injurious to the health or safety of Member to remain in his/her Residence and that therefore Member should become a resident in Provider or a Third-Party Provider or Facility, and Member refuses to make such move, or if Member refuses any other reasonable recommendation of the Wellness Coordination Team, Provider shall have no responsibility or liability for the consequences of such refusal.
- e. Illness or Accident While Traveling.** If an illness or accident occurs while Member is traveling or visiting away from home, Member shall make every reasonable effort to notify Provider as soon as possible. If continued medical care is required, Member shall arrange, as soon as reasonably possible, to return to Residence or, if approved by the Wellness Coordination Team, to a Provider Facility or a Third-Party Facility, subject to availability. Provider will be responsible for the costs of nursing care services covered under this Agreement, subject to the Plan (and corresponding percentages thereunder) selected by Member, including co-payments, deductibles and limitations, subject to fees, costs and charges that are covered by any governmental payor program and/or insurance, and subject to the Maximum Daily Benefit Amount, that are incurred by Member in a Nursing Home Facility as a result of such accident or illness for services not covered by Member's insurance, including Medicare and Medicare Supplement plans. Provider's responsibility for Nursing Home Facility charges will be limited to the extent provided for in the Plan selected by Member, including co-payments, deductibles and limitations, and subject to fees, costs and charges that

are covered by any governmental payor program and/or insurance, and subject to the Maximum Daily Benefit Amount.

- f. Subrogation.** In case of accident or injury to Member caused by third parties, Member agrees to begin suit for damages within three months following written notice by Provider to Member, of Provider's interest in such suit. If Member fails to begin suit, Member hereby grants power of attorney to the Provider, which power shall not be affected by the disability of Member, at its election to bring any claims or initiate legal action, if necessary, against the person who has caused injury to Member for compensation for the injury or expenses thereby caused. Member agrees to execute such further authorizations as shall be desirable or necessary to prosecute such claims or causes of action.

The Provider, at its election, may sue on and enforce any cause of action for Member, for injury or damages so resulting, in the name of the Member or in its own name.

After all costs and damages incurred by the Provider (including reasonable costs of care furnished to Member by the Provider because of such accident or injury) shall have been paid for and reimbursed to the Provider by such subrogation, the balance of any collection made will be refunded or credited to Member's account, or in the event of the death of Member, will be paid to Member's estate. The Provider may limit its election as provided above to claims for recovery of the costs incurred by it, and in such event, the Provider shall not be obligated to assert any claim of Member arising out of such accident or injury beyond the costs incurred by the Provider.

- g. Right of Entry.** Member recognizes and accepts the responsibility of the Provider or Third-Party Provider to enter Member's living accommodation, with notice when possible, in order to carry out the purpose and intent of this Agreement. The purposes for which such entry may be made include but are not limited to (1) response to the medical alert system and, (2) entry by authorized personnel if Member is reported missing or as not having responded to calls. The Provider recognizes Member's right to privacy and its responsibility to limit entry to the living accommodation to legitimate emergencies and scheduled work as set forth in the Agreement.

- h. Annual Physical Examination.** Provider requires Member to undergo an annual physical examination performed by Member's personal physician or by one of the physicians or nurse practitioners of Provider. Provider further requires that a medical report from the annual physical be submitted by Member's personal physician to Member's Wellness Coordinator.

- i. Required Notice Of Relocation From Residence.** Member shall notify Provider in writing within a minimum of sixty (60) days prior to relocation. Provider has the right to do a functional home inspection of the new Residence, with notice, to determine compliance with the Program. Member understands that Provider has the right to terminate this Agreement upon Member's relocation to a new Residence, community or facility if it is determined not to be compliant

with Program requirements.

- j. **Geriatric Care Manager.** Provider may, in its sole discretion, engage a geriatric care manager to arrange and oversee the delivery of your care outside the Program's service area. Member shall be responsible for all fees, charges and costs associated with the geriatric care manager, subject to the Maximum Daily Benefit Amount.

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

Decisions Involving Permanent Transfer From Living Accommodation. All decisions involving permanent transfer from Member's current living accommodation (including Residence, Assisted Living Facility, Nursing Home Facility or hospital) to another accommodation will be made by the Wellness Coordination Team. Such decisions shall be made in consultation with Member, or in case of incompetency, with Member's Designated Representative. If a determination is made by Provider that any transfer is not likely to be temporary in nature, all Services provided for under this Agreement pertaining to such private residence will terminate unless separate arrangements are made between the parties.

1. **Appeal Process.** Member and Provider agree that, "promptly" shall mean no more than seven (7) days from the date Member or Provider is informed in writing of a decision related to appeal.
2. **Member's Right to Appeal.** Member has the right to appeal decisions in connection with sections labeled: Accommodations and Services (Part II), Right of Subrogation (Part III-F), Decisions Involving Permanent Transfer from Living Accommodation (Part IV-A) in accordance with the procedures set forth in this appeal process. Provider shall record all requests for appeal.
3. **Who May Appeal.** Member or Member's Designated Representative has the right to appeal. The family of a Member may advocate for or may encourage Member to appeal, but cannot themselves appeal, except in the case where the family Member has been appointed Member's Designated Representative.
 - a. **Appeal Process - Level I.** Member shall promptly initiate appeal procedures by (1) telephoning Member's Wellness Coordinator; or (2) informing Provider, in writing, of Member's desire to appeal. The Program Medical Director shall perform a prompt, independent review of the case, and shall notify Member of the review decision promptly thereafter.
 - b. **Appeal Process - Level II.** If Member promptly notifies Provider in writing of his or her desire to appeal to the next level, the case will be reviewed promptly by the Chief Executive Officer of Provider. The Chief Executive Officer or a designee shall notify Member of the review decision promptly thereafter.
 - c. **No Further Appeal.** Member shall have no right to appeal a Level II decision.

5. **EMERGENCY TRANSFER TO HOSPITAL OR OTHER FACILITY**

The Member's Wellness Coordinator, if the Member is in Residence based care, or the staff of the facility where Member resides, in consultation with the Wellness Coordination Team, Member's physician and the Medical Director, will determine, at its sole discretion, if the continued presence of Member in their current location is either dangerous, detrimental or disruptive to the health or peace of Member or the staff or the residents of the facility. Provider shall have the authority to transfer Member to an appropriate hospital or facility for such care. Such transfer of Member will be made only after consultation, to the extent possible, with

Member, or Member's Designative Representative and Member's attending physician.

6. **EXCLUSIONS**

Excluded Services. Member will be responsible for the costs of all services and supplies, other than the Services specifically to be provided by Provider as set forth in this Agreement and to the extent provided for in the Plan selected by Member, either by direct payment or insurance reimbursement for certain excluded Services. Such services and supplies for which Member is responsible include, but are not limited to, the cost of all prescription medicines, physician services, private duty nursing services outside of Provider, outpatient services, physical therapy, occupational therapy, speech therapy, IV therapy, respiratory therapy, oxygen, hospitals, eye glasses, hearing aids, dentistry, orthopedic appliances, therapy for psychiatric disorders, treatment for mental illness, incontinent supplies, personal laundry, non-medical supplies, hair care, routine or emergency transportation, or any services not specifically provided for by this Agreement. Any specialized or personalized equipment (such as wheelchairs, walkers, kidney machine or respiratory equipment) that Provider would have to rent for Member and not covered by Member's insurance plans, including Medicare part B, will be charged to Member.

7. **FEES, TERMS AND CONDITIONS**

Membership Fee. Member agrees to pay Provider a one-time, nontransferable, non-interest bearing Membership Fee of \$ _____ as a condition of becoming a member in the Program. This Membership Fee is in payment for the _____ Plan, the payments and benefits of which are described in Attachment A. **Monthly Fee.** In addition to the Membership Fee, Member agrees to pay a Monthly Fee for the term of this Agreement, which shall be payable in advance by the 10th day of each month. After paying the Membership Fee, Member will commence paying the Monthly Fee.

Existing Long Term Care Insurance Discount offered: _____

Existing coverage must be maintained throughout participation in ThriveMore at Home As of the date of this Agreement, the Monthly Fee associated with the _____ Plan will be \$ _____ per month, inclusive of any discount offered. *Provider may adjust the Monthly Fee during the term of this Agreement as described below.*

Published Cost of Care at time of Agreement: _____. *The Published Cost of Care is subject to change from time to time at the sole discretion of Provider. Member is responsible for all costs and charges in excess of the Maximum Daily Benefit Amount.*

Adjustments in Costs. The Monthly Fee, the Published Cost of Care, the Maximum Daily Benefit Amount and other fees, costs and charges are made to provide the programs and services described in this Agreement and are intended to meet the cost of administration,

staffing and other expenses associated with the operation and management of the Program. ***Provider shall have the sole authority at its discretion to adjust the Monthly Fee, the Published Cost of Care, the Maximum Daily Benefit Amount and other fees, costs and charges periodically based on the financial needs of Provider.*** Provider will endeavor to make such adjustments on a once a year basis during the term of this Agreement. Provider, upon thirty (30) days' written notice to Member, may make any such adjustments in the Monthly Fee, the Published Cost of Care, the Maximum Daily Benefit Amount and other fees, costs and charges.

Additional Service Fees. Provider may charge additional service fees to cover costs of programs and services that are not included in the Monthly Fee, as approved or requested by Member. For a list of services currently available and the current average charges for each service, see Attachment B attached to this Agreement. ***The extra services available and the prices for these services may be changed periodically, upon thirty (30) days' notice.***

Monthly Statements. Provider will furnish Member with monthly statements showing the Monthly Fee and additional service fees, costs and charges owed by Member that shall be payable by the 10th day of the month. Provider may charge interest at a rate of one and one half percent (1.5%) per month on any unpaid balance. In the event Member does not make payment on a timely basis, Member agrees to pay attorney's fees, if any, incurred by Provider in the collection of such fees. Member may not withhold Monthly Fees or other fees, costs or charges for any reason. ***In the event of non-payment of the Monthly Fee or any other fees, costs and charges owed under this Agreement, Provider reserves the right to terminate this Agreement.***

Care in Assisted Living Facility or Nursing Care Facility. Should Member be transferred to a Provider Assisted Living Facility or Nursing Care Facility or to a Program Participating Facility designated by the Wellness Coordination Team, or the Member expresses a desire to receive assisted living or nursing care in a Provider Facility or Program Participating Facility, Member will continue to pay the Monthly Fee, and the fees, costs and charges incurred at the Facility for the level of services defined within this Agreement will be the responsibility of Provider, subject to the Plan (and corresponding percentages thereunder) selected by Member, including co-payments, deductibles and limitations, subject to fees, costs and charges that are covered by any governmental payor program and/or insurance, and subject to the Maximum Daily Benefit Amount.

Limitation of Provider Payment for Residence Based Services and Facility Services. Provider will limit coverage of the costs for Residence Based Services (Home Care Services, Homemaker Services, Companion Services, Emergency Response System and Adult Day Care) to the extent provided for in the Plan (and corresponding percentages thereunder) selected by Member, including co-payments, deductibles and limitations, subject to fees, costs and charges that are covered by any governmental payor program and/or insurance, and subject to the Maximum Daily Benefit Amount.

Assignment of Reimbursements. In order to assist in controlling Provider's operating costs and Member's Monthly Fee, Member agrees to cooperate with staff in securing reimbursement should governmental programs or Member's insurance cover any portion of the supplies (including, but not limited to, drugs) or services provided by Provider. Any reimbursements for supplies (including, but not limited to, drugs) or services provided by Provider will be assigned to or paid to Provider.

Member is responsible for all fees and charges incurred while this Agreement remains in force, and Member will pay any disputed or denied claims within ninety (90) days of the date of service.

Excess Costs. Except as specifically provided by this Agreement, Member shall be solely responsible for services not covered by Medicare Parts A and B and Medicare Supplemental Coverage or other insurance, and for payments exceeding Member's coverage limits in the Plan (and corresponding percentages thereunder) selected by Member, including co-payments, deductibles and limitations, and subject to the Maximum Daily Benefit Amount, including but not limited to: audiological tests and hearing aids; eye glasses and refractions; dentistry; dentures; dental inlays; drugs; organ transplants; orthopedic appliances; occupational, physical and speech therapy; podiatry; hospitalization and professional care for psychiatric disorders; treatment for alcohol or drug abuse medications; chiropractors; renal dialysis; extraordinary treatments; and experimental treatments. Provider reserves the right to bill Medicare and other third-party payers, such as insurance and long-term care insurance companies. Member is responsible for all such fees, costs and charges incurred while this Agreement remains in force, and Member will pay any disputed or denied claims within ninety (90) days of the date of service.

Non-Payment. If Member fails to make any of the Monthly Fee payments at the required time, or to pay any other amounts due to Provider on the monthly statement provided to Member by Provider within thirty (30) days after it is billed to Member, Provider may give written notice to Member to pay all such amounts. ***If Member fails to comply with such notice within fifteen (15) days, Provider may terminate this Agreement, and shall provide Member with any applicable refund set forth in Section VII. D.***

Financial Difficulty. Without in any way limiting its right to terminate this Agreement for non-payment, Provider shall not dismiss Member nor terminate this Agreement if the sole reason for non-payment is because of Member's financial inability to continue to pay all or part of the Monthly Fee. However, Member's acceptance into the Program has been based on facts reported by Member in the Application. If, in Provider's sole discretion, Member has weakened this position or ability to pay the Monthly Fee because Member has made gifts to others or dissipated personal wealth after submitting such Financial Statement, Provider reserves the right to terminate this Agreement.

If Member is unable to pay all or part of the Monthly Fee or other fees, costs and charges, Provider may request a current Financial Statement of Member ***and, if Member does not provide such statement within thirty (30) days, Provider reserves the right to terminate this Agreement.*** Member agrees to allow Provider to confirm Member's assets as shown on Member's Financial Statement.

Should Member find current income insufficient to meet the current Monthly Fee or other fees, costs and charges, Member shall take necessary steps to liquidate assets in order to keep Member's account on a current basis. Member further agrees that should assets and income be insufficient to pay the present obligations, Member shall apply for any assistance which may be available to Member. If Member dies or this Agreement is otherwise terminated, any unpaid Monthly Fees or additional fees, costs or charges or parts thereof, plus interest on the unpaid balance, will be charged against the refund, if any, due to Member or Member's estate as provided in Section VII.D. below. If any balance of Monthly Fees or additional fees, costs or charges remains due, Member or

Member's estate shall be liable to Provider for the full amount of such Monthly Fees and additional fees, costs or charges. This Agreement shall operate as a lifetime assignment, transfer and conveyance to the Provider of so much of such Member's property as is necessary to cover such liability.

8. TERMINATION AND REFUND PROVISIONS

- a. **Member's Termination.** During Rescission Period. Notwithstanding anything herein to the contrary, this Agreement may be rescinded by Member giving written notice of such rescission to Provider within thirty (30) days following the later of the date of the execution of this Agreement or the receipt of Provider's then current disclosure statement. In the event of such rescission, Member shall receive a refund in an amount equal to the Membership Fee. Notwithstanding anything to the contrary in this Agreement, any such refund shall be paid by Provider within thirty (30) days following receipt of written notice of rescission pursuant to this paragraph.
- b. **After the Rescission Period.** Member may terminate this Agreement for any reason by giving Provider at least thirty (30) days written notice of such termination. If a refund is due to Member, Provider will make the refund in accordance with subsection D, below.
- c. **Before Initiating the Program.** If a Member is precluded through death, illness, injury or incapacity from becoming a participant under the terms of this Agreement, the Agreement is automatically rescinded and participant shall receive a full refund of all money paid to Provider, except those costs specifically incurred by the Provider at the request of the participant.
- d. **Termination Upon Member's Death.** In the event that Member dies, this Agreement shall terminate automatically and any refund due, consistent with subsection D. below, shall be payable to Member's estate.
- e. **Termination by Provider.** Provider may terminate this Agreement at any time for good cause. Good cause shall be limited to (i) proof that the Member is a danger to himself/herself or others; (ii) nonpayment by the Member of a monthly or periodic fee; (iii) repeated conduct by the Member that is disruptive, hostile, illegal, or otherwise harmful to others or interferes with other Members', Residents', staff's, or others' quiet enjoyment of a facility or service; (iv) persistent refusal to comply with reasonable written rules and regulations of the Provider, Program, Program Participating Provider and/or Program Participating Facility or other provider or facility; (v) a material misrepresentation made intentionally or recklessly by the Member in his or her application for participation in the program, or related materials, regarding information which, if accurately provided, would have resulted in either a failure of the Member to qualify for participation or a material increase in the cost of providing to the participant

the care and services provided under this Agreement; or (vi) material breach by the Member of the terms and conditions of this Agreement. Provider shall give Member written notice of, and a reasonable opportunity to cure within thirty (30) days, the conduct Provider indicates warrants the termination of this Agreement, unless Provider reasonably determines such conduct may not be cured within such thirty (30) day period or such conduct poses a danger or threat to Member or others. If a refund is due to Member following such termination, Provider will make the refund in accordance with Section VII.D. below.

9. REFUND

i. **During Rescission Period**

In the case of termination within the 30 day Rescission Period, Member, or his or her estate, shall be entitled to a full refund of the Membership Fee less any actual cost to the Provider to maintain the Member at Member's Residence or a Provider Facility or a Program Participating Facility.

ii. **After Rescission Period**

In the case of termination after the Rescission Period (including due to the death of Member) but prior to 24 months after the date of this Agreement, Member is entitled to a refund of the Membership Fee less 4.17% of the principal amount of the Membership Fee for each calendar month from the Effective Date up to and including the month in which the refund is payable, less a \$500 administrative charge, less all outstanding fees, costs and charges owed by Member to Provider.

iii. **If a Permanent Resident in Assisted Living or Nursing Home Facility**

If Member becomes a permanent resident of an Assisted Living or Nursing Home Facility as provided in Section IV. A., no refund of the Membership Fee will be paid.

iv. **If a Permanent Resident in a Continuing Care Retirement Community**

If Member moves into an independent living unit of a continuing care retirement community licensed by the North Carolina Department of Insurance and terminates this Agreement, Provider will refund to Member ninety percent (90%) of the Member's unamortized Membership Fee less any other fees, costs or charges incurred by Member pursuant to this Agreement.

Any refund of the Membership Fee, less all outstanding fees, costs and charges owed by Member to Provider, shall be paid to Member or Member's estate within sixty (60) days of termination of this Agreement. All refunds shall be without interest.

- b. **Right of Set-Off; Other Rights.** Provider will have the right to set-off against any refund payable to Member under Section VII. D., any accrued Monthly Fees that may have been deferred, any additional fees, costs or charges or other amounts payable to Provider under this Agreement and under any other agreement between Member and

Provider or any affiliate of Provider and any costs or expenses that might be due, payable or incurred by Member due to Member's violation of this Agreement.

10. GENERAL

- a. **Tax Considerations.** Members are advised to discuss any tax considerations of entering into this Agreement with his/her tax advisor regarding the tax considerations associated with this Agreement. The Provider will supply a schedule of health care costs as part of total costs which can be shared with you tax professional annually.
- b. **Management of the Program.** The absolute rights of management of the Program are reserved by Provider. Provider reserves the right to make final decisions relating to admission, level of care, transfer or terminations relating to any Member or Membership Services Agreement. Members do not have the right to determine admission or terms of admission of any other member. Provider reserves the right to amend, implement or terminate policies and/or guidelines related to the operation of the Program or of Provider in its sole discretion.
- c. **Right to Delegate.** Member acknowledges the right of Provider to contract for the various services as provided by this Agreement, including, but not limited to, management services for the Program.
- d. **Assignment.** Member's rights and privileges under this Agreement are personal to Member and cannot be transferred or assigned by act of Member, or by any proceeding of law, or otherwise.
- e. **Confidentiality.** Provider has the responsibility to keep all of the personal, medical and financial information Member has supplied to it confidential. Member agrees that Provider can disclose such information to those who have a need, in its judgment, or right to know (e.g., to provide information for transfer to a Provider Facility, a Program Participating Facility, other facility or a hospital).
- f. **Release of Medical Information.** The privacy of all Members will be protected as provided for by the Health Insurance Portability and Accountability Act (HIPAA), as amended, and other applicable regulations. Member hereby authorizes Provider to release any medical information relating to Member to any doctor, hospital or other facility or individuals when it is deemed necessary or helpful in providing for Member's ongoing care or treatment, for the purpose of submitting claims for benefits payable for health care services or for carrying out or enforcing Member's and Provider's rights and obligations under this Agreement. Member further authorizes the release of any information to Provider from any health care provider when deemed necessary or beneficial for providing for Member's on-going care or treatment.

- g. **Right of Self-Determination.** Provider acknowledges Member’s right to self-determination regarding medical care and treatment in accordance with applicable laws and regulations. Members are encouraged to file advance directives with Provider.
- h. **Indemnity.** Member agrees to indemnify, defend and hold Provider harmless from claims, damages or expenses, including attorneys’ fees and court costs, arising out of, relating to, or resulting from (i) Member’s breach of this Agreement or (ii) any injury or death to persons and any damages to property caused by, resulting from, attributable to or in any way connected with Member’s acts or omissions or those of Member’s guests, including, but not limited to, private duty nurses or companion care providers.
- i. **Member Contracted Services.** If Member wishes to privately employ outside assistance for services that are covered under this Agreement, for whatever reason, all Provider policies must be upheld, and prior written approval by Provider management must be obtained. Member agrees to hold Provider harmless in all situations related to the provisions of such outside services. Provider has the right to require termination of such a service at any time.
- j. **Acts of God.** In the event of war, national emergency, floods, earthquakes, pandemics, epidemics or other acts of God beyond the control of Provider, the performance by Provider under this Agreement will be excused or may be modified to the extent such acts of God interfere with performance by Provider.
- k. **Amendments and Partial Invalidation.** This Agreement can be changed only by mutual written consent. However, Provider can make changes without Member’s consent to keep the Agreement in compliance with applicable laws and regulations. If any provision in this Agreement is invalidated, all other provisions will remain in force.
- l. **Survival.** Those rights and obligations that have accrued as a result of the operation of this Agreement shall survive its termination, as shall those rights and obligations that by their terms survive termination and any provisions that must survive to give effect to their terms, as shall any obligation of Member to pay fees, costs or expenses of his or her membership in the Program that remain unpaid as of such termination.

11. NOTICES.

Member is responsible for notifying Provider of any changes in Member's address and/or telephone number. Any notice, demand, or request which may be or is required to be given under this Agreement shall be in writing and delivered in person or shall be mailed by U.S. Certified or Registered Mail, postage prepaid, addressed as follows:

A. Provider:

Program Executive Director
 PO Box 11024
 Winston-Salem, NC 27116

B. Member:

Either party may designate such other address as may be appropriate by written notice.

- i. **Member Handbook.** Member will be given a current copy of the Member's Handbook as adopted by Provider. Member understands that this document will change from time to time.
- ii. **Annual Disclosure Statement.** An annual disclosure statement will be made available to Member within thirty (30) days of North Carolina Department of Insurance approval.
- iii. **Severability.** The invalidity of any restriction, condition or other provision of this Agreement, or any part of the same, shall not impair or affect in any way the validity or enforceability of the rest of this Agreement.
- iv. **Entire Agreement.** This Agreement sets forth all of the promises, agreements, conditions and understandings between Provider and Member and supersedes all prior agreements between the parties. No oral alteration, amendment, change or addition shall be binding unless reduced to writing and signed by the parties. Provider shall not be liable or bound in any manner by any statements, representations or promises made by any person representing or assuming to represent Provider, unless such statements, representations or promises are set forth in this Agreement or in an amendment to this Agreement signed by Provider and by Member.
- v. **Successors and Assigns.** Except as set forth herein, this Agreement shall bind and inure to the benefit of the successors and assigns of Provider and the heirs, executors, responsible parties, powers of attorney, administrators and assigns of Member.
- vi. **Governing Law and Venue.** This Agreement shall be governed by the laws of the State of North Carolina without regard to North Carolina's conflicts of law provisions. The Parties agree, should there be any suit or action related to this Agreement, venue shall be in the court of the County or City in North Carolina where the Program's home office is located.
- vii. **Waiver of One Breach Not a Waiver of Any Other.** Provider's failure to insist upon Member's strict performance and observance of compliance with any of the provisions of this Agreement in any one or more instances shall not be construed to be a waiver of relinquishment by us of our right to insist upon your future strict compliance.

- viii. **Capacity.** This Agreement has been executed on Provider's behalf by Provider's duly authorized agent, and no officer, trustee, agent or employee of Provider shall have any personal liability hereunder to Member or any other person, entity or trust under any circumstances.
- ix. **Provider Agrees / Disclosure** - Provider will stand behind all of the statements, promises and representations in this Agreement, but no others. The authority to enter into continuing care without lodging contracts granted by the North Carolina Department of Insurance is neither a guarantee of performance by the provider nor an endorsement of any continuing care without lodging contract provision. Prospective members must carefully consider the risks, benefits, and costs before signing a continuing care without lodging contract and are strongly encouraged to seek financial and legal advice before doing so.
- x. **Member Agrees** – I understand this matter involves a financial commitment and associated risk, as well as a legally binding contract. I was encouraged to consult with an attorney and/or financial advisor who could advise me concerning this Agreement.

NOTICE OF CONSIDERATION OF RISKS

Because the authority to enter into continuing care without lodging contracts granted by the North Carolina Department of Insurance is neither a guarantee of performance by the provider nor an endorsement of any continuing care without lodging contract provision, prospective residents/members must carefully consider the risks, benefits, and costs before signing a continuing care without lodging contract and are strongly encouraged to seek financial and legal advice before doing so.

If you feel something has been promised to you, but it is not specifically mentioned in this Agreement, now is the time to discuss it – before you sign this Agreement.

[Signature page follows.]

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate, one copy of this Agreement being retained by each party.

Your signature below certifies that you have read, understand and accept this Agreement as of this day, of _____, 20__.

Member Signature

Witness

Member Printed Name
ThriveMore at Home

By:

Program Representative Signature

Printed Representative Name

I acknowledge receipt of a Disclosure Statement dated _____
and a copy of Attachment A and Attachment B. _____(Please initial.)

NOTICE OF RIGHT TO RESCIND

Date rescission period begins: _____

You may rescind and terminate your Member Agreement, without penalty or forfeiture, within thirty (30) business days of the above date. No other agreement or statement you sign shall constitute a waiver of your right to rescind your agreement within the thirty (30) day period.

To rescind your Member Agreement, mail or deliver a signed and dated copy of this notice, or any other dated written notice, letter or telegram, stating your desire to rescind to:

Program Director
ThriveMore at Home
PO Box 11024
Winston-Salem, NC 27116

No later than midnight on _____.

Pursuant to this notice, I hereby cancel my Member Agreement.

Date

Member's Signature

Member's Printed Name



**Attachment A
MEMBERSHIP
PLANS**

The Plans below show the percentage of the Maximum Daily Benefit Amount covered by the Program for Services to Member, and are subject to co-payments, deductibles and limitations, and subject to fees, costs and charges that are covered by any governmental payor program and/or insurance.

CONTINUING CARE AT HOME PAYMENT PLANS

Type of Service	Diamond	Platinum	Gold	Silver	Bronze *
Care Coordinator	100%	100%	100%	100%	2 Hrs
Personal Wellness Plan Development	100%	100%	100%	100%	100%
Home Inspection	100%	100%	100%	100%	100%
Activities (Social and Educational)	100%	100%	100%	100%	100%
Health Support Services					
Home Care Aides	100%	75%	50%	50%	0%
Companion / Homemaker	100%	75%	50%	50%	0%
Live-in Assistant	100%	75%	50%	50%	0%
Adult Day Care	100%	75%	50%	50%	0%
Emergency Response System	100%	100%	100%	100%	100%
Annual Physical Exam	100%	100%	100%	100%	100%
Transportation	100%	100%	100%	100%	0%
Assisted Living	100%	75%	50%	0%	0%
Memory Support – Assisted Living	100%	75%	50%	0%	0%
Nursing Home Care	100%	75%	50%	0%	0%

* Available to medically-disqualified applicants living in the same residence as a qualifying member



**Attachment B
ADDITIONAL SERVICES AND COSTS**

Home Site Services	Charges*
Adult Day Care	\$90 per day
LPN	\$80 per hour
RN	\$100 per hour
Homemaker/Companion	\$38 per hour
24-Hour Care	\$900 per day
HHA/CNA	\$45 per hour
Emergency Response	\$50 per month
Transportation	\$50 per hour**
Care Coordination	\$150 per hour
Facility Based Services	
Assisted Living/Residential	\$ 275 per day
Memory Care	\$ 300 per day
Nursing Home	\$ 392 per day

*These are **average** costs to ThriveMore at Home for services provided to Members. This information is published annually as required by the North Carolina Department of Insurance. Members will receive bills for services and/or insurance, co-pays, deductibles and limitations as outlined in your Member Agreement. Listed costs do not necessarily reflect prevailing charges for services.

We will always bill a **minimum of one hour for any non-covered transportation provided.

Attachment C - Comprehensive Actuarial Study

@-ACTUARIES

ThriveMore At Home

Comprehensive Actuarial Study

VALUATION DATE: DECEMBER 31, 2023

Report Date: APRIL 19, 2023

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SECTION I- EXECUTIVE SUMMARY

Continuing Care Actuaries, LLC ("Continuing Care Actuaries") was retained by the management of ThriveMore At Home, sponsored by the Baptist Retirement Homes of North Carolina Incorporated, ("ThriveMore") to conduct a comprehensive actuarial analysis for its continuing care at home program. ThriveMore At Home is a proposed not-for-profit program organized in the state of North Carolina. ThriveMore At Home will provide continuing care for members in their own homes for as long as appropriate. When facility-based services such as Residential Healthcare, Assisted Living or Skilled Nursing Care are required, those services will be provided at numerous facilities within the region.

The purpose of the comprehensive actuarial study was to analyze the financial status of the program, the proposed pricing structure, and alternative pricing structures. This comprehensive actuarial study was performed under the guidelines contained in the American Academy of Actuaries' Actuarial Standard of Practice Number 3, "Practices Relating to Continuing Care Retirement Communities."

Population Projection

In order to project future member movements through the various levels of care, we first develop demographic assumptions as input to the population projections. These assumptions, which include mortality rates, morbidity rates (permanent and temporary transfer rates) and withdrawal rates (voluntary lapse rates), are then applied to future member populations. The demographic assumptions are based on data collected from ThriveMore At Home as well as other industry data.

Once demographic assumptions are developed, we project new member movements through the various levels of care until move-out or death. Member lapses due to death, permanent transfer and voluntary withdrawal are projected. Future members are admitted into the program based on information from management such as expected or budgeted membership. Management provided projected enrollment numbers of 1.5 new members per month in Year I and 2.0 new members per month every year thereafter. The demographic characteristics of these new members are based on information from ThriveMore At Home and similar programs in the Continuing Care Actuaries' demographic database. Each generation, or year, of new members, are tracked through various levels of care until death. The total member lapses from each generation of members are developed in our projection system. The population projection under the expected scenario is presented in the Appendix.

Actuarial Pricing Analysis

The actuarial pricing analysis develops the expected contractual surplus (deficit) for each contract and for each age of a new member at the time of enrollment to ThriveMore At Home. The present value of the membership fee and future monthly maintenance fees and the present value of contractual liabilities are calculated for the new member at each level of care. Contractual liabilities include future refunds and the cost of at home living, assisted living and health care. The actuarial surplus is defined to be the sum of the membership fee and

contingent assets such as monthly maintenance fees less the projected expenses for the particular member or couple enrolling in the program. A surplus indicates that the contracts are adequately priced, while a deficit indicates that a deficiency exists.

As a general rule, we recommend that management target contractual pricing to result in at least a 5.0% surplus margin. This surplus is designed to offset adverse experiences such as higher than expected transfers to the health care center or higher than expected inflation. It does not represent a profit to ThriveMore At Home. Note that in Section V, the percentages next to the dollar amounts represent the surplus as a percentage of the total contractual liabilities as of the enrollment date into ThriveMore At Home.

The results of our study are based on estimates of the demographic and economic assumptions of the most likely outcome. Considerable uncertainty and variability are inherent in such estimates. Accordingly, the subsequent emergence of actual member movements and of actual revenues and expenses may not conform to the assumptions used in our analysis. Consequently, the subsequent development of these items may vary considerably from expected results.

Actuarial Balance Sheet

The purpose of the actuarial balance sheet is to determine whether the projected assets and present value of future monthly service fees equals or exceeds projected liabilities and the present value of future expenses associated with providing care to the closed group of projected members of ThriveMore At Home as of December 31 of each year. The actuarially based balance sheet is used as an indicator of the adequacy of historical residential fee structures as of December 31 of each year.

Management should scrutinize future developments that may cause the pncmg margin to deteriorate. These developments include lower membership levels, higher expense inflation, higher health care utilization and longer life expectancies than assumed in the current projection.

Summary of Findings

- 1) The data and assumptions used for the population and financial projections in the Report form a reasonable basis for the projections. The methods used to produce the projections are consistent with sound actuarial principles and practices as prescribed by the Society of Actuaries and the American Academy of Actuaries.
- 2) The financial projection indicates that ThriveMore At Home will show positive annual cash flow throughout the projection period.
- 3) The actuarial pricing analysis for the Diamond Contract indicates that these contracts are expected to produce an average surplus of \$26,621 at entry for new residents, which represents a margin of 9.9% of the present value of contractual liabilities.

The actuarial pricing analysis for the Platinum Contract indicates that these contracts are expected to produce an average surplus of \$21,583 at entry for new residents, which represents a margin of 8.1% of the present value of contractual liabilities.

The actuarial pricing analysis for the Gold Contract indicates that these contracts are expected to produce an average surplus of \$15,888 at entry for new residents, which represents a margin of 6.0% of the present value of contractual liabilities.

The actuarial pricing analysis for the Silver Contract indicates that these contracts are expected to produce an average surplus of \$13,439 at entry for new residents, which represents a margin of 5.1% of the present value of contractual liabilities.

- 4) Based on the result of the actuarial balance sheet as of December 31 of each year, our analysis concluded that ThriveMore At Home' funded status is 128.8% in Year 1.

The actuarial ratio determines the percent of future expenses that are expected to be covered by future revenues for current members. This measure is important in that it represents ThriveMore Homes At Home' ability to deal with adverse experience. This ratio was calculated at 94.4% for Year 1. The weighting between membership fees and monthly fees is consistent with other at Home programs. The projected actuarial ratios for subsequent years can be found in the Actuarial Balance Sheet section of this report.

- 5) Given the cash flow projection, balance sheets and actuarial pncmg study in this comprehensive actuarial study, ThriveMore At Home is in an *adequate financial condition* to meet its obligations.

□ □

Dave Bond, F.S.A., M.A.A.A.
Managing Partner
dbond@continuingcareactuaries.com
(410) - 833-4220

SECTION II - CONTRACT DESCRIPTIONS

ThriveMore At Home plans to offer contract options with the following provisions:

ThriveMore at Home					
<u>Type of Service</u>	<u>Diamond</u>	<u>Platinum</u>	<u>Gold</u>	<u>Silver</u>	<u>Bronze*</u>
Care Coordination	100%	100%	100%	100%	100%
Personal Wellness Plan Development	100%	100%	100%	100%	100%
Home Inspection	100%	100%	100%	100%	100%
Activities (Social and Educational)	100%	100%	100%	100%	100%
Health Support Services					
Home Care Aides	100%	75%	50%	50%	0%
Homemaker/Companion	100%	75%	50%	50%	0%
Live-In Assistant	100%	75%	50%	50%	0%
Adult Day Care	100%	75%	50%	50%	0%
Medically Necessary Transportation	100%	75%	50%	50%	0%
Emergency Response System	100%	100%	100%	100%	0%
Annual Physical Exam	100%	100%	100%	100%	0%
Assisted Living Care	100%	75%	50%	0%	0%
Memory Support - Assisted Living	100%	75%	50%	0%	0%
Nursing Home Care	100%	75%	50%	0%	0%

Notes:

- The Bronze contract is only available to medically disqualified members in the same residence as a qualifying member.
- The maximum daily cap is \$374.

The following average service costs were assumed for year I of the projection:

<i>Care Services</i>	<i>2024 Costs</i>
Adult Day Care	\$42/day
Assisted Living Care	\$177/day
Skilled Nursing Care	\$374/day
Homemaker/Companion	\$26/hour
Live-In	\$312/day
HHA/CNA	\$31/visit
Transportation	\$46/hour

SECTION III - DEMOGRAPHIC AND FINANCIAL ASSUMPTIONS

Demographic Assumptions

This analysis was conducted separately for single females, single males and couples. The distribution of couples and singles on the chart below reflect expected demographics based on expected experience at ThriveMore At Home and historical experience of similar programs.

Distribution of New Homes by Gender/Couple/Age

T.Y.Qe of New Member Home	Assumed Distribution	Male Age	Female Age
Single Male	13%	78	
Single Female	27%		78
Couple	60%	78	74

The following ultimate contract distributions were assumed for new members to the program:

<u>Contract Type (Non-refundable)</u>	<u>Distribution</u>
Diamond	59%
Platinum	19%
Gold	12%
Silver	10%

Financial Assumptions

Continuing Care Actuaries has assumed that revenue inflation will match the underlying per unit cost inflation. The following inflation rates have been utilized for ThriveMore At Home throughout the projection:

	<u>Rate</u>
General Inflation	4.00%
Medical Inflation	4.00%
Membership Fee Inflation	4.00%
Monthly Fee Inflation at Home	4.00%
Interest Income Rate	4.00%
Discount Rate	4.00%

The following pages present the projection of operating expenses under these assumptions and the projected fill-up schedule.

Operating Expenses
Year Ending December 31

	Year 1	Year2	Year3	<u>Year4</u>
Salaries and Wages	\$71,404	\$156,627	\$154,077	\$160,240
Benefits	34,470	73,508	73,804	105,440
Administration	55,412	31,003	31,175	32,422
Professional Services	34,355	68,719	114,479	119,058
Contract Services	5,217	10,442	10,442	10,859
Utilities	4,917	9,834	9,834	10,228
Facility Insurance & Taxes	7,071	14,140	14,140	14,705
Marketing	96,337	130,437	119,163	123,930
Home Inspections	624	624	936	973
Emergency Response	499	499	2,012	2,093
Wellness	6,271	6,271	17,784	18,495
Care Coordinator	85,000	88,400	91,936	191,227
Members Using Partial Daily Coverage	1,556	10,553	32,020	69,979
<u>Members Using Max Daily Coverage</u>	<u>1,162</u>	<u>8,220</u>	<u>26,090</u>	<u>60,960</u>
Care Services Total	\$87,717	\$107,174	\$150,047	\$322,166
Total	\$404,295	\$609,278	\$697,893	\$920,610

Notes

- ▶ *"Membership Fees Refunded" are not included as part of the Operating Expenses, and therefore expense totals will not match the cash flow projections.*

SECTION IV- CASH FLOW PROJECTION

Cash Flow Projection

Management provided projected enrollment numbers of 1.5 new members per month in Year 1 and 2.0 new members per month every year thereafter. See Appendix A for a detailed population projection. The chart below summarizes the first four years of the projection under the fill-up scenano:

	Fill-Up			
	Year 1	Year2	Year3	Year4
BOY	0.0	17.9	41.2	63.8
New	18.0	24.0	24.0	24.0
Transfers	0.0	0.1	0.2	0.4
Lapses	0.1	0.5	1.2	2.0
EOY	17.9	41.2	63.8	85.4

The financial projection indicates that ThriveMore At Home will show positive annual cash flow throughout the projection period. The cash flow projection is for 20 years and is based on a 4% inflation rate. The cash balances generated are dependent upon these assumptions. The likelihood of matching these results decreases in subsequent years with the uncertainty in projecting inflation.

Financial Forecast

Key Demographic and Facility Assumptions

At Home Members	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>
Number of at Home Members (Average)	8.9	29.6	52.5	74.6	95.6	115.3	133.8	150.9	166.8	181.3
at Home Single Occupancy	2.3	7.8	14.3	21.2	28.5	62.2	68.7	75.1	81.4	106.6
at Home Couple Occupancy	<u>U</u>	<u>ill.2.</u>	<u>J..2.j_</u>	<u>26.7</u>	<u>33.5</u>	<u>26.5</u>	<u>32.5</u>	<u>37.9</u>	<u>42.7</u>	<u>37.4</u>
Number of Occupied Homes (Average)	5.6	18.7	33.4	47.9	62.0	88.8	101.2	113.0	124.1	144.0
Care Service Index	0.0	0.1	0.3	0.7	1.2	1.8	2.6	3.4	4.2	5.2
Assisted Living	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>
Lifecare - Permanent	0.0	0.1	0.2	0.4	0.6	0.8	1.1	1.3	1.5	1.7
2nd persons	0.0	0.1	0.1	0.3	0.4	0.6	0.7	0.9	1.0	1.1
Lifecare - Temporary	<u>0.0</u>									
Number of Occupied ALUs (Average)	0.0	0.1	0.2	0.4	0.6	0.8	1.1	1.3	1.5	1.7
Skilled Nursing	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>
Lifecare - Permanent	0.0	0.0	0.0	0.1	0.2	0.4	0.6	0.9	1.1	1.4
2nd persons	0.0	0.0	0.0	0.1	0.2	0.3	0.4	0.5	0.6	0.8
Lifecare - Temporary	<u>0.0</u>									
Number of Occupied SNFs (Average)	0.0	0.0	0.0	0.1	0.2	0.4	0.6	0.9	1.1	1.4
Total Number of Members	8.9	29.6	52.8	75.1	96.4	116.5	135.4	153.1	169.4	184.5
Number of New Homes	11.3	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Number of New Members	18.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0

Financial Forecast

Key Demographic and Facility Assumptions

	<u>2034</u>	<u>2035</u>	<u>2036</u>	<u>2037</u>	<u>2038</u>	<u>2039</u>	<u>2040</u>	<u>2041</u>	<u>2042</u>	<u>2043</u>
At Home Members										
Number of at Home Members (Average)	194.5	206.5	217.1	226.6	234.9	242.2	248.4	253.7	258.1	261.8
at Home Single Occupancy	110.8	114.6	118.1	132.1	123.8	116.6	110.4	105.1	100.7	97.0
at Home Couple Occupancy	<u>45.9</u>	<u>45.9</u>	<u>49.5</u>	<u>47.2</u>	<u>55.5</u>	<u>62.8</u>	<u>69.0</u>	<u>74.3</u>	<u>78.7</u>	<u>82.4</u>
Number of Occupied Homes (Average)	152.7	160.6	167.6	179.4	179.4	179.4	179.4	179.4	179.4	179.4
Care Service Index	6.2	7.2	8.2	9.1	10.0	10.9	11.7	12.4	13.0	13.6
Assisted Living										
Lifecare - Permanent	2.0	2.2	2.4	2.6	2.8	3.0	3.2	3.3	3.5	3.6
2nd persons	1.2	1.3	1.4	1.4	1.5	1.5	1.6	1.6	1.6	1.7
Lifecare - Temporary	<u>0.0</u>									
Number of Occupied ALUs (Average)	2.0	2.2	2.4	2.6	2.8	3.0	3.2	3.3	3.5	3.6
Skilled Nursing										
Lifecare - Permanent	1.7	2.0	2.3	2.6	2.8	3.0	3.2	3.4	3.5	3.7
2nd persons	0.9	1.0	1.1	1.2	1.3	1.3	1.4	1.4	1.4	1.5
Lifecare - Temporary	<u>0.0</u>									
Number of Occupied SNFs (Average)	1.7	2.0	2.3	2.6	2.8	3.0	3.2	3.4	3.5	3.7
Total Number of Members	198.2	210.6	221.8	231.8	240.5	248.1	254.7	260.4	265.1	269.0
Number of New Homes	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Number of New Members	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0

Membership Fees	2024	2025	2026	2027	illl	ill2.	mll	.illl	2032	Mmm
Membership Fees increase by:	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Platinum										
Age60	55,000	57,200	59,488	61,868	64,342	66,916	69,593	72,376	75,271	78,282
Age65	70,000	72,800	75,712	78,740	81,890	85,166	88,572	92,115	95,800	99,632
Age70	84,000	87,360	90,854	94,489	98,268	102,199	106,287	110,538	114,960	119,558
Age75	100,000	104,000	108,160	112,486	116,986	121,665	126,532	131,593	136,857	142,331
Age80	112,000	116,480	121,139	125,985	131,024	136,265	141,716	147,384	153,280	159,411
Age85	113,000	117,520	122,221	127,110	132,194	137,482	142,981	148,700	154,648	160,834
Age90	114,000	118,560	123,302	128,234	133,364	138,698	144,246	150,016	156,017	162,258
Age95	119,000	123,760	128,710	133,859	139,213	144,782	150,573	156,596	162,860	169,374
Average Single Membership Fee	\$98,983	\$102,942	\$107,060	\$111,342	\$115,796	\$120,428	\$125,245	\$130,255	\$135,465	\$140,883
Weighted Average Second Person Membership Fee	61,154	63,600	66,145	68,790	71,542	74,404	77,380	80,475	83,694	87,042
Average Couple Membership Fee	160,137	166,543	173,204	180,132	187,338	194,831	202,624	210,729	219,159	227,925
Average Membership Fee	135,260	140,670	146,297	152,149	158,235	164,565	171,147	177,993	185,113	192,517
Gold										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Age60	46,000	47,840	49,754	51,744	53,813	55,966	58,205	60,533	62,954	65,472
Age65	56,000	58,240	60,570	62,992	65,512	68,133	70,858	73,692	76,640	79,705
Age70	68,000	70,720	73,549	76,491	79,550	82,732	86,042	89,483	93,063	96,785
Age75	73,000	75,920	78,957	82,115	85,400	88,816	92,368	96,063	99,906	103,902
Age 80	86,000	89,440	93,018	96,738	100,608	104,632	108,817	113,170	117,697	122,405
Age 85	89,000	92,560	96,262	100,113	104,117	108,282	112,613	117,118	121,803	126,675
Age90	90,000	93,600	97,344	101,238	105,287	109,499	113,879	118,434	123,171	128,098
Age 95	95,000	98,800	102,752	106,862	111,137	115,582	120,205	125,014	130,014	135,215
Average Single Membership Fee	\$76,837	\$79,911	\$83,107	\$86,431	\$89,888	\$93,484	\$97,223	\$101,112	\$105,157	\$109,363
Weighted Average Second Person Membership Fee	47,125	49,010	50,970	53,009	55,129	57,334	59,628	62,013	64,493	67,073
Average Couple Membership Fee	123,962	128,920	134,077	139,440	145,018	150,818	156,851	163,125	169,650	176,436
Average Membership Fee	104,792	108,984	113,343	117,877	122,592	127,495	132,595	137,899	143,415	149,152
Silver										
	2024	2025	2026	2027	2028	ill2.	2030	2031	2032	2033
Age60	46,000	47,840	49,754	51,744	53,813	55,966	58,205	60,533	62,954	65,472
Age65	52,000	54,080	56,243	58,493	60,833	63,266	65,797	68,428	71,166	74,012
Age70	58,000	60,320	62,733	65,242	67,852	70,566	73,389	76,324	79,377	82,552
Age75	61,000	63,440	65,978	68,617	71,361	74,216	77,184	80,272	83,483	86,822
Age80	66,000	68,640	71,386	74,241	77,211	80,299	83,511	86,851	90,326	93,939
Age85	67,000	69,680	72,467	75,366	78,381	81,516	84,776	88,167	91,694	95,362
Age90	68,000	70,720	73,549	76,491	79,550	82,732	86,042	89,483	93,063	96,785
Age95	73,000	75,920	78,957	82,115	85,400	88,816	92,368	96,063	99,906	103,902
Average Single Membership Fee	\$62,101	\$64,585	\$67,169	\$69,855	\$72,650	\$75,556	\$78,578	\$81,721	\$84,990	\$88,389
Weighted Average Second Person Membership Fee	36,984	38,463	40,002	41,602	43,266	44,997	46,796	48,668	50,615	52,640
Average Couple Membership Fee	99,085	103,049	107,171	111,457	115,916	120,552	125,374	130,389	135,605	141,029
Average Membership Fee	84,040	87,402	90,898	94,534	98,315	102,248	106,338	110,592	115,015	119,616
Aluminum										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Age60	\$46,000	\$47,840	\$49,754	\$51,744	\$53,813	\$55,966	\$58,205	\$60,533	\$62,954	\$65,472
Age60	50,000	52,000	54,080	56,243	58,493	60,833	63,266	65,797	68,428	71,166
Age65	52,000	54,080	56,243	58,493	60,833	63,266	65,797	68,428	71,166	74,012
Age 70	53,000	55,120	57,325	59,618	62,003	64,483	67,062	69,744	72,534	75,436
Age 75	54,000	56,160	58,406	60,743	63,172	65,699	68,327	71,060	73,903	76,859
Age 80	56,000	58,240	60,570	62,992	65,512	68,133	70,858	73,692	76,640	79,705
Age 85	57,000	59,280	61,651	64,117	66,682	69,349	72,123	75,008	78,008	81,129
Age90	57,000	59,280	61,651	64,117	66,682	69,349	72,123	75,008	78,008	81,129
Age95	57,000	59,280	61,651	64,117	66,682	69,349	72,123	75,008	78,008	81,129
Average Single Membership Fee	\$54,122	\$56,287	\$58,539	\$60,880	\$63,315	\$65,848	\$68,482	\$71,221	\$74,070	\$77,033
Weighted Average Second Person Membership Fee	22,785	23,696	24,644	25,630	26,655	27,721	28,830	29,983	31,183	32,430
Average Couple Membership Fee	76,907	79,983	83,183	86,510	89,971	93,569	97,312	101,205	105,253	109,463
Average Membership Fee	67,639	70,344	73,158	76,084	79,127	82,293	85,584	89,008	92,568	96,271

Membership Fees	2034	2035	2036	1Qn	2038	2039	2040	2041	2042	2043
Membership Fees increase by:	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Platinum										
Age 60	8,111,1	84,1170	88157	9,2579	952343	991)53	0111,4	,on 15	, , , 2+30	, , 5:P.77
Age65	,01'.11, 7	, 077163	, , 3'.D73	, , 62555	, 3, 23, 7	, 361)66	, 1,209	, 162151	, 4, .P.07	, 47'.179
Age 70	, 34214,	, 3921,4	, 14'.187	, 19:P.66	, 45'.16,	, 5, 2379	, 572110	, 61:034	, 702 69	, 762)75
Age 75	, 481)34	, 512)45	, 602 01	, 662507	, 712 68	, 801)94	, 872398	, 947190	, 3032583	, 3, 0:085
Age 80	, 657187	, 73'.11, 9	, 7921, 6	, 86'.188	, 912148	, 30,7106	, 3097174	, 3, 82 65	, 336:89,	, 3152167
Age 85	, 672368	, 71'.1)58	, 8021, 7	, 882 51	, 95:079	, 3012507	, 3,, :047	, 3302. 1	, 338'.11, 7	, 3181)74
Age 90	, 687148	, 75'.1)98	, 8325, 8	, 89'.B, 8	, 97'.11,,	, 3052108	, 3, 12530	, 3331)6,	, 3102141	, 3402 8,
Age95	, 762 49	, 812 95	, 902531	, 982 44	, 3061)69	, 3,421, 3	, 333:B85	, 31, :BOO	, 34, 1)73	, 35027, 5
Average Single Membership Fee	\$, 4625, 9	\$, 532179	\$, 58'.1)75	\$, 64'.B, 1	\$, 7, '.1)06	\$, 782363	\$, 852191	\$, 93'.B08	\$300:53,	\$308:543
Weighted Average Second Person Membership Fee	902531	942 44	9721, 0	, 0, :P.36	, 05:P.99	, , 02 15	, , 4254,	, , 92 31	, 31:P.87	, 38:P.41
Average Couple Membership Fee	3171)43	3462534	3562185	366:o40	3772106	3882198	3992114	1,, 211,	134'.1)08	1172185
Average Membership Fee	30023, 8	3082337	3, 62556	33523, 8	3142337	3412596	3512140	361'.1)71	3741), 3	3842)71
Gold										
Age 60	681)9,	70:P,, 5	71:047	762591	79:057	83':B41	862 57	89:001	912 88	9621, 5
Age 65	83:P.94	862309	89:058	912344	962174	00':B51	04:P.87	091)83	, , 1'.1)46	, , 72184
Age 70	, 00:057	, 043581	, 08'.B70	, , 12B5	, , 77154	, 33'.1)64	, 372161	, 13'.1)57	, 177156	, 412366
Age 75	, 081)58	, , 32180	, 6'.B75	, 3, :550	, 36'.11, 3	, 1, :1)69	, 1 67138	, 432 97	, 47'.B85	, 51'.B00
Age 80	, 37210,	, 132191	, 173589	, 412 96	, 482134	, 54:P.8,	, 6, 1)76	, 6725, 9	, 742330	, 8'.1)89
Age 85	, 1, 7143	, 17'.D,,	, 4321:93	, 482 93	, 54', :9	, 602384	, 663595	, 712161	, 802198	, 8725, 0
Age90	, 112333	, 18255,	, 44'.D91	, 49:P.57	, 55'.B5,	, 631)85	, 682568	, 7521,,	, 832131	, 8935, 6
Age95	, 403531	, 462348	, 531)98	, 582 83	, 642509	, 7, 1)90	, 772)11	, 851)5,	, 93'.1)51	, 3002 5,
Average Single Membership Fee	\$,, 17118	\$,, 82187	\$, 311, 9	\$, 37'.1)19	\$, 1'.D57	\$, 182179	\$, 4121, 4	\$, 49357,	\$, 553558	\$, 6, '.B84
Weighted Average Second Person Membership Fee	697156	732546	75'.1)48	78'.1)66	8, 3505	84:P.69	882364	9, 7194	95'.1)66	992185
Average Couple Membership Fee	, 81'.1)94	, 90'.B11	, 98'.1)67	306'.1)05	3, 41563	331348	313278	34, 2+65	35,234	36,2 69
Average Membership Fee	, 552, 8	, 6, 2133	, 677175	, 74'.1)86	, 8, '.1)66	, 887134	, 962371	3042 34	3, 32389	330278,
Silver										
Age60	68'.D9,	70:P,, 5	713547	762591	793557	83':P.41	862 57	893501	912 88	9621, 5
Age 65	762171	801)53	812354	862584	90'.D47	91:049	972195	, 0, 239,	, 052143	, 092556
Age 70	85:P.54	892388	93:P.60	962574	, 00:1)17	, 04'.1)55	, 083511	, 32178	, , 7:1)97	, 332 97
Age 75	902395	91'.1)07	973561	, 0, 2569	, 053513	, 09:P.58	, , 42353	, , 8:B33	, 312575	, 3825, 8
Age80	973596	, 0, 2504	, 052568	, 09'.B95	, 4239,	, , 8:P.63	, 31:0, 7	, 38256,	, 117104	, 191)53
Age 85	992, 76	, 01241	, 072169	, , 2560	, 61)33	, 302561	, 35'.1)90	, 102509	, 157110	, 4, 259
Age90	, 002557	, 043581	, 08:P.70	, , 12335	, , 77154	, 332+64	, 372161	, 132+57	, 177156	, 412366
Age95	, 081)58	, , 32180	, , 6:B75	, 3, 2550	, 362+, 3	, 1, '.1)69	, 167138	, 432 97	, 47:P.85	, 51'.B00
Average Single Membership Fee	\$9, 2135	\$953503	\$99'.1)36	\$, 01'.1)01	\$, 072519	\$,, '.B4,	\$,, 621,4	\$, 302)67	\$, 35:P.06	\$, 10'.B18
Weighted Average Second Person Membership Fee	547145	562115	5923, 3	6,258,	641)44	661)06	692370	731)4,	742)31	772)30
Average Couple Membership Fee	, 461170	, 532517	, 581119	, 642184	, 7, 2581	, 78'.1)47	, 852585	, 91'.D08	3007138	3087158
Average Membership Fee	, 34'.1)00	, 392176	, 142553	, 192114	, 45251,	, 5, 2153	, 57'.1)06	, 617103	, 7035,	, 77'.D6,
Aluminum										
Age60	\$681)9,	\$70'.B, 5	\$711147	\$762591	\$791157	\$83:P.41	\$862 57	\$89:001	\$912 88	\$9621, 5
Age 60	741), 3	762171	801)53	812154	862584	901)47	91:049	972195	, 0, 239,	, 052143
Age65	762171	801)53	812154	862584	901)47	911149	972195	, 0, 239,	, 052143	, 092556
Age70	78'.1)51	8,259,	84'.B55	88249	9, 7179	95'.1)50	992168	, 012119	, 072168	, , , 116 1

Age 75	792111	812,1	86,156	8921,4	9125,,	97235,	0,24,	, 052 87	, 092194	, 17170
Age80	83:P,94	862309	891158	912344	962174	, 00:P,51	, 04:P,87	, 091,83	, ,1,146	, , 72184
Age85	842174	877149	9,2159	942109	987106	, 031154	, 067160	, , ,1)10	, , 5,173	, 30190
Age90	842174	877149	9,2359	942109	987106	, 031154	, 067160	, , 1)10	, , 5,173	, 30190
Age 95	842174	877149	9,2359	942109	987106	, 031154	, 067160	, , 1)10	, , 5,173	, 30190
Average Single Membership Fee	\$802,4	\$8121,9	\$861153	\$902,8	\$917133	\$97,117,	\$,0,2170	\$,05,1135	\$,091143	\$,4,1D38
Weighted Average Second Person Membership Fee	117137	151176	16,1179	172)18	19,1156	4,1)14	431176	442181	462 58	48,1D04
Average Couple Membership Fee	, , 1:P,4,	, , 82195	, 312 1,	, 381)56	, 112 78	, 182505	, 44,1D46	, 49,1B08	, 55,1B00	, 631)13
Average Membership Fee	, 002 33	, 042 36	, 08239,	, 31531	, 72 38	, 3,1P,, 1	, 361186	, 1,7151	, 17,1D31	, 432504

Monthly Service Fees

	Monthly Service Fees increase by:									
	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
<u>Platinum</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>
Average Single Monthly Service Fee	\$780	\$811	\$844	\$877	\$912	\$949	\$987	\$1,026	\$1,067	\$1,110
Average Couple Monthly Service Fee	1,482	1,541	1,603	1,667	1,734	1,803	1,875	1,950	2,028	2,109
<u>Gold</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>
Average Single Monthly Service Fee	\$675	\$702	\$730	\$759	\$790	\$821	\$854	\$888	\$924	\$961
Average Couple Monthly Service Fee	\$1,283	1,334	1,387	1,443	U00	U60	1,623	1,688	1,755	1,825
<u>Silver</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>
Average Single Monthly Service Fee	\$520	\$541	\$562	\$585	\$608	\$633	\$658	\$684	\$712	\$740

Monthly Service Fees

	Monthly Service Fees increase by:										
	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
<u>Platinum</u>	<u>2034</u>	<u>2035</u>	<u>2036</u>	<u>2037</u>	<u>2038</u>	<u>2039</u>	<u>2040</u>	<u>2041</u>	<u>2042</u>	<u>2043</u>	<u>2043</u>
Average Single Monthly Service Fee	\$7&]]	\$78:107	\$71D42	\$71D22	\$7& 17	\$78!01	\$78!67	\$78172	\$78150	\$7854,	\$7854,
Average Couple Monthly Service Fee	98724	98)57	9& 3,	98!65	98166	98562	98336	911i53	, 8)09	, 8799	, 8799
<u>Gold</u>	<u>2034</u>	<u>2035</u>	<u>2036</u>	<u>2037</u>	<u>2038</u>	<u>2039</u>	<u>2040</u>	<u>2041</u>	<u>2042</u>	<u>2043</u>	<u>2043</u>
Average Single Monthly Service Fee	\$222	\$78), 2	\$78)57	\$78794	\$78762	\$78)76	\$78:164	\$7& 71	\$7& 63	\$78!99	\$78!99
Average Couple Monthly Service Fee	711i25	78134	9811,	987, 1	98)97	9& 70	98!09	98!25	98125	98309	98309
<u>Silver</u>	<u>2034</u>	<u>2035</u>	<u>2036</u>	<u>2037</u>	<u>2038</u>	<u>2039</u>	<u>2040</u>	<u>2041</u>	<u>2042</u>	<u>2043</u>	<u>2043</u>
Average Single Monthly Service Fee	\$330	\$507	\$5,,	\$566	\$200	\$2, 6	\$234	\$7817,	\$7811,	\$78)26	\$78)26

	Fees increase by:									
	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>
Care Service Costs										
Adult Day Care	\$42	\$43	\$45	\$47	\$49	\$51	\$53	\$55	\$57	\$59
Assisted Living Care	177	184	191	199	207	215	224	233	242	252
Nursing Home Care	374	389	405	421	438	456	474	493	512	533
Companion Services	26	27	28	29	30	32	33	34	36	37
Live-In Companion	312	324	337	351	365	380	395	411	427	444
Home Health Aide	31	32	34	35	36	38	39	41	43	44
Delivered Meals	0	0	0	0	0	0	0	0	0	0
Transportation	46	48	49	51	54	56	58	60	63	65
Off-Site Medical CoPays										
Assisted Living - Private Pay Monthly Average	\$5,381	\$5,597	\$5,820	\$6,053	\$6,295	\$6,547	\$6,809	\$7,081	\$7,365	\$7,659
Assisted Living - Platinum	0	0	0	0	0	0	0	0	0	0
Assisted Living - Gold	1,345	1,399	1,455	1,513	1,574	1,637	1,702	1,770	1,841	1,915
Assisted Living - Silver	2,691	2,798	2,910	3,027	3,148	3,274	3,405	3,541	3,682	3,830
Assisted Living - Aluminum	5,381	5,597	5,820	6,053	6,295	6,547	6,809	7,081	7,365	7,659
Skilled Nursing Facility - Private Pay Per Month	\$1,396	\$11,852	\$12,326	\$12,819	\$13,331	\$13,865	\$14,419	\$14,996	\$15,596	\$16,220
Skilled Nursing - Platinum	0	0	0	0	0	0	0	0	0	0
Skilled Nursing - Gold	2,849	2,963	3,081	3,205	3,333	3,466	3,605	3,749	3,899	4,055
Skilled Nursing - Silver	5,698	5,926	6,163	6,409	6,666	6,932	7,210	7,498	7,798	8,110
Skilled Nursing - Aluminum	11,396	11,852	12,326	12,819	13,331	13,865	14,419	14,996	15,596	16,220

Fees increase by:	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Care Service Costs	<u>2034</u>	<u>2035</u>	<u>2036</u>	<u>2037</u>	<u>2038</u>	<u>2039</u>	<u>2040</u>	<u>2041</u>	<u>2042</u>	<u>2043</u>
Adult Day Care	\$23	\$24	\$25	\$27	\$53	\$59	\$51	\$18	\$14	\$11
Assisted Living Care	323	353	316	374	602	681	668	644	691	653
Nursing Home Care	994	952	977	236	241	254	508	537	591	517
Companion Services	61	40	43	46	49	45	47	98	96	99
Live-In Companion	423	410	900	930	940	923	914	201	263	295
Home Health Aide	42	41	90	93	94	92	91	28	26	22
Delivered Meals	0	0	0	0	0	0	0	0	0	0
Transportation	21	50	56	52	57	13	12	17	76	72
Off-Site Medical CoPays	<u>2034</u>	<u>2035</u>	<u>2036</u>	<u>2037</u>	<u>2038</u>	<u>2039</u>	<u>2040</u>	<u>2041</u>	<u>2042</u>	<u>2043</u>
Assisted Living - Private Pay Monthly Average	\$5,722	\$1,314	\$1,282	\$1,720	\$7,687	\$7,273	\$80,057	\$80,413	\$80,703	\$88,661
Assisted Living - Platinum	0	0	0	0	0	0	0	0	0	0
Assisted Living - Gold	8,778	3,058	3,894	3,340	3,660	3,436	3,930	3,238	3,539	3,164
Assisted Living - Silver	6,716	4,843	4,601	4,410	4,297	4,142	9,040	9,348	9,498	9,227
Assisted Living - Aluminum	5,722	1,314	1,282	1,720	7,687	7,273	80,057	80,413	80,703	88,661
Skilled Nursing Facility - Private Pay Per Month	\$82,127	\$85,946	\$81,349	\$81,759	\$87,564	\$30,936	\$38,644	\$33,871	\$36,012	\$34,007
Skilled Nursing - Platinum	0	0	0	0	0	0	0	0	0	0
Skilled Nursing - Gold	4,385	4,612	4,928	4,544	4,766	9,868	9,662	9,947	9,558	2,003
Skilled Nursing - Silver	1,464	1,553	7,836	7,415	7,125	80,323	80,253	88,077	88,946	83,009
Skilled Nursing -Aluminum	82,127	85,946	81,349	81,759	87,564	30,936	38,644	33,871	36,012	34,007

<u>Investment Income</u>	£!M	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	□	<u>2031</u>	<u>2032</u>	<u>2033</u>
Beginning Assets	\$0	\$984,016	\$2,397,553	\$4,062,597	\$5,871,908	\$7,932,012	\$10,247,470	\$12,654,819	\$15,275,313	\$! 8,096,500
1/2 Annual Operating Activity	482,168	716,472	813,147	852,329	940,909	1,026,786	1,027,538	1,085,947	1,134,077	1,098,033
Investment Income Rate	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Sub-total Investment Income	19,287	68,020	128,428	196,597	272,513	358,352	451,000	549,631	656,376	767,781
Interest on Interest	394	1,388	2.621	4,012	5,561	7,313	9,204	11,217	13,395	15,669
Investment Income	<u>19,680</u>	<u>69,408</u>	<u>131,049</u>	<u>200,609</u>	<u>078074</u>	<u>365,665</u>	<u>460,204</u>	<u>560,848</u>	<u>669,771</u>	<u>783,450</u>
Ending Assets	□	S2..121.Ili	□	W1..2Jli	□	\$JQ⁰HZQ	□ p "':18]9	st⁰1:iJJ1	□J a Q9li :iQQ	PQ 9, □ i:Qa

Investment Income	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Beginning Assets	\$20,954,608	\$23,969,912	\$27,133,515	\$30,440,324	\$33,894,893	\$37,481,286	\$40,996,453	\$44,629,203	\$48,383,353	\$52,264,900
1/2 Annual Operating Activity	1,120,276	1,135,111	1,144,584	1,153,527	1,151,813	1,048,080	1,038,403	1,028,366	1,018,964	1,010,930
Investment Income Rate	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Sub-total Investment Income	882,995	1,004,201	1,131,124	1,263,754	1,401,868	1,541,175	1,681,394	1,826,303	1,976,093	2,131,033
Interest on Interest	18,020	20,494	23,084	25,791	28,609	31,452	34,314	37,271	40,328	43,490
Investment Income	<u>901,016</u>	<u>1,024,695</u>	<u>1,154,208</u>	<u>1,289,545</u>	<u>1,430,478</u>	<u>1,572,627</u>	<u>1,715,708</u>	<u>1,863,574</u>	<u>2,016,421</u>	<u>2,174,523</u>
Ending Assets	<u>\$23,974,884</u>	PZ J11.5.L5	□1Q :!1Q:;! :	□-n \$2::1□2!	:i:Z :!\$1 78\	□:1Q 926 :iy,	□:!! g?2.0.3	□::!□ ,§1 :□	\$:i2 ?g:1 9QQ	\$□6 7□1 □Z!!

Revenue Projection	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
Platinum											
At Home Entrance Fees Received	897,789	1,244,934	1,294,731	1,346,520	1,400,381	1,456,396	1,514,652	1,575,238	1,638,248	1,703,778	
Entrance Fees Refunded	(2,273)	(2,130)	(2,130)	(2,621)	(2,804)	(2,917)	(3,033)	(3,151)	(3,278)	(3,407)	
Net Entrance Fees	\$895,516	\$1,242,804	\$1,292,601	\$1,343,899	\$1,397,577	\$1,453,479	\$1,511,619	\$1,572,087	\$1,634,970	\$1,700,371	
Silver											
At Home Entrance Fees Received	\$223,993	\$310,603	\$323,027	\$335,948	\$349,386	\$363,362	\$377,896	\$393,012	\$408,732	\$425,082	
Entrance Fees Refunded	(2,273)	(2,130)	(2,130)	(2,621)	(2,804)	(2,917)	(3,033)	(3,151)	(3,278)	(3,407)	
Net Entrance Fees	\$221,720	\$308,473	\$320,897	\$333,327	\$346,582	\$360,445	\$374,863	\$389,861	\$405,454	\$421,675	
Aluminum											
At Home Entrance Fees Received	\$64,125	\$88,920	\$92,477	\$96,176	\$100,023	\$104,024	\$108,185	\$112,512	\$117,013	\$121,693	
Entrance Fees Refunded	(2,273)	(2,130)	(2,130)	(2,621)	(2,804)	(2,917)	(3,033)	(3,151)	(3,278)	(3,407)	
Net Entrance Fees	\$61,852	\$86,790	\$90,347	\$93,555	\$97,219	\$101,107	\$105,152	\$109,361	\$113,735	\$118,286	
At Home Members Monthly Service Fees	\$67,168	\$231,189	\$427,645	\$632,042	\$842,627	\$1,070,532	\$1,289,867	\$1,512,304	\$1,737,063	\$1,973,962	
At Home Services Co-Pays	413	2,882	8,742	19,502	35,774	56,581	81,641	111,274	145,842	185,655	
Assisted Living Co-Pays	134	858	2,606	5,432	9,081	13,240	17,830	22,700	27,728	33,042	
Skilled Nursing Co-Pays	40	310	1,244	3,496	7,665	13,960	22,259	32,467	44,448	57,888	
Ancillary and Other Income	2,033	7,057	13,207	19,814	26,854	34,629	42,348	50,362	58,652	67,516	
Annual Investment Earnings	19,680	69,408	131,049	200,609	278,074	365,665	460,204	560,848	669,771	783,450	
Total Cash Inflow	\$1,388,311	\$2,022,814	\$2,362,937	\$2,729,920	\$3,122,953	\$3,554,399	\$3,993,934	\$4,452,932	\$4,933,003	\$5,440,993	
Expense Projection	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Salaries and Wages	\$0	\$71,404	\$156,627	\$154,077	\$160,240	\$166,649	\$173,315	\$180,248	\$187,458	\$194,956	\$202,755
Benefits	0	34,470	73,508	73,804	105,440	109,658	114,044	150,871	156,906	163,182	206,004
Administrative		55,412	31,003	31,175	32,422	33,719	35,068	36,470	37,929	39,446	41,024
Professional Services		34,355	68,719	114,479	119,058	123,821	128,773	133,924	139,281	144,853	150,647
Contract Services		5,217	10,442	10,442	10,859	11,294	11,745	12,215	12,704	13,212	13,740
Utilities		4,917	9,834	9,834	10,228	10,637	11,062	11,505	11,965	12,443	12,941
Facility Insurance & Taxes		7,071	14,140	14,140	14,705	15,294	15,905	16,542	17,203	17,891	18,607
Marketing		96,337	130,437	119,163	123,930	128,887	134,042	139,404	144,980	150,779	156,811
Home Inspections		624	624	936	973	1,012	1,053	1,095	1,139	1,184	1,232
Emergency Response		499	499	2,012	2,093	2,177	2,264	2,354	2,448	2,546	2,648
Wellness		6,271	6,271	17,784	18,495	19,235	20,005	20,805	21,637	22,502	23,403
Development	200,000										
Care Coordinator		85,000	88,400	91,936	191,227	198,876	206,831	322,656	335,563	348,985	483,926
Members Using Partial Daily Coverage		1,556	10,553	32,020	69,979	124,990	193,398	274,188	367,594	474,059	594,856
Members Using Max Daily Coverage		1,162	8,220	26,090	60,960	116,602	191,435	284,307	395,631	525,775	674,291
Total Cash Outflow	\$200,000	\$404,295	\$609,278	\$697,893	\$920,610	\$1,062,850	\$1,238,941	\$1,586,584	\$1,832,438	\$2,111,816	\$2,582,884
Net Cash Flow	\$1,188,311	\$1,618,519	\$1,753,659	\$1,806,307	\$1,802,340	\$1,801,543	\$1,754,993	\$1,866,348	\$1,900,565	\$1,829,177	
Cumulative Cash Flow	(\$200,000)	784,016	2,197,552	3,862,597	5,671,908	7,732,011	10,047,470	12,454,819	15,075,313	17,896,499	20,754,608

Revenue Projection	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Platinum										
At Home Entrance Fees Received	89778Q L	8'114JC:1136	SQ 86'1182	SQ. 0c:&7.	1c:&71Q 36	1c:&55'111 1	1914'1155	19)089707	19115'1137	1'1111'1137
Entrance Fees Refunded	(0'1144)	(0'h25)	(0'1101)	112.1.1.1	(4'840)	(4'1137)	(4917)	(4'h57)	(4'1141)	(5'1104)
Net Entrance Fees	\$897629)24	\$8'110. c:&18	\$SQ 81'h26	\$SQ 2. c:& 5	\$J'11629760	\$1c:&58'1185	\$19107'1177	\$1917'1128	\$19113'865	\$1'1186Q 70
Gold										
At Home Entrance Fees Received	\$441'1125	\$45. 9762	\$472'115.	\$4. 79126	\$587'1177	\$507'1164	\$55. 917.	\$5289754	\$635'11 14	\$61.9115
Entrance Fees Refunded	L1W	L1..1	L1S}	L. i)	(8'1100)	(8'1174)	(Sc:&87)	(8'861)	(89132)	(89156)
Net Entrance Fees	\$4489138	\$452'114.	\$4779130	\$4. 691. 1	\$586'844	\$50697. 3	\$5529161	\$523'11. 1	\$630'1186	\$617Q 6.
Silver										
At Home Entrance Fees Received	\$1 /OQ 18	\$J01'1172	\$14c:&. 0	\$158'1123	\$168Q 56	\$1719104	\$120'1108	\$1.4'h64	\$0369158	\$082973.
Entrance Fees Refunded	1i±11	.(111)	(1W	J11Q}	111.Q}	11±=)	11i.11	um	□	(Q'111
Net Entrance Fees	\$1109170	\$1019181	\$1 48973.	\$J 589)72	\$1689100	\$178'11. 3	\$1219766	\$1. 4'1177	\$035'1143	\$082'1174
Aluminum										
At Home Entrance Fees Received	\$816'1168	\$808'h 10	\$806'1122	\$841'1164	\$842'1152	\$850Q 28	\$863'843	\$866'1145	\$8709137	\$823'806
Entrance Fees Refunded	CL1}	@.J	(Q1fil	(QQi)	(M}	(Q. \$fil	CQ.122	EQ. }	C±Jfil	11.D
Net Entrance Fees	\$8169164	\$8089)84	\$806'1167	\$841'1103	\$8479788	\$850'h13	\$85. 9765	\$866'1155	\$87'1131	\$87. 9784
At Home Members Monthly Service Fees	\$19133'1161	\$J91179186	\$1'h50'1106	\$'1125'11. 4	\$0'8319107	\$0'1187'1111	\$0'1101'1147	\$09745Q 58	\$0Q 52Q 81	\$4c:&78'h06
At Home Services Co-Pays	103Q 41	17. '116.	003'1144	020'1182	402'1136	4. OQ 82	553'1174	637971.	665'116.	711'1111
Assisted Living Co-Pays	029786	449746	58c:&81	57977.	64973.	78'115.	7. c:&27	26'}:58	. 49188	838'1100
Skilled Nursing Co-Pays	7191. 7	22'1116	8349148	813'h. 8	8079186	850Q 7.	873'1101	8279120	130'1108	18. Q 4.
Ancillary and Other Income	769121	25'827	. 4'1177	8309117	8819162	818'817	81. Q22	802'1104	847'h68	8569171
Annual Investment Earnings	. 38'1186	8'1114'1i.5	8'8549132	8912. '1145	891039172	8'117'1'h17	897859732	8'1160'1174	1c:&869'11 8	1c:&74'1110
Total Cash Inflow	\$SQ 50'1170	\$6917. '11J8	\$7'118. 9186	\$7'11779187	\$2c:&08'1154	\$2'h. 8'1117	\$. 9157c:1.43	\$. '1108Q 71	\$839185Q 16	\$88'113. 9758
Expense Projection										
Salaries and Wages	\$183'1165	\$18. 91..	\$J 12'1178	\$107c:&. 4	\$146'h21	\$J56'114.	\$166'1188	\$1779124	\$122'1120	\$033'816
Benefits	184c:1.44	111'11 84	1089717	143Q. 6	153'}:06	036'1125	082'1142	008'}:3]	044'1166	052%68
Administrative	41'h65	44'1171	46'1147	47Q. 0	4. Q 81	58Q 3.	50Q 25	56'844	52'11. 3	639716
Professional Services	856'}:7]	86JQ 0.	86. 9157	8769105	820c:1.25	8. 3'h86	8. 2c:1.48	1365873	1849187	11 /Q. 4
Contract Services	84c:1.. 3	84'1116]	859156	86'1174	869787	87'1126	82'1128	82'1135	8. '1157	13'110.
Utilities	80915.	SOQ. 7	84'1157	85'110.	859745	86'1175	87'1103	879788	82918.	8. c:&56
Facility Insurance & Taxes	8. '1158	13'815	13Q 03	189762	11'h02	10'1144	149126	159165	169124	17'1140
Marketing	860'1120	86. 'h36	876'11. 8	8209146	8. 39724	8. 29185	1369)5]	184'1136	110'11.3	1015882
Home Inspections	8c:1.28	89)0]	8'1126	89148	891..	8'115.	8'1118	8'h26	89750	811'10
Emergency Response	19754	1'1164	JQ 7.	0'11. 2	09111	09)58	09125	0'11i4	0976.	0Q 13
Wellness	14'110.	15'1181	16'1115	J7'1172	129170	1. '1181	0397. 6	0'11112	009J3.	04'1148
Development										
Care Coordinator	5309120	5109184	5449)58	5665815	5229773	7659138	7. 6'1187	217'1152	263Q 71	2. 59188
Members Using Partial Daily Coverage	703'1146	276'1108	8'111. '1118	8c:&22'1132	8'1150'1172	S'111Sc:1.77	8'1i. 1c:1.25	8'1165'1173	1<:B02'1i. 8	1c:1.8J'11J7
Members Using Max Daily Coverage	243'h06	8'1182'114.	8c:1.35'1188	8'11. 7'850	8'11. 0'1113	897. 09720	8Q.69151	1c:&. '1162	J9138Q 72	1'1i3091. 6
Total Cash Outflow	\$1Q 07976.	\$09)865!..8.	\$097819137	\$4'111 1'1142	\$4'1144Q 68	\$5c:&769J63	\$5'11i491. 3	\$6'1177'11J]	\$6'11049J7.	\$6Q. 0<:B21
Net Cash Flow	\$95'11859'114	\$1111102'11 1	1;Q2J'11g J	□Q2'154'M	□Q2P\$21 0	□Q□\$52Hi1	\$02iQ1 2Z5'1	□QZ25'1BJ8	\$Q.J.:?S□.n	\$11□\$2.i_U
Cumulative Cash Flow	J0976.Q81	16Q 00'1184	03c:1.43'1110	0O'h. 4'E. 1	02c:1.289125	4397. 69151	44911. c:1.31	42'11209150	51<:B64Q33	56'1128'116.

SECTION V -PRICING ANALYSIS

Cash Flow Projection

The financial projection indicates that ThriveMore At Home will show positive annual cash flow throughout the projection period. The cash flow projection is for 30 years and is based on projected inflation rates. The cash balances generated are dependent upon these assumptions. The likelihood of matching these results decreases in subsequent years with the uncertainty in projecting inflation.

Pricing Analysis

The following charts list pricing results at five-year age intervals.

Diamond:

<u>Age</u>	Single Membership	Single Monthly	Couple Per-Person Membership	Couple Per-Person Monthly	Single Result		Couple Result	
	<u>Fees</u>	<u>Fees</u>	<u>Fees</u>	<u>Fees</u>	<u>SurQlus</u>	<u>Margin</u>	<u>Sur12lus</u>	<u>Margin</u>
60	\$55,000	\$780	\$43,000	\$741	\$22,963	9.7%	\$41,277	9.8%
65	70,000	780	58,000	741	21,955	9.9%	40,085	10.2%
70	84,000	780	71,000	741	20,165	9.8%	36,902	10.1%
75	100,000	780	80,000	741	21,861	11.5%	30,933	9.2%
80	112,000	780	90,000	741	21,661	12.4%	33,624	11.0%
85	113,000	780	90,500	741	14,616	9.3%	26,460	9.6%
90	114,000	780	91,000	741	10,715	7.7%	24,962	10.0%
Weighted Average: \$26,621; 9.9%								

Platinum:

<u>Age</u>	Single Membership	Single Monthly	Couple Per-Person Membership	Couple Per-Person Monthly	Single Result		Couple Result	
	<u>Fees</u>	<u>Fees</u>	<u>Fees</u>	<u>Fees</u>	<u>Sur12lus</u>	<u>Margin</u>	<u>Sur12lus</u>	<u>Margin</u>
60	\$46,000	\$675	\$32,500	\$641	\$19,381	8.2%	\$34,072	8.1%
65	56,000	675	44,000	641	17,238	7.8%	32,497	8.2%
70	68,000	675	54,000	641	17,230	8.4%	29,462	8.1%
75	73,000	675	62,000	641	11,696	6.2%	26,439	7.9%
80	86,000	675	70,000	641	15,393	8.9%	28,646	9.4%
85	89,000	675	70,500	641	12,180	7.8%	22,942	8.5%
90	90,000	675	71,000	641	9,396	6.9%	21,627	8.9%
Weighted Average: \$21,583; 8.1%								

Gold:

<u>Age</u>	Single Membership Fees	Single Monthly Fees	Couple Per-Person Membership Fees	Couple Per-Person Monthly Fees	Single Result		Couple Result	
					Sur12lus	Margin	Sur12lus	Margin
60	\$46,000	\$520	\$35,000	\$494	\$11,653	4.9%	\$28,284	6.7%
65	52,000	520	40,000	494	11,300	5.1%	24,067	6.1%
70	58,000	520	46,000	494	11,110	5.4%	22,783	6.2%
75	61,000	520	51,500	494	8,780	4.7%	23,029	6.9%
80	66,000	520	52,000	494	9,275	5.4%	17,162	5.7%
85	67,000	520	52,500	494	7,462	4.9%	15,259	5.7%
90	68,000	520	53,000	494	6,722	5.0%	15,795	6.7%
Weighted Average: \$15,888; 6.0%								

Silver:

<u>Age</u>	Single Membership Fees	Single Monthly Fees	Couple Per-Person Membership Fees	Couple Per-Person Monthly Fees	Single Result		Couple Result	
					Sur12lus	Margin	Sur12lus	Margin
60	\$46,000	\$420	\$30,000	\$399	\$11,484	4.9%	\$21,177	5.0%
65	50,000	420	34,000	399	11,496	5.2%	18,853	4.8%
70	52,000	420	38,000	399	9,968	4.9%	17,966	4.9%
75	53,000	420	39,500	399	8,323	4.4%	14,998	4.5%
80	54,000	420	40,000	399	7,766	4.5%	13,593	4.5%
85	56,000	420	40,500	399	9,148	6.0%	15,261	5.8%
90	57,000	420	41,000	399	9,895	7.2%	18,094	7.7%
Weighted Average: \$13,439; 5.1%								

Bronze:

<u>Age</u>	Single Membership Fees	Single Monthly Fees	Couple Per-Person Membership Fees	Couple Per-Person Monthly Fees	Single Result		Couple Result	
					Sur12lus	Margin	Sur12lus	Margin
60	\$7,000	\$400	\$3,750	\$380	\$7,238	3.1%	\$37,117	8.9%
65	8,500	400	4,500	380	6,509	3.0%	30,969	7.9%
70	11,500	400	6,000	380	7,373	3.6%	26,350	7.3%
75	13,500	400	7,000	380	7,528	4.0%	21,664	6.6%
80	15,500	400	8,000	380	7,970	4.7%	18,168	6.2%
85	16,500	400	8,500	380	7,685	5.1%	15,004	5.8%
90	17,000	400	8,750	380	7,034	5.2%	12,514	5.6%
Weighted Average: \$16,253; 6.3%								

SECTION VI-PRICING ANALYSIS: 90% REFUNDABLE OPTIONS

Pricing Analysis

The following charts list pricing results at five-year age intervals.

Diamond:

<u>Age</u>	Single Membership	Single Monthly	Couple Per-Person Membership	Couple Per-Person Monthly	Single Result		Couple Result	
	<u>Fees</u>	<u>Fees</u>	<u>Fees</u>	<u>Fees</u>	SurQlus	Margin	Sur2lus	Margin
60	\$100,000	\$780	\$77,500	\$741	\$28,425	10.3%	\$47,895	9.9%
65	140,000	780	115,000	741	29,808	10.5%	50,338	10.1%
70	190,000	780	160,000	741	31,254	10.4%	53,010	10.0%
75	255,000	780	210,000	741	34,758	10.5%	54,834	9.6%
80	325,000	780	272,500	741	35,766	9.6%	63,539	9.9%
85	415,000	780	335,000	741	41,948	9.6%	72,327	10.1%
90	510,000	780	382,500	741	49,687	9.8%	75,817	9.7%

Weighted Average: **\$50,508; 9.8%**

Platinum:

<u>Age</u>	Single Membership	Single Monthly	Couple Per-Person Membership	Couple Per-Person Monthly	Single Result		Couple Result	
	<u>Fees</u>	<u>Fees</u>	<u>Fees</u>	<u>Fees</u>	SurQlus	Margin	Sur2lus	Margin
60	\$80,000	\$675	\$57,500	\$641	\$21,787	8.2%	\$37,811	8.1%
65	110,000	675	87,500	641	22,428	8.3%	40,553	8.6%
70	145,000	675	117,500	641	21,904	7.9%	37,679	7.8%
75	195,000	675	160,000	641	24,887	8.4%	42,644	8.3%
80	245,000	675	200,000	641	24,558	7.6%	43,237	7.9%
85	315,000	675	242,500	641	30,027	8.2%	47,196	8.0%
90	370,000	675	270,000	641	31,489	7.8%	46,035	7.5%

Weighted Average: **\$35,474; 7.9%**

Gold:

<u>Age</u>	Single Membership <u>Fees</u>	Single Monthly <u>Fees</u>	Couple Per-Person Membership <u>Fees</u>	Couple Per-Person Monthly <u>Fees</u>	Single Result		Couple Result	
					Surplus	Margin	Surplus	Margin
60	\$85,000	\$520	\$59,000	\$494	\$17,031	6.3%	\$28,879	6.2%
65	105,000	520	77,500	494	17,680	6.6%	29,188	6.3%
70	125,000	520	97,500	494	15,743	5.9%	27,286	5.9%
75	155,000	520	122,500	494	16,413	6.0%	27,717	5.9%
80	190,000	520	150,000	494	17,032	5.9%	29,039	6.0%
85	230,000	520	172,500	494	18,683	6.1%	28,296	5.7%
90	265,000	520	200,000	494	19,545	6.0%	33,184	6.5%
					Weighted Average: \$24,044; 6.0%			

Silver:

<u>Age</u>	Single Membership <u>Fees</u>	Single Monthly <u>Fees</u>	Couple Per-Person Membership <u>Fees</u>	Couple Per-Person Monthly <u>Fees</u>	Single Result		Couple Result	
					Surplus	Margin	Surplus	Margin
60	\$80,000	\$420	\$52,500	\$399	\$13,890	5.2%	\$23,951	5.2%
65	85,000	420	65,000	399	8,914	3.5%	22,263	4.9%
70	105,000	420	80,000	399	10,669	4.2%	21,162	4.8%
75	135,000	420	97,500	399	15,095	5.7%	21,582	4.9%
80	155,000	420	112,500	399	13,946	5.2%	20,634	4.7%
85	175,000	420	130,000	399	13,178	4.9%	23,408	5.4%
90	195,000	420	135,000	399	13,430	4.9%	20,957	5.0%
					Weighted Average: \$18,036; 4.9%			

SECTION VII - PRICING ANALYSIS: 50% REFUNDABLE OPTIONS

Pricing Analysis

The following charts list pricing results at five-year age intervals.

Diamond:

<u>Age</u>	Single Membership	Single Monthly	Couple Per-Person Membership	Couple Per-Person Monthly	Single Result		Couple Result	
	<u>Fees</u>	<u>Fees</u>	<u>Fees</u>	<u>Fees</u>	<u>Surplus</u>	<u>Margin</u>	<u>Surplus</u>	<u>Margin</u>
60	\$70,000	\$780	\$57,500	\$741	\$23,213	9.3%	\$45,538	10.2%
65	95,000	780	77,500	741	24,401	10.0%	41,748	9.7%
70	120,000	780	100,000	741	24,349	10.3%	41,336	9.9%
75	145,000	780	120,000	741	24,771	10.7%	40,649	10.0%
80	165,000	780	135,000	741	23,773	10.5%	40,091	10.3%
85	175,000	780	140,000	741	21,116	9.8%	36,905	10.1%
90	180,000	780	140,000	741	20,690	10.3%	36,621	10.9%
					Weighted Average: \$33,060; 10.1%			

Platinum:

<u>Age</u>	Single Membership	Single Monthly	Couple Per-Person Membership	Couple Per-Person Monthly	Single Result		Couple Result	
	<u>Fees</u>	<u>Fees</u>	<u>Fees</u>	<u>Fees</u>	<u>Surplus</u>	<u>Margin</u>	<u>Surplus</u>	<u>Margin</u>
60	\$60,000	\$675	\$42,500	\$641	\$20,716	8.3%	\$35,814	8.2%
65	75,000	675	60,000	641	18,447	7.7%	35,553	8.4%
70	90,000	675	75,000	641	15,504	6.8%	31,330	7.7%
75	110,000	675	92,500	641	16,648	7.6%	33,290	8.6%
80	130,000	675	100,000	641	19,154	9.0%	27,213	7.5%
85	135,000	675	105,000	641	15,552	7.8%	26,068	7.7%
90	135,000	675	107,500	641	13,064	7.2%	28,668	9.3%
					Weighted Average: \$24,895; 8.0%			

Gold:

<u>Age</u>	Single Membership Fees	Single Monthly Fees	Couple Per-Person Membership Fees	Couple Per-Person Monthly Fees	Single Result		Couple Result	
					Sur12lus	Margin	SurQlus	Margin
60	\$65,000	\$520	\$42,500	\$494	\$16,862	6.8%	\$25,122	5.7%
65	75,000	520	52,500	494	16,429	6.9%	23,803	5.7%
70	82,000	520	62,500	494	13,385	5.9%	22,397	5.6%
75	92,000	520	72,500	494	12,975	6.0%	22,836	6.1%
80	98,000	520	77,500	494	11,018	5.5%	20,252	5.8%
85	102,000	520	80,000	494	10,229	5.5%	19,819	6.2%
90	104,000	520	81,000	494	10,677	6.3%	21,947	7.6%
					Weighted Average: \$18,099; 6.0%			

Silver:

<u>Age</u>	Single Membership Fees	Single Monthly Fees	Couple Per-Person Membership Fees	Couple Per-Person Monthly Fees	Single Result		Couple Result	
					Sur12lus	Margin	Surglus	Margin
60	\$60,000	\$420	\$38,000	\$399	\$12,819	5.2%	\$20,888	4.8%
65	68,000	420	46,000	399	13,350	5.6%	20,674	5.0%
70	72,000	420	52,500	399	10,922	4.9%	18,885	4.8%
75	78,000	420	57,500	399	10,649	5.1%	17,420	4.8%
80	80,000	420	59,000	399	9,073	4.6%	15,175	4.5%
85	81,000	420	59,500	399	8,837	4.9%	16,045	5.3%
90	82,000	420	60,000	399	10,145	6.3%	19,694	7.3%
					Weighted Average: \$14,814; 5.1%			

SECTION VIII- ACTUARIAL BALANCE SHEET RESULTS

The Actuarial Balance Sheet has been developed in accordance with Actuarial Standard of Practice No.3, "Practices Relating to Continuing Care Retirement Communities." The balance sheet directly evaluates the solvency for an at Home Program with respect to its expected current set of members. If the balance sheet shows a deficit, or if successive balance sheets reflect an undesirable reduction in surplus, consideration should be given to increasing fees or taking cost reduction measures. If the balance sheet shows a "reasonable" surplus, the existing fees may be appropriate. If the balance sheet shows an "excessive" surplus, consideration may be given to reducing the fees or increasing the services offered.

The actuarial balance sheet for the current members includes an asset of the present value of the membership and monthly service fees. Liabilities include the present value of membership fee refunds and the present value of promised services under the continuing care contract.

Based on the result of the actuarial balance sheet as of December 31 of each year, our analysis concluded that ThriveMore At Home' funded status is 128.8% in Year 1.

The actuarial ratio determines the percent of future expenses that are expected to be covered by future revenues for current members. This measure is important in that it represents ThriveMore At Home's ability to deal with adverse experience. This ratio was calculated at 94.4% for Year 1. The weighting between membership fees and monthly fees is consistent with other at Home programs.

The projected actuarial ratios for subsequent years can be found in their respective pages.

ThriveMore at Home Actuarial Balance Sheet

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
ACTUARIAL ASSETS										
Current Assets	\$784	\$2,198	\$3,863	\$5,672	\$7,732	\$10,047	\$12,455	\$15,075	\$17,896	\$20,755
Actuarial Present Value of Net Fixed Assets	0	0	0	0	0	0	0	0	0	0
Current Liabilities	0	0	0	0	0	0	0	0	0	0
Actuarial Present Value of Long-Term Debt	0	0	0	0	0	0	0	0	0	0
NET ACTUARIAL ASSETS	mat	□	aw	□	ll.iii.	llQMI	□	lliii	fillli.	llQ.iii
ACTUARIAL LIABILITIES										
Actuarial Present Value of Future Liabilities	2,273	5,498	8,942	12,584	16,395	20,348	24,417	28,578	32,806	37,074
Actuarial Present Value of Future Revenues	<u>2,146</u>	<u>5,003</u>	<u>7,945</u>	<u>10,714</u>	<u>13,765</u>	<u>16,549</u>	<u>19,376</u>	<u>22,155</u>	<u>24,874</u>	<u>27,519</u>
Net Actuarial Liabilities	126	495	997	1,870	2,630	3,798	5,040	6,423	7,932	9,555
Actuarial Present Value of Refund Liability	2	4	5	5	6	6	6	6	6	7
Actuarial Surplus (Deficit)	<u>655</u>	<u>1,699</u>	<u>2,861</u>	<u>3,796</u>	<u>5,096</u>	<u>6,243</u>	<u>7,408</u>	<u>8,646</u>	<u>9,958</u>	<u>11,211</u>
NET ACTUARIAL LIABILITIES	mat	□	aw	□	ll.iii.	llQMI	□	lliii	fillli.	llQ.iii
Funded Status										
Net Actuarial Assets+ APV of Future Revenue divided by	\$2,930	\$7,201	\$1,808	\$16,386	\$21,497	\$26,597	\$31,831	\$37,230	\$42,770	\$48,273
APV of Future Liabilities+ APV of Refund Liability	<u>2,275</u>	<u>5,502</u>	<u>8,947</u>	<u>12,589</u>	<u>16,401</u>	<u>20,353</u>	<u>24,423</u>	<u>28,584</u>	<u>32,812</u>	<u>37,081</u>
FUNDED STATUS	J2.lli	□	□	□	1.lli,li,	lli.lli	□	□	□	□
Actuarial Ratio										
Actuarial Present Value of Future Revenue divided by	2,146	5,003	7,945	10,714	13,765	16,549	19,376	22,155	24,874	27,519
Actuarial Present Value of Future Liabilities	<u>2,273</u>	<u>5,498</u>	<u>8,942</u>	<u>12,584</u>	<u>16,395</u>	<u>20,348</u>	<u>24,417</u>	<u>28,578</u>	<u>32,806</u>	<u>37,074</u>
ACTUARIAL RATIO	2±.lli	□	□	S. 1%	□	□	12..lli	□	□	11.lli
Number of Members (Average)	9	30	53	75	96	115	134	151	167	181

APPENDIX A

OPEN GROUP PROJECTION

OPEN GROUP PROJECTION

Page 1 of Appendix A gives an overview of the residency **in** the various levels of care:

- Number of member and number of homes reflect current membership. The density ratio is a measure how many homes are occupied by couples (e.g. for 2024 a density ratio of 1.59 means that 59% of units are occupied by couples.) Homes released is the number of homes that leave the program due to death, transfer or withdrawal. New home membership is the initial # of homes sold per year.

- For assisted and skilled nursing, the chart shows the number of members receiving assisted or skilled nursing care. The final column is the sum of these members plus those at Home members

ThriveMore at Home
Open Group Projection

Fiscal Year Ending 12/31	Program Summary						Community Summary								Total Program Membership Number of Members
	At Home Residence						Assisted Living Unit				Skilled Nursing Facility				
	Number of Members	Number of Homes	Density Ratio	Homes Released	New Home Membership	Care Service Index	Number of Permanent Members	2nd Person Subset Permanent	Number of Temporary Members	Occupancy Rate	Number of Permanent Members	2nd Person Subset Permanent	Number of Temporary Members	Occupancy Rate	
2024	17.9	112	1.59	0.0	11.3	0.0	0.0	0.0	0.0	0.0%	0.0	0.0	0.0	0.0%	17.9
2025	41.2	26.1	1.58	0.1	15.0	0.1	0.1	0.1	0.0	0.1%	0.0	0.0	0.0	0.0%	41.4
2026	63.8	40.8	1.57	0.3	15.0	0.3	0.3	0.2	0.0	0.3%	0.1	0.0	0.0	0.1%	64.1
2027	85.4	55.1	1.55	0.7	15.0	0.7	0.5	0.3	0.0	0.5%	0.2	0.1	0.0	0.2%	86.0
2028	105.8	69.0	1.53	1.1	15.0	1.2	0.7	0.5	0.0	0.7%	0.1	0.2	0.0	0.3%	106.8
2029	124.9	82.4	1.52	1.6	15.0	1.8	0.9	0.7	0.0	0.9%	0.5	0.1	0.0	0.5%	126.3
2030	142.7	95.2	1.50	2.2	15.0	2.6	1.2	0.8	0.0	1.2%	0.7	0.4	0.0	0.7%	144.6
2031	159.2	107.3	1.48	2.9	15.0	3.4	1.4	0.9	0.0	1.4%	1.0	0.6	0.0	1.0%	161.6
2032	174.4	118.8	1.47	3.6	15.0	4.2	1.6	1.0	0.0	1.6%	1.3	0.7	0.0	1.3%	177.3
2033	188.2	129.5	1.45	4.3	15.0	5.2	1.8	1.1	0.0	1.8%	1.6	0.8	0.0	1.6%	191.7
2034	200.8	139.4	1.44	5.1	15.0	6.2	2.1	1.2	0.0	2.1%	1.9	1.0	0.0	1.9%	204.7
2035	212.1	148.5	1.43	5.9	15.0	7.2	2.1	1.3	0.0	2.3%	2.2	1.1	0.0	2.2%	216.5
2036	222.2	156.8	1.42	6.7	15.0	8.2	2.5	1.4	0.0	2.5%	2.4	1.2	0.0	2.4%	227.1
2037	231.1	164.3	1.41	7.5	15.0	9.1	2.7	1.5	0.0	2.7%	2.7	1.2	0.0	2.7%	236.4
2038	238.8	171.0	1.40	8.3	15.0	10.0	2.9	1.5	0.0	2.9%	2.9	1.3	0.0	2.9%	244.6
2039	245.5	176.8	1.39	9.1	15.0	10.9	3.1	1.6	0.0	3.1%	3.1	1.4	0.0	3.1%	251.7
2040	251.2	181.9	1.38	9.9	15.0	11.7	3.2	1.6	0.0	3.2%	3.3	1.4	0.0	3.3%	257.8
2041	256.1	186.3	1.37	10.6	15.0	12.4	3.4	1.6	0.0	3.4%	3.5	1.4	0.0	3.5%	262.9
2042	260.1	190.1	1.37	11.3	15.0	13.0	3.5	1.6	0.0	3.5%	3.6	1.5	0.0	3.6%	267.3
2043	263.4	193.2	1.36	11.9	15.0	13.6	3.7	1.7	0.0	3.7%	3.7	1.5	0.0	3.7%	270.8
2044	266.1	195.7	1.36	12.4	15.0	14.1	3.8	1.7	0.0	3.8%	3.8	1.5	0.0	3.8%	273.7
2045	268.2	197.8	1.36	12.9	15.0	14.5	3.9	1.7	0.0	3.9%	3.9	1.5	0.0	3.9%	276.0
2046	269.9	199.5	1.35	13.3	15.0	14.9	4.0	1.7	0.0	4.0%	4.0	1.5	0.0	4.0%	277.8
2047	271.2	200.7	1.35	13.7	15.0	15.2	4.0	1.7	0.0	4.0%	4.0	1.5	0.0	4.0%	279.2
2048	272.1	201.7	1.35	14.0	15.0	15.5	4.1	1.7	0.0	4.1%	4.1	1.5	0.0	4.1%	280.3
2049	272.8	202.4	1.35	14.3	15.0	15.7	4.2	1.7	0.0	4.2%	4.1	1.5	0.0	4.1%	281.0
2050	273.2	203.0	1.35	14.5	15.0	15.9	4.2	1.7	0.0	4.2%	4.1	1.5	0.0	4.1%	281.6
2051	273.5	203.1	1.35	14.6	15.0	16.0	4.2	1.7	0.0	4.2%	4.2	1.5	0.0	4.2%	281.9
2052	273.7	203.5	1.34	14.8	15.0	16.1	4.3	1.7	0.0	4.3%	4.2	1.5	0.0	4.2%	282.1
2053	273.7	203.7	1.34	14.9	15.0	16.2	4.3	1.7	0.0	4.3%	4.2	1.5	0.0	4.2%	282.2

Fiscal Year Ending 12/31	Number of Days In Each Level of Care				
	At Home Residence Days	Assisted Living Unit		Skilled Nursing Facility	
		Permanent Days		Permanent Days	
		Contract Members	2nd Person Subset	Contract Members	2nd Person Subset
2024	3,262	4	3	1	0
2025	10,794	22	18	4	3
2026	19,188	66	52	15	11
2027	27,252	132	100	40	29
2028	34,909	212	156	84	58
2029	42,119	297	212	148	96
2030	48,862	384	267	226	140
2031	55,129	470	318	318	187
2032	60,916	552	362	418	237
2033	66,223	633	401	524	285
2034	71,052	713	436	630	330
2035	75,411	792	468	736	370
2036	79,312	870	496	838	407
2037	82,771	946	521	933	438
2038	85,808	1,019	542	1,020	463
2039	88,448	1,088	561	1,101	485
2040	90,718	1,152	576	1,174	503
2041	92,647	1,213	588	1,239	516
2042	94,266	1,268	598	1,295	527
2043	95,607	1,318	605	1,344	535
2044	96,701	1,362	611	1,385	541
2045	97,580	1,401	615	1,419	544
2046	98,272	1,435	618	1,445	546
2047	98,807	1,464	621	1,467	547
2048	99,210	1,489	622	1,485	548
2049	99,503	1,509	623	1,499	548
2050	99,709	1,526	623	1,510	548
2051	99,844	1,539	624	1,517	548
2052	99,925	1,550	624	1,523	548
2053	99,963	1,558	624	1,527	548

Fiscal Year Ending 12/31	Average Age of Members at the End of the Year					
	At Home Residence		Assisted Living Unit		Skilled Nursing Facility	
			Contract Members		Contract Members	
	Males	Females	Males	Females	Males	Females
2024	78.99	76.69	80.31	77.40	80.27	77.55
2025	79.40	77.11	81.02	78.19	81.02	78.66
2026	79.84	77.58	81.63	78.77	81.75	79.65
2027	80.27	78.05	82.21	79.28	82.44	80.53
2028	80.69	78.50	82.71	79.72	83.06	81.33
2029	81.09	78.95	83.18	80.13	83.61	82.01
2030	81.47	79.38	83.63	80.56	84.11	82.62
2031	81.83	79.80	84.08	81.09	84.59	83.14
2032	82.16	80.21	84.50	81.66	85.04	83.62
2033	82.48	80.59	84.92	82.22	85.46	84.10
2034	82.78	80.96	85.32	82.77	85.86	84.57
2035	83.05	81.31	85.70	83.31	86.23	85.03
2036	83.30	81.64	86.06	83.84	86.57	85.46
2037	83.53	81.95	86.40	84.34	86.82	85.87
2038	83.74	82.24	86.72	84.83	87.07	86.25
2039	83.92	82.50	87.03	85.28	87.32	86.61
2040	84.08	82.74	87.30	85.72	87.56	86.94
2041	84.22	82.96	87.56	86.12	87.76	87.25
2042	84.34	83.16	87.79	86.50	87.94	87.53
2043	84.45	83.33	88.00	86.85	88.10	87.79
2044	84.54	83.48	88.18	87.17	88.24	88.02
2045	84.61	83.62	88.35	87.47	88.34	88.22
2046	84.68	83.73	88.49	87.73	88.42	88.41
2047	84.73	83.83	88.61	87.97	88.50	88.56
2048	84.77	83.91	88.71	88.18	88.56	88.70
2049	84.80	83.98	88.79	88.37	88.62	88.81
2050	84.83	84.04	88.86	88.53	88.67	88.91
2051	84.86	84.08	88.92	88.66	88.70	88.99
2052	84.88	84.12	88.97	88.78	88.73	89.05
2053	84.89	84.15	89.00	88.87	88.75	89.10

Fiscal Year Ending 12/31	Summary of the At Home Residence Population Movements						
	Beginning Number of Members	New Members	Deaths	Withdrawals	Permanent Transfers to Assisted Living Unit	Permanent Transfers to Skilled Nursing Facility	Ending Number of Permanent Members
2024	711f/	.911f1	78	7&7	7&7	711f1	.61:D
2025	.61:D	31&7	781-	7&7	78	711f/	I. 83
2026	I. 83	31'1f/	8	78	783	7&7	2581
2027	25ID	31&7	. &)	78	781	78	9481
2028	9481	31&7	3ID	783	7'iQ	78	. 74ID
2029	. 74ID	31&7	SID	783	7ID	78	.31&)
2030	. 31&)	31&7	1&)	783	.11f/	78	. 1385
2031	. 1385	31'1f/	4&)	7ffi	. 83	783	. 4083
2032	. 4083	31'1f/	2&)	7ffi	. 81	783	. 6181
2033	. 6181	31'1f/	9&7	781	. 'iQ	783	. 9983
2034	. 9983	31&7	0&7	781	. ID	783	37781
2035	377ID	31&7	.7&7	781	3'f/	7ffi	3.38
2036	3.38	31&7	.. &7	781	383	7ffi	33383
2037	33383	31'1f/	. 3&7	781-	381	7ffi	35. 8
2038	35. 8	31'1f/	. 3&)	781-	381-	7ffi	359ID
2039	359ID	31&7	. 585	781-	385	781	31481-
2040	31481-	31&7	. 181-	781-	3&)	781	34. 83
2041	34. 83	31&7	.483	781-	5'1f/	781	3428
2042	3428	31'1f/	.41:D	781-	58	781	3278
2043	3278	31'1f/	.281-	781-	5ffi	781	32581
2044	32581	31&7	.6&7	781-	581	781-	3228
2045	3228	31&7	.681	7'iQ	581	781-	32983
2046	32983	31&7	.6ID	7'iQ	581-	781-	320&)
2047	320&)	31&7	. 98	7'iQ	5'iQ	781-	36. 83
2048	36. 83	31&7	. 981	7'iQ	5'iQ	781-	3638
2049	3638	31&7	.9'iQ	7'iQ	585	781-	363ID
2050	363ID	31&7	. 981	7'iQ	585	781-	36583
2051	36583	31&7	.91:D	7'iQ	585	781-	36581-
2052	36581-	31'1f/	.0&7	7'iQ	SID	781-	36585
2053	36585	31&7	. 08	7'iQ	SID	781-	36585

Fiscal Year Ending 12/31	Summary of the Contract Assisted Living Unit Population Movements				
	Beginning Number of Members	Permanent Transfers from At Home	Deaths	Permanent Transfers to Skilled Nursing Facility	Ending Number of Permanent Members
2024	0.0	0.0	0.0	0.0	0.0
2025	0.0	0.1	0.0	0.0	0.1
2026	0.1	0.2	0.0	0.0	0.3
2027	0.3	0.4	0.1	0.1	0.5
2028	0.5	0.6	0.2	0.1	0.7
2029	0.7	0.8	0.4	0.2	0.9
2030	0.9	1.0	0.5	0.2	1.2
2031	1.2	1.2	0.7	0.3	1.4
2032	1.4	1.4	0.8	0.3	1.6
2033	1.6	1.6	1.0	0.4	1.8
2034	1.8	1.8	1.1	0.5	2.1
2035	2.1	2.0	1.3	0.5	2.3
2036	2.3	2.2	1.4	0.6	2.5
2037	2.5	2.4	1.5	0.6	2.7
2038	2.7	2.5	1.7	0.7	2.9
2039	2.9	2.7	1.8	0.7	3.1
2040	3.1	2.9	1.9	0.8	3.2
2041	3.2	3.0	2.0	0.8	3.4
2042	3.4	3.1	2.1	0.9	3.5
2043	3.5	3.3	2.2	0.9	3.7
2044	3.7	3.4	2.3	0.9	3.8
2045	3.8	3.4	2.4	1.0	3.9
2046	3.9	3.5	2.4	1.0	4.0
2047	4.0	3.6	2.5	1.0	4.0
2048	4.0	3.6	2.5	1.0	4.1
2049	4.1	3.7	2.6	1.0	4.2
2050	4.2	3.7	2.6	1.1	4.2
2051	4.2	3.7	2.6	1.1	4.2
2052	4.2	3.8	2.7	1.1	4.3
2053	4.3	3.8	2.7	1.1	4.3

Fiscal Year Ending 12/31	Summary of the Contract Skilled Nursing Facility Population Movements				
	Beginning Number of Members	Permanent Transfers from At Home	Permanent Transfers from Assisted Living	Deaths	Ending Number of Permanent Members
2024	0.0	0.0	0.0	0.0	0.0
2025	0.0	0.0	0.0	0.0	0.0
2026	0.0	0.0	0.0	0.0	0.1
2027	0.1	0.1	0.1	0.0	0.2
2028	0.2	0.1	0.1	0.0	0.3
2029	0.3	0.1	0.2	0.1	0.4
2030	0.4	0.1	0.2	0.1	0.5
2031	0.5	0.2	0.3	0.2	1.0
2032	1.0	0.2	0.3	0.2	1.3
2033	1.3	0.2	0.6	0.3	1.7
2034	1.7	0.2	0.4	0.6	1.8
2035	1.8	0.3	0.4	0.4	2.2
2036	2.2	0.3	0.7	0.7	2.6
2037	2.6	0.3	0.7	0.5	2.5
2038	2.5	0.3	0.5	0.9	2.8
2039	2.8	0.6	0.5	0.8	3.1
2040	3.1	0.6	0.9	1.0	3.3
2041	3.3	0.6	0.9	1.1	3.4
2042	3.4	0.6	0.8	1.1	3.7
2043	3.7	0.6	0.8	1.2	3.5
2044	3.5	0.4	0.8	1.3	3.9
2045	3.9	0.4	1.0	1.3	3.8
2046	3.8	0.4	1.0	1.6	6.0
2047	6.0	0.4	1.0	1.6	6.0
2048	6.0	0.4	1.0	1.4	6.1
2049	6.1	0.4	1.0	1.4	6.1
2050	6.1	0.4	1.1	1.4	6.1
2051	6.1	0.4	1.1	1.7	6.2
2052	6.2	0.4	1.1	1.7	6.2
2053	6.2	0.4	1.1	1.7	6.2

APPENDIX B

FINANCIAL STATEMENTS

ThriveMore: ThriveMore at Home
Statement of Operations
For the Month Ending December 31, 2025

Description	Current Actual 12.31.2025	Current Budget 12.31.2025	Variance \$	Variance %
Resident Services Revenue				
Private Pay	20,972	22,715	(1,743)	-8%
Total Resident Services Revenue	20,972	22,715	(1,743)	-8%
Less: Contractual Adjustments				
Total Less: Contractual Adjust	(2,226)	-	(2,226)	
Total Net Resident SVS Rev	18,747	22,715	(3,969)	-17%
Operating Expenses				
Salary, Wages & Benefits-Administration	19,055	24,606	(5,551)	-23%
Contract Services	-	-	-	
Leases & Minor Equipment	-	-	-	
Auto & Travel	1,195	925	270	29%
Telephone	55	90	(35)	-38%
Professional Fees	7,293	4,925	2,368	48%
Office & Other Supplies	451	483	(33)	-7%
Advertising	9,512	8,858	654	7%
Other Expenses	147	25	122	488%
Provision for Bad Debt	-	-	-	
Total Operating Expenses	37,707	39,913	(2,205)	-6%
Home Office Allocation	9,355	9,760	(406)	-4%
Total Home Office Allocation	9,355	9,760	(406)	-4%
Total Allocations & Op. Exps.	47,062	49,673	(2,611)	-5%
Net Operating Revenue (Loss)	(28,316)	(26,958)	(1,358)	5%
Non Operating Revenue				
Deferred Revenue Earned-Entrance Fees	13,659	10,428	3,231	31%
Total Non Operating Revenue	13,659	10,428	3,231	31%
Non Operating Expenses				
Other Expense	-	-	-	
Interest Expense	-	-	-	
Acquisition Cost Expense	-	-	-	
Depreciation & Amortization	-	-	-	
Total Non Operating Expenses	-	-	-	
Net Non Operating Rev (Loss)	13,659	10,428	3,231	31%
Net Income (Loss)	(14,657)	(16,530)	1,873	-11%

ThriveMore: ThriveMore at Home
Statement of Operations
For the Period Ending December 31, 2025

Description	YTD Actual	YTD Budget	Variance \$	Variance %
Resident Services Revenue				
Private Pay	62,916	65,490	(2,574)	-4%
Total Resident Services Revenue	62,916	65,490	(2,574)	-4%
Less: Contractual Adjustments				
Total Less: Contractual Adjust	(6,677)	-	(6,677)	
Total Net Resident SVS Rev	56,240	65,490	(9,251)	-14%
Operating Expenses				
Salary, Wages & Benefits-Administration	78,493	73,817	4,675	6%
Contract Services	-	-	-	
Leases & Minor Equipment	-	-	-	
Auto & Travel	2,891	2,775	116	4%
Telephone	167	270	(103)	-38%
Professional Fees	16,652	14,775	1,877	13%
Office & Other Supplies	863	1,450	(587)	-40%
Advertising	23,512	26,575	(3,063)	-12%
Other Expenses	441	75	366	488%
Provision for Bad Debt	-	-	-	
Total Operating Expenses	123,019	119,738	3,281	3%
Home Office Allocation				
Home Office Allocation	30,953	29,281	1,672	6%
Total Home Office Allocation	30,953	29,281	1,672	6%
Total Allocations & Op. Exps.	153,972	149,019	4,953	3%
Net Operating Revenue (Loss)	(97,733)	(83,529)	(14,204)	17%
Non Operating Revenue				
Deferred Revenue Earned-Entrance Fees	40,966	29,440	11,526	39%
Total Non Operating Revenue	40,966	29,440	11,526	39%
Non Operating Expenses				
Other Expense	-	-	-	
Interest Expense	-	-	-	
Acquisition Cost Expense	-	-	-	
Depreciation & Amortization	-	-	-	
Total Non Operating Expenses	-	-	-	
Net Non Operating Rev (Loss)	40,966	29,440	11,526	39%
Net Income (Loss)	(56,767)	(54,089)	(2,678)	5%

ThriveMore: ThriveMore at Home
Statement of Operations
For the Period Ending December 31, 2025

Description	YTD Actual	YTD Prior Year	Variance \$	Variance %
Resident Services Revenue				
Private Pay	62,916	27,687	35,229	127%
	<hr/>			
Total Resident Services Revenue	62,916	27,687	35,229	127%
Less: Contractual Adjustments				
Total Less: Contractual Adjust	(6,677)	-	(6,677)	
	<hr/>			
Total Net Resident SVS Rev	56,240	27,687	28,552	103%
Operating Expenses				
Salary, Wages & Benefits-Administration	78,493	84,899	(6,406)	-8%
Contract Services	-	-	-	
Auto & Travel	2,891	2,142	749	35%
Telephone	167	85	82	97%
Professional Fees	16,652	13,558	3,094	23%
Office & Other Supplies	863	1,623	(760)	-47%
Advertising	23,512	9,892	13,620	138%
Other Expenses	441	171	270	158%
Provision for Bad Debt	-	-	-	
	<hr/>			
Total Operating Expenses	123,019	112,369	10,650	9%
Home Office Allocation				
Home Office Allocation	30,953	14,923	16,030	107%
	<hr/>			
Total Home Office Allocation	30,953	14,923	16,030	107%
	<hr/>			
Total Allocations & Op. Exps.	153,972	127,292	26,680	21%
	<hr/>			
Net Operating Revenue (Loss)	(97,733)	(99,605)	1,872	-2%
Non Operating Revenue				
Deferred Revenue Earned-Entrance Fees	40,966	16,716	24,250	145%
	<hr/>			
Total Non Operating Revenue	40,966	-	40,966	
Non Operating Expenses				
Other Expense	-	-	-	
Interest Expense	-	-	-	
Acquisition Cost Expense	-	-	-	
Depreciation & Amortization	-	-	-	
	<hr/>			
Total Non Operating Expenses	-	-	-	
	<hr/>			
Net Non Operating Rev (Loss)	40,966	16,716	24,250	145%
	<hr/>			
Net Income (Loss)	(56,767)	(82,889)	26,122	-32%
	<hr/> <hr/>			

ThriveMore At Home
Member Report

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Average
Members	35	35	35										35
Members budgeted	35.5	37.0	38.5	40.0	41.5	43.0	44.5	46.0	47.5	49.0	50.5	52.0	44
Members prior year	15	15	17	19	21	24	24	26	26	29	32	35	24

Actual 2026

Budget 2026

Prior Year 2025

FTE Report FY 2026

Paydate		Budget	1.2.26 Holiday	12.19.2025	12.5.2025 Holiday	11.21.2025	11.7.2025	10.24.2025
Pay Period	FY 2026 Goal	FY 2026	12/14- 12/27/25	11/30- 12/13/25	11/16- 11/29/25	11/2- 11/15/25	10/19- 11/1/25	10/5- 10/18/25
ThriveMore at Home								
<i>Number of people paid</i>			3	3	3	3	3	3
<i>Department FTEs</i>								
Admin	30 Total	2.25	2.28	2.27	2.24	2.25	2.30	2.25
	TOTAL	2.25	2.28	2.27	2.24	2.25	2.30	2.25

Audit Report

9/30/2025

ThriveMore is subject to covenants contained in bond indentures and related debt agreements, including requirements for minimum debt service coverage, days cash on hand and restrictions on borrowing.

As of September 30, 2025, ThriveMore was in full compliance with all covenants contained in debt agreements.

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

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED SEPTEMBER 30, 2025 AND 2024



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**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
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YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Baptist Retirement Homes of North Carolina, Incorporated dba ThriveMore and Affiliate (collectively, the Organization), which comprise the consolidated balance sheets as of September 30, 2025 and 2024, and the related consolidated statements of activities, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2025 and 2024, and the results of their operations, and changes in their net assets, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 37 to 44 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



CliftonLarsonAllen LLP

Charlotte, North Carolina
January 16, 2026

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2025 AND 2024

ASSETS	2025	2024
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,870,914	\$ 3,434,031
Accounts Receivable	2,004,148	4,501,618
Allowance for Credit Losses	(228,998)	(1,441,893)
Accounts Receivable, Net	1,775,150	3,059,725
Investments	56,193,225	56,041,825
Contributions Receivable, Net	405,307	157,500
Prepaid Expenses and Other Assets	1,020,176	1,020,641
Deposit	1,971	169
Note Receivable	2,500,000	-
Total Current Assets	63,766,743	63,713,891
ASSETS LIMITED AS TO USE		
Entrance Fee Deposits	3,167,748	2,123,063
Internally Designated for ThriveMore at Home	2,109,385	856,220
Internally Designated for Statutory Operating Reserve	8,867,000	8,119,000
Total Assets Limited as to Use	14,144,133	11,098,283
INVESTMENTS AND OTHER ASSETS		
Assets in Split-Interest Agreements:		
Charitable Remainder Trusts	1,774,662	1,590,144
Beneficial Interest in Perpetual Trusts	7,759,050	7,234,216
Other Assets	15,000	15,000
Goodwill, Net	13,744,215	15,342,454
Note Receivable, Net of Current	-	2,500,000
Contributions Receivable, Net of Current	302,818	-
Total Investments and Other Assets	23,595,745	26,681,814
PROPERTY AND EQUIPMENT, NET		
	128,489,803	87,826,351
Total Assets	\$ 229,996,424	\$ 189,320,339

See accompanying Notes to Consolidated Financial Statements.

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
CONSOLIDATED BALANCE SHEETS (CONTINUED)
SEPTEMBER 30, 2025 AND 2024

	2025	2024
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	\$ 1,993,728	\$ 1,930,636
Lines of Credit	6,110,900	6,750,000
Accounts Payable	5,588,528	2,641,313
Accrued Expenses	4,008,428	1,061,899
Accrued Employee Compensation	1,504,210	1,059,716
Other Current Liabilities	10,486	11,295
Current Portion of Refundable Advance Fees	736,179	713,207
Total Current Liabilities	19,952,459	14,168,066
 LONG-TERM DEBT, LESS CURRENT MATURITIES	 82,447,768	 46,186,381
 DEFERRED REVENUE AND OTHER LIABILITIES		
Entrance Fee and Waitlist Deposits	2,659,451	2,207,051
Deferred Revenue from Advance Fees	22,855,320	21,984,947
Refundable Advance Fees on Occupied Units, Net of Current Portion	26,913,611	24,502,823
Total Deferred Revenue and Other Liabilities	52,428,382	48,694,821
Total Liabilities	154,828,609	109,049,268
 NET ASSETS		
Without Donor Restrictions	49,309,991	56,045,943
With Donor Restrictions	25,857,824	24,225,128
Total Net Assets	75,167,815	80,271,071
Total Liabilities and Net Assets	\$ 229,996,424	\$ 189,320,339

See accompanying Notes to Consolidated Financial Statements.

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
REVENUES, GAINS, AND OTHER SUPPORT		
Resident Services:		
On Campus	\$ 35,927,427	\$ 35,535,382
ThriveMore at Home	163,528	42,444
Amortization of Advance Fees:		
On Campus	3,582,232	3,577,823
ThriveMore at Home	97,680	30,333
Income from Grants and Gifts, Including Gifts from Churches	589,763	731,521
Income from Estates and Trusts	249,122	342,842
Investment Income and Realized Gains	4,007,510	3,157,499
Net Assets Released from Restrictions	830,276	901,201
Other	336,661	262,884
Total Revenues, Gains, and Other Support	45,784,199	44,581,929
OPERATING EXPENSES		
Resident Care	19,924,603	19,751,985
ThriveMore at Home	592,737	473,611
Dietary	6,117,269	5,592,797
Maintenance and Housekeeping	7,268,172	6,950,098
General and Administrative	7,747,154	6,515,488
Depreciation and Amortization	11,221,325	10,192,185
Interest	1,713,049	2,039,679
Total Operating Expenses	54,584,309	51,515,843
OPERATING LOSS	(8,800,110)	(6,933,914)
NONOPERATING INCOME (LOSS)		
Loss on Sale of Property and Equipment	(32,010)	(51,473)
Unrealized Gains on Investments	2,686,963	8,315,929
Accreted Interest	(780,996)	(883,204)
Total Nonoperating Income	1,873,957	7,381,252
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	(6,926,153)	447,338
OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Net Assets Released from Restrictions for Property and Equipment	190,201	291,781
Total Other Changes in Net Assets Without Donor Restrictions	190,201	291,781
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(6,735,952)	739,119
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	851,657	198,557
Change in Value of Charitable Remainder Trusts	184,519	523,736
Unrealized Gain on Investments	1,092,163	1,753,857
Change in Value of Beneficial Interest in Perpetual Trusts	524,834	347,293
Net Assets Released from Restrictions	(1,020,477)	(1,192,982)
Increase in Net Assets With Donor Restrictions	1,632,696	1,630,461
CHANGE IN NET ASSETS	(5,103,256)	2,369,580
Net Assets - Beginning of Year	80,271,071	77,901,491
NET ASSETS - END OF YEAR	\$ 75,167,815	\$ 80,271,071

See accompanying Notes to Consolidated Financial Statements.

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (5,103,256)	\$ 2,369,580
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	9,623,086	8,593,950
Unrealized Gains on Investments	(3,779,126)	(10,069,786)
Change in Value of Charitable Remainder Trusts	(178,740)	(486,983)
Change in Value of Beneficial Interest in Perpetual Trusts	(524,834)	(347,292)
Amortization of Deferred Revenue from Advance Fees	(3,582,232)	(3,577,823)
Amortization of Deferred Revenue from ThriveMore at Home	(97,680)	(30,333)
Accreted Interest	780,996	883,204
Amortization of Deferred Costs	25,693	25,693
Amortization of Goodwill	1,598,239	1,598,235
Credit Loss Expense	618,329	1,184,334
Advance Fees Received	9,739,792	11,996,315
Advance Fees Refunded	(3,536,743)	(3,686,682)
Change in Entrance Fee and Waitlist Deposits	(452,400)	(2,091,591)
Realized Gains on Investments	(2,132,281)	(1,503,939)
Loss on Disposal of Asset	32,010	51,473
(Increase) Decrease in Assets:		
Accounts Receivable	666,246	(1,622,176)
Contributions Receivable	(550,625)	-
Prepaid Expenses and Other Current Assets	(1,337)	(125,373)
Increase (Decrease) in Liabilities:		
Accounts Payable, Accrued Expenses, Accrued Compensation, and Other Current Liabilities	(1,487,606)	(668,044)
Change in Entrance Fee Deposits	452,400	2,089,051
Net Cash Provided by Operating Activities	2,109,931	4,581,813
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Change in Investments	2,366,887	4,742,418
Net Change of Assets Limited as to Use	2,001,165	(368,780)
Purchases of Property and Equipment	(42,493,513)	(18,481,497)
Purchase of ArdenWoods	-	(21,875,000)
Net Change on Escrow Deposit for Acquisition	-	8,258,264
Net Cash Used by Investing Activities	(38,125,461)	(27,724,595)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long-Term Debt	38,219,111	25,003,949
Payments of Long-Term Debt	(1,920,325)	(1,852,777)
Proceeds from Line of Credit	420,142	2,975,000
Payments on Line of Credit	(1,059,242)	-
Payment of Financing Costs	-	(889,731)
Net Cash Provided by Financing Activities	35,659,686	25,236,441
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(355,844)	2,093,659
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	5,672,544	3,578,885
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	\$ 5,316,700	\$ 5,672,544

See accompanying Notes to Consolidated Financial Statements.

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
Cash and Cash Equivalents	\$ 1,870,914	\$ 3,434,031
Restricted Cash and Cash Equivalents Included in Assets Limited as to Use	3,445,786	2,238,513
Total Cash, Cash Equivalents, and Restricted Cash	\$ 5,316,700	\$ 5,672,544
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Payments for Interest, Net of Interest Capitalized	\$ 3,259,379	\$ 2,039,679
 SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Purchases of Equipment Included in Accounts Payable and Accrued Expenses	\$ 7,825,035	\$ 1,666,268

See accompanying Notes to Consolidated Financial Statements.

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

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

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

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

Principles of Consolidation

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

Basis of Presentation

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

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

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

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

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

Use of Estimates

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

Cash and Cash Equivalents

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

Accounts Receivable

The Organization records accounts receivable at the total unpaid balance, less an allowance for credit losses. The Organization determines past due status based on the billing dates, and charges a late fee on overdue accounts. The Organization provides an allowance for credit losses using management's judgment. Accounts past due are individually analyzed for collectability. Accounts receivable that management determines will be uncollectible are written off upon such determination. It is the Organization's policy to seek collection on all overdue accounts. The adequacy of the Organization's allowance for credit losses is reviewed on an ongoing basis, using historical payment trends, write-off experience, aging of receivables, a review of specific accounts, as well as expected future economic conditions and market trends, and adjustments are made to the allowance as necessary. The Organization estimated the allowance for credit losses at September 30, 2025 and 2024 to be approximately \$229,000 and \$1,442,000, respectively.

Contributions and Support

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at their fair value, which is measured at the present value of their future cash flows. Contributions receivable was approximately \$708,000 and \$158,000 at September 30, 2025 and 2024, respectively.

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

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

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

Contributions and Support (Continued)

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

A portion of the Organization's revenue is derived from cost-reimbursable grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions. Any amounts received prior to incurring qualifying expenditures would be reported as refundable advances in the consolidated balance sheets. The Organization received no advance payments for the years ended September 30, 2025 and 2024.

Assets Limited as to Use

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

Investments

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

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

Assets in Split-Interest Agreements

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

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

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

Deferred Financing Costs

Deferred financing costs represent expenses incurred in connection with the permanent financing of the Homes and are deferred and amortized over the life of the related indebtedness using the straight-line method, which approximates the effective interest method. Deferred financing costs are net of accumulated amortization. Amortization expense was approximately \$26,000 for the years ended September 30, 2025 and 2024 and is included as a component of interest expense on the consolidated statements of activities and changes in net assets.

Property and Equipment

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

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

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

Deferred Revenue from Advance Fees

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

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

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

Obligation to Provide Future Services

The Organization annually calculates the present value of the net cost of future services and use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from advance fees. If the present value of the net cost of future services and use of facilities exceeds the deferred revenue from advance fees, a liability is recorded with the corresponding charge to income (obligation to provide future services and use of facilities). There was no liability recognized at September 30, 2025 and 2024. The discount rate used in calculating the present value of the net cost of future services was 4.67% and 8.02% for 2025 and 2024, respectively, and was based on the expected long-term rate of return on governmental obligations.

Resident Service Revenue

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

Excess of Revenues Over Expenses

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

Income Taxes

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

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

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

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

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

Functional Expenses

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

Fair Value of Financial Instruments

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

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

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

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

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

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

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

Fair Value of Financial Instruments (Continued)

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

Risks and Uncertainties

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

Allowance for Credit Losses

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

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

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

	2025	2024
Balance - Beginning of the Year	\$ 1,441,893	\$ 2,047,195
Provision	618,329	1,184,334
Write-Offs, Net of Recoveries	(1,831,224)	(1,789,636)
Balance - End of the Year	\$ 228,998	\$ 1,441,893

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

ThriveMore at home

In 2023 the Organization received approval from the North Carolina Department of Insurance to offer a “continuing care without lodging” contract for persons to become members of the Homes while not taking residence at the Homes initially. Management has named this program the ThriveMore at Home program. Under the ThriveMore at Home contract, members who are living off-campus receive the same access to the Homes’ campus amenities and the same health care services and future benefits afforded residents who are living on campus. North Carolina General Assembly Statute §58-64-7(c) stipulates that the Homes must account for the revenue and expenses related to the ThriveMore at Home program separate from revenue and expenses for on-campus services on financial statements. The ThriveMore at Home Program began operations in 2024, and had 35 and 10 members under contract in the ThriveMore at Home program as of September 30, 2025 and 2024, respectively.

Reclassifications

Certain amounts in the 2024 consolidated financial statements have been reclassified to conform to the 2025 presentation. These reclassifications had no effect on previously reported net assets or changes in net assets.

Goodwill

The Organization accounts for business acquisitions using the acquisition method of accounting. Goodwill is recognized as a result of a business combination when the purchase price paid for the acquired business exceeds the fair value of its intended net assets. Identified intangible assets are recognized at their fair value when acquired. The Organization has elected the alternative accounting for goodwill as its accounting policy. The Organization has elected to amortize goodwill on a straight-line basis over 10 years and test for impairment at the entity level. Goodwill is amortized on a straight-line basis. At September 30, 2025 and 2024 goodwill was approximately \$16,941,000 and amortization expense was approximately \$1,598,000 for the fiscal years ending September 30, 2025 and 2024. At September 30, 2025 and 2024, accumulated amortization was approximately \$3,196,000 and \$1,598,000, respectively. Organizations making the election test goodwill for impairment only when a triggering event occurs and perform the goodwill impairment evaluation as of the end of each reporting period, instead of annually. When impairment is likely, the Organization calculates goodwill impairment as the Organization’s carrying value including goodwill that exceeds its fair value. There was no impairment of goodwill during 2025 and 2024.

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

Subsequent Events

The Organization has evaluated its subsequent events through January 16, 2026, the date the consolidated financial statements were available to be issued.

NOTE 2 ASSETS LIMITED AS TO USE AND INVESTMENTS

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

	<u>2025</u>	<u>2024</u>
Internally Designated for Entrance Fee Deposits:		
Cash and Cash Equivalents	\$ 3,167,748	\$ 2,123,063
Internally Designated for Thrivemore at Home:		
Cash and Cash Equivalents	183,783	9,926
Mutual Funds and Equities	1,186,090	519,680
Mutual Funds, Corporate Obligations, and Fixed Income Securities	<u>739,512</u>	<u>326,614</u>
Total	<u>2,109,385</u>	<u>856,220</u>
Internally Designated for Statutory Operating Reserve:		
Cash and Cash Equivalents	94,255	105,524
Mutual Funds and Equities	5,983,666	5,308,445
Mutual Funds, Corporate Obligations, and Fixed Income Securities	<u>2,789,079</u>	<u>2,705,031</u>
Total	<u>8,867,000</u>	<u>8,119,000</u>
Total Assets Limited as to Use	<u>\$ 14,144,133</u>	<u>\$ 11,098,283</u>

Three of Homes' facilities are required by NC General Statute Chapter 58, Article 64 to fund an operating reserve account. The operating reserve must be an amount at least equal to 25% or 50% (depending on occupancy) of the forecasted operating expenses (net of depreciation and amortization) of the forecasted year, plus annual debt service. The operating reserve requirement for Brookridge Retirement Community was approximately \$4,489,000 and \$3,844,000 as of September 30, 2025 and 2024, respectively. The operating reserve requirement for The Gardens of Taylor Glen was approximately \$2,862,000 and \$2,518,000 as of September 30, 2025 and 2024, respectively. The operating reserve requirement for Ardenwoods was approximately \$1,516,000 and \$1,757,000 as of September 30, 2025 and 2024, respectively.

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

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

	2025	2024
Other Investments:		
Cash and Cash Equivalents	\$ 992,145	\$ 728,394
Mutual Funds and Equities	37,651,249	33,936,597
Mutual Funds, Corporate Obligations, and Fixed Income Securities	17,549,831	21,376,834
Total	\$ 56,193,225	\$ 56,041,825

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

	2025	2024
Investment Income and Realized and Unrealized Gains:		
Interest and Dividend Income	\$ 1,875,229	\$ 1,653,560
Net Realized Gains on Sales of Securities	2,132,281	1,503,939
Total	\$ 4,007,510	\$ 3,157,499
Unrealized Gains on Investments	\$ 3,779,126	\$ 10,069,786

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

NOTE 3 ASSETS IN SPLIT-INTEREST AGREEMENTS

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

Charitable Remainder Trusts

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

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NOTE 3 ASSETS IN SPLIT-INTEREST AGREEMENTS (CONTINUED)

Charitable Remainder Trusts (Continued)

Upon receipt of a beneficial interest in a charitable remainder trust, the present value of such interest is recorded as contribution revenue. The annual change in the present value of the beneficial interest is recorded as a change in value of charitable remainder trusts on the consolidated statements of activities and changes in net assets. Such valuations are based on estimated mortality rates and other assumptions that could change in the near-term. The discount rates used in the calculations were 4.16% and 3.81% for the fiscal years 2025 and 2024, respectively.

Beneficial Interest in Perpetual Trust

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

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

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at September 30:

	<u>2025</u>	<u>2024</u>
Land and Land Improvements	\$ 12,697,238	\$ 12,736,238
Buildings and Improvements	134,806,185	129,296,375
Furniture, Fixtures, and Equipment	5,454,810	5,170,532
Vehicles	1,124,590	978,129
Total	<u>154,082,823</u>	<u>148,181,274</u>
Less: Accumulated Depreciation	82,054,536	72,667,533
Total	<u>72,028,287</u>	<u>75,513,741</u>
Construction in Progress	56,461,516	12,312,610
Property and Equipment, Net	<u>\$ 128,489,803</u>	<u>\$ 87,826,351</u>

Construction in progress as of September 30, 2025 and 2024, related mainly to renovations at the Taylor Glen and Brookridge locations. The remaining cost associated with the Taylor Glen project is approximately \$14,448,000 and is expected to be completed in fiscal year 2026.

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NOTE 4 PROPERTY AND EQUIPMENT (CONTINUED)

In fiscal year 2023, the Organization closed on the sale of the Western North Carolina Home resulting in cash proceeds and a note receivable (the Note Receivable) from the buyer for approximately \$2,500,000.

The terms of the Note Receivable note the Organization shall receive monthly interest payments based upon an interest rate of 6.2%. The maturity date of the Note Receivable shall be the earlier of the third anniversary of the Note Receivable, the date on which the outstanding principal balance of the Note Receivable becomes due and payable, whether by declaration or acceleration upon the occurrence and continuance of an event of default, as defined in the agreement, the refinancing of the existing senior mortgage encumbering the real property or a sale, or any other disposition of all or substantially all of the assets of the entity. The note is set to mature on September 8, 2026.

NOTE 5 LONG-TERM DEBT

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

<u>Description</u>	<u>2025</u>	<u>2024</u>
Term Loan at 3.22%, Maturing in 2035	\$ 14,241,818	\$ 15,466,273
Term Loan at 3.22%, Maturing in 2035	8,106,653	8,802,526
Series 2024A Bonds	60,043,845	21,833,482
Series 2024B Bonds	181,337	172,587
Series 2024C Bonds	<u>3,000,000</u>	<u>3,000,000</u>
Total	85,573,653	49,274,868
Less: Current Maturities	1,993,728	1,930,636
Less: Unamortized Deferred Financing Costs	<u>1,132,157</u>	<u>1,157,851</u>
Long-Term Debt, Net	<u>\$ 82,447,768</u>	<u>\$ 46,186,381</u>

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

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NOTE 5 LONG-TERM DEBT (CONTINUED)

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

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

In 2024, the Organization entered into a Master Credit Agreement to finance construction and renovations for the "Taylor Glen Project", Ardenwoods' loan payoff, and New Bern loan payoff and reimbursement for capital expenditures. Total proceeds from the Series 2024 Bonds are expected to total approximately \$86,000,000 and will be generated utilizing the following structure and terms.

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

The "Series 2024A Bonds" are expected to be fully drawn down to an amount totaling approximately \$67,685,000, bearing interest at bank-bought fixed rate of 5.28%, subject to monthly principal and interest payments, with interest only payments beginning July 2024 and monthly principal and interest payments beginning July 2028 through June 2053. The balance on the 2024A Bonds is approximately \$60,044,000 and \$21,833,000 as of September 30, 2025 and 2024, respectively.

The "Series 2024B Bonds" are expected to be fully drawn down to an amount totaling approximately \$15,315,000. This debt is anticipated to be repaid from the availability of "Initial Entrance Fees" received from the Taylor Glen Project. The debt has a five-year maturity, with monthly interest payments due beginning July 2024, and the principal amount due in full on June 2029. The Series 2024B Bonds will qualify as qualified intermediate term indebtedness for purposes of covenant consideration. Annual interest on the Series 2024B Bonds is at bank-bought fixed rate of 4.95%. The balance on the Series 2024B Bonds is approximately \$181,000 and \$173,000 as of September 30, 2025 and 2024, respectively.

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NOTE 5 LONG-TERM DEBT (CONTINUED)

The “Series 2024C Bonds” are fully drawn down to an amount totaling approximately \$3,000,000. The debt has a four-year maturity, with monthly interest payments due beginning July 2024, and the principal amount due in full on June 2028. Annual interest on the Series 2024C Bonds is at bank-bought fixed rate of 5.28%. The balance on the Series 2024C Bonds is approximately \$3,000,000 as of September 30, 2025 and 2024, respectively. The responsibility for the payment of the debt service on the Series 2024 Bonds is expected to be solely that of the Homes.

The debt agreements contain certain payments and covenants, which include the maintenance of a long-term debt service coverage ratio, cash-to-debt ratio and restricts, among other things, incurrence of indebtedness, existence of liens on property, consolidations and mergers, disposition of assets, and changes in members of the obligated group. At September 30, 2025 and 2024, management is not aware of any noncompliance with these requirements.

Aggregate maturities required on long-term debt as of September 30, 2025, are due in future years as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2026	\$ 1,993,728
2027	2,058,882
2028	5,454,563
2029	3,725,946
2030	3,707,309
Thereafter	68,633,225
Total	<u>\$ 85,573,653</u>

NOTE 6 DEFERRED REVENUE FROM ADVANCE FEES AND REFUNDABLE ADVANCES

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

At September 30, 2025 and 2024, the portion of advance fees subject to refund provisions was approximately \$27,650,000 and \$25,216,000, respectively. The amount expected to be refunded to current residents within the next year, based on the Organization’s experience, is approximately \$736,000.

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NOTE 7 RESIDENT SERVICE REVENUE

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

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

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

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

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NOTE 7 RESIDENT SERVICE REVENUE (CONTINUED)

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

Medicare

The Organization's licensed nursing facilities participate in the Medicare program. This federal program is administered by the Centers for Medicare and Medicaid Services (CMS). The nursing facilities were paid under the Medicare Prospective Payment System (PPS) for residents who are Medicare Part A eligible and met the coverage guidelines for skilled nursing facility services. The PPS was a per diem price-based system. CMS finalized the Patient Driven Payment Model (PDPM) to replace the existing Medicare reimbursement system effective October 1, 2019. Under PDPM, therapy minutes are removed as the primary basis for payment and instead the underlying complexity and clinical needs of a patient is used as a basis for reimbursement.

In addition, PDPM introduces variance adjustment factors that change reimbursement rates during the resident's length of stay. Annual cost reports are required to be submitted to the designated Medicare Administrative Contractor; however, they do not contain a cost settlement.

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

Medicaid

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

Other

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

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NOTE 7 RESIDENT SERVICE REVENUE (CONTINUED)

Approximately 7% and 9% of the Homes' resident service revenue for the years ended September 30, 2025 and 2024, respectively, was derived from Medicare. Approximately 8% and 6% of Homes' resident service revenue for the years ended September 30, 2025 and 2024, respectively, was derived from Medicaid.

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and the Organization's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in an implicit price concession impacting transaction price, were not significant in 2025 or 2024.

Generally, residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Organization estimates the transaction price for residents with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent charges to the estimate of the transaction price are recorded as adjustments to resident services revenue in the period of the change. Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments were not considered material for the years ended September 30, 2025 and 2024. Subsequent changes that are determined to be the result of an adverse change in the resident's ability to pay are recorded as bad debt expense.

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

The Organization maintains records, and the board has oversight, to identify and monitor the amount of charges foregone for services and supplies furnished under its benevolent assistance policy and to identify and monitor the level of benevolent assistance it provides. The total amount of charges forgone and direct benevolence assistance provided amounted to approximately, \$1,734,000 and \$3,419,00 during the years ended September 30, 2025 and 2024, respectively.

The Medicare, Medicaid, and other governmental programs' charges foregone, based on established rates, were approximately \$1,108,000 and \$2,726,000 during the years ended September 30, 2025 and 2024, respectively.

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NOTE 7 RESIDENT SERVICE REVENUE (CONTINUED)

The Organization has estimated the costs of providing assistance under its benevolent assistance policy. In order to estimate the cost of providing such assistance, management calculated a ratio by comparing the charges foregone to total operating revenue and applying this ratio to expenses to estimate the costs of providing benevolent assistance. Using this methodology, the Organization has estimated the costs for services under the Organization’s benevolent assistance policy to be approximately \$392,000 and \$515,000 for the years ended September 30, 2025 and 2024, respectively. The amount of direct benevolent assistance provided by Homes was approximately \$626,000 and \$693,000 during the years ended September 30, 2025 and 2024, respectively.

Contract Costs

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

The opening and closing contract balances were as follows:

	Accounts Receivable	Deferred Revenue from Advanced Fees
Balance as of October 1, 2023	\$ 2,621,883	\$ 18,289,457
Balance as of September 30, 2024	4,501,618	21,984,947
Balance as of September 30, 2025	2,004,148	22,855,320

NOTE 8 RETIREMENT PLAN

The Organization has a defined contribution annuity plan (the Plan) with Guidestone Financial Resources. The Plan has a contributory feature and participation in the Plan is optional at the election of the employees. To qualify for the employer matching contribution, employees must have been employed with the Organization for two years and must contribute 3% of their compensation to the Plan. Employer contributions to the Plan are made after each pay period at an amount equal to 100% match of the first 3% of employees’ contributions and a 50% match of the next 2% contributed by employees. Employer contributions to the Plan were approximately \$196,000 and \$185,000 for the years ended September 30, 2025 and 2024, respectively.

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NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

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

	2025	2024
Restricted for Purpose:		
Charitable Remainder Trusts	\$ 1,774,662	\$ 1,590,144
Geneva Stroupe Support	229,432	219,503
Employee Benefit Account	-	7,010
New Residential Development	2,311,447	2,501,648
Taylor House Benevolence and Operating Support	6,232,244	5,767,738
Medicine from the Heart	52,903	33,772
Life at Home	177,740	177,740
Immeasurable More	626,989	-
Total Restricted for Purpose	11,405,417	10,297,555
Restricted in Perpetuity:		
Beneficial Interest in Perpetual Trusts	7,759,050	7,234,216
Endowments	6,693,357	6,693,357
Total Restricted in Perpetuity	14,452,407	13,927,573
Total Net Assets With Donor Restrictions	\$ 25,857,824	\$ 24,225,128

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

	2025	2024
New Residential Development	\$ 190,200	\$ 291,782
Taylor House Benevolence and Operating Support	809,277	880,200
Medicine from the Heart	21,000	21,000
Total	\$ 1,020,477	\$ 1,192,982

NOTE 10 ENDOWMENT FUNDS

Interpretation of Relevant Law

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

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NOTE 10 ENDOWMENT FUNDS (CONTINUED)

Interpretation of Relevant Law (Continued)

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

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

Funds with Deficiencies

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

Return Objectives and Risk Parameters

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

Strategies Employed for Achieving Objectives

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

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NOTE 10 ENDOWMENT FUNDS (CONTINUED)

Spending Policy and How the Investment Objectives Relate to Spending Policy

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

At September 30, 2025 and 2024, the Organization had approximately \$14,452,000 and \$13,928,000 in net assets with donor restrictions-restricted in perpetuity, respectively. Of these respective totals, approximately \$7,759,000 and \$7,234,000 relates to split-interest agreements that are administered and managed by third parties as trustees at September 30, 2025 and 2024, respectively. The remaining \$6,693,000 of net assets restricted in perpetuity at September 30, 2025 and 2024, are managed by two different investment brokers within the Organization's Investment Policy Statement. The Organization had no board-designated endowment funds as of September 30, 2025 or 2024.

The following is the change in endowment net assets for the years ended September 30, 2025 and 2024:

	Without Donor Restrictions	Purpose Restricted	Perpetual in Nature	Total
Endowment Net Assets, September 30, 2023	\$ -	\$ 1,303,053	\$ 6,693,357	\$ 7,996,410
Unrealized Losses on Investments	-	1,721,917	-	1,721,917
Net Assets Released from Restrictions	-	(291,781)	-	(291,781)
Endowment Net Assets, September 30, 2024	-	2,733,189	6,693,357	9,426,546
Unrealized Gain on Investments	-	1,076,998	-	1,076,998
Net Assets Released from Restrictions	-	(291,781)	-	(291,781)
Endowment Net Assets, September 30, 2025	<u>\$ -</u>	<u>\$ 3,518,406</u>	<u>\$ 6,693,357</u>	<u>\$ 10,211,763</u>

NOTE 11 CONCENTRATIONS OF CREDIT RISK

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

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

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NOTE 11 CONCENTRATIONS OF CREDIT RISK (CONTINUED)

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

	<u>2025</u>	<u>2024</u>
Medicare	14 %	24 %
Medicaid	9	4
Other Third-Party Payers	25	55
Self-Pay	52	17
Total	<u>100 %</u>	<u>100 %</u>

NOTE 12 FUNCTIONAL EXPENSES

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

	<u>2025</u>			
	<u>Program</u>	<u>Management</u>	<u>Fundraising</u>	<u>Total</u>
	<u>Services</u>	<u>and General</u>		<u>Expenses</u>
Salaries and Wages	\$ 16,090,004	\$ 5,191,358	\$ 224,088	\$ 21,505,450
Benefits	2,593,293	734,708	49,731	3,377,732
Advertising	762,773	279,637	-	1,042,410
Insurance	-	494,936	-	494,936
Professional Services	3,721,130	966,894	-	4,688,024
Dues and Subscriptions	17,456	112,439	-	129,895
Occupancy	1,425,289	141,272	-	1,566,561
Meals and Entertainment	1,947,585	76,430	-	2,024,015
Interest	1,713,049	-	-	1,713,049
IT	18,255	776,178	-	794,433
Travel	26,232	85,850	-	112,082
Medical Supplies	350,756	-	-	350,756
Supplies	1,048,958	329,154	-	1,378,112
Pharmaceuticals	31,495	-	-	31,495
Equipment	61,165	3,361	-	64,526
Maintenance and Repair	1,654,636	159,010	-	1,813,646
Depreciation and Amortization	9,609,781	1,611,544	-	11,221,325
Development	240,203	152,732	51,022	443,957
Other	769,947	378,736	64,893	1,213,576
Credit Loss	593,729	24,600	-	618,329
Total	<u>\$ 42,675,736</u>	<u>\$ 11,518,839</u>	<u>\$ 389,734</u>	<u>\$ 54,584,309</u>

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
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NOTE 12 FUNCTIONAL EXPENSES (CONTINUED)

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

NOTE 13 FAIR VALUE MEASUREMENTS

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

	Assets at Fair Value as of September 30, 2025			
	Level 1	Level 2	Level 3	Total
ASSETS				
Investments and Assets Limited as to Use:				
Mutual Funds:				
Equities	\$ 44,821,005	\$ -	\$ -	\$ 44,821,005
Bonds	21,078,422	-	-	21,078,422
Total Investments	65,899,427	-	-	65,899,427
Charitable Remainder Trusts	-	-	1,724,788	1,724,788
Charitable Gift Annuities Fund	-	49,874	-	49,874
Beneficial Interest in Perpetual Trusts	-	-	7,759,050	7,759,050
Total	<u>\$ 65,899,427</u>	<u>\$ 49,874</u>	<u>\$ 9,483,838</u>	<u>\$ 75,433,139</u>

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
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NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)

ASSETS	Assets at Fair Value as of September 30, 2023			
	Level 1	Level 2	Level 3	Total
Investments and Assets Limited as to Use:				
Mutual Funds:				
Equities	\$ 39,764,722	\$ -	\$ -	\$ 39,764,722
Bonds	24,408,479	-	-	24,408,479
Total Investments	64,173,201	-	-	64,173,201
Charitable Remainder Trusts	-	-	1,553,102	1,553,102
Charitable Gift Annuities Fund	-	37,042	-	37,042
Beneficial Interest in Perpetual Trusts	-	-	7,234,216	7,234,216
Total	\$ 64,173,201	\$ 37,042	\$ 8,787,318	\$ 72,997,561

The Organization had approximately \$4,438,000 and \$2,967,000 of cash and cash equivalents included with investments as of September 30, 2025 and 2024, respectively, which is not included in the fair value hierarchy.

Following is a description of the valuation methodologies used for assets measured at fair value subsequent to initial recognition. These methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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

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

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

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NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)

Beneficial Interest in Charitable Remainder Trusts – Valued using the income approach based on estimated mortality and discount rates. The discount rates used in the valuation calculations were 4.16% and 3.81% for fiscal years 2025 and 2024, respectively.

NOTE 14 COMMITMENTS AND CONTINGENCIES

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

Self-Insured Health Insurance

The Organization was previously self-insured for its employees' health plan. The Organization contracted with an administrative service company to supervise and administer the program and act as its representative. Provisions for expected future payments were accrued based on the Organization's experience and included amounts for claims filed and claims incurred but not reported. The Organization held stop loss insurance for excessive and unexpected health claims with an individual deductible of \$75,000 and an aggregate deductible of approximately \$1,255,000. The Organization reserved approximately \$321,000 related to its self-insured health insurance at September 30, 2024. The Organization now has a fully insured employees' health plan and is no longer self-insured.

NOTE 15 LINES OF CREDIT

The Organization obtained a revolving line of credit (LOC) with a maximum borrowing limit of \$800,000. In 2024, the line was extended to expire April 4, 2026. Interest on the LOC is based upon the 30-Day Average Secured Overnight Financing Rate (SOFR) plus 1.90%, with a max of 18.00% and a floor of 2.00%. As of September 30, 2025, the interest rate on the LOC was 7.21%. As of September 30, 2025 and 2024, there were no outstanding balances.

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 15 LINES OF CREDIT (CONTINUED)

The Organization obtained an additional LOC with a maximum borrowing limit of \$2,000,000. In 2024, the line was extended to April 5, 2025 and the limit increased to \$7,500,000. In 2025, the line was extended to April 5, 2026. Interest on the LOC is based upon SOFR plus 1.90%, with a max of 18.00% and a floor of 2.00%. As of September 30, 2025, the interest rate on the LOC was 6.254%. As of September 30, 2025 and 2024, the balance on the LOC was approximately, \$6,111,000 and \$6,750,000, respectively.

NOTE 16 LIQUIDITY AND AVAILABILITY

The Organization regularly monitors the availability of resources required to meet its operating, capital, and benevolence needs. With a focus on maintaining adequate liquid funds to meet these needs, the Organization strives to maximize the return on the investment of its available funds, while adhering to the Investment Committee and Board Investment Policy Statement. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing care of its residents, campuses, and community outreach. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. The Organization currently has a policy that allows for the transfer up to 5% of the investment portfolio to support operations and ongoing projects. The statement of cash flows, which identifies the sources and uses of the Organization's cash, reflects positive cash generated by operations.

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

	2025	2024
Cash and Cash Equivalents	\$ 1,870,914	\$ 3,434,031
Accounts Receivable	1,775,150	3,059,725
Investments	56,193,225	56,041,825
Contributions Receivable	405,307	157,500
Assets Limited as to Use:		
Internally Designated for ThriveMore at Home	2,109,385	856,220
Internally Designated for Statutory Operating Reserve	8,867,000	8,119,000
Total	<u>71,220,981</u>	<u>71,668,301</u>
Less: Net Assets with Donor Restrictions (Not Included in Charitable Remainder Trusts or Beneficial Interest in Perpetual Trusts)	<u>(16,324,112)</u>	<u>(15,400,768)</u>
Total Financial Assets Available to Meet Liquidity Needs	<u>\$ 54,896,869</u>	<u>\$ 56,267,533</u>

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
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SEPTEMBER 30, 2025 AND 2024

NOTE 17 ACQUISITION

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

The Organization accounted for the acquisition using the purchase method of accounting. The purchase price was allocated to tangible and intangible assets acquired and liabilities assumed based on their estimated fair values at the acquisition date. The excess of the underlying net assets acquired over the consideration transferred was reported on the accompanying consolidated statement of operations and changes in net assets as goodwill. The goodwill received from this acquisition totaled approximately \$16,941,000 and reported on the consolidated balance sheet.

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

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

The allocation of purchase price for the acquisition is preliminary determined by management based on various market and income analyses and recent asset appraisals. The tangible assets and liabilities were valued by management. The fair value of the assumed debt was determined using an option-adjusted discounted cash flows analysis. Transaction costs related to the acquisition amounted to approximately \$137,000 and were expensed as incurred in the Company's statement of operations. There was no contingent consideration included in this transaction. There were no contingent assets acquired, or liabilities assumed in this transaction.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 18 CONTRIBUTIONS RECEIVABLE

The following is a summary of contributions receivable as of September 30:

	2025	2024
Due in Less than One Year	\$ 405,307	\$ 157,500
Due in One to Five Years	307,193	-
Subtotal	712,500	157,500
Less: Allowance for Uncollectible Accounts	(4,375)	-
Contributions Receivable, Net	\$ 708,125	\$ 157,500

NOTE 19 SUBSEQUENT EVENTS

Subsequent to September 30, 2025, the Organization completed the financing for a childcare center located adjacent to the Brookridge campus with a total construction project budget of approximately \$5,100,000. The childcare center is anticipated to be paid for with a promissory note with a financial institution in the amount of approximately \$3,891,000 and equity from the Organization. Construction began March 2025 and is anticipated to be completed by April 2026. Interest on the note is fixed at 6.39 percent and monthly principal and interest payments of approximately \$29,000 will begin December 2026 with all unpaid principal due November 2036.

Subsequent to September 30, 2025, the Organization began construction on a 12-unit couples memory care project with each unit consisting of both independent living and assisted living space attached to a clubhouse for clinical services. The total construction project budget is estimated to be approximately \$18,780,000. The couples memory care project is anticipated to be paid for with two promissory notes with a financial institution in the amount of approximately \$18,889,000 and equity from the Organization. Construction began October 2025 and is anticipated to be completed by January 2027. The short-term note of \$3,200,000 is anticipated to be repaid using first-generation entrance fees from the couples memory care project. Interest on the short-term note is fixed at 5.00 percent. Interest payments will begin February 2026 and consecutively each month thereafter. All outstanding principal and interest shall be due December 2027. The long-term note is for approximately \$15,689,000. Interest on the long-term note is fixed at 5.98 percent with monthly principal and interest payments of approximately \$101,800 will begin February 2028 with all unpaid principal due January 2038.

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
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CONSOLIDATING BALANCE SHEET
SEPTEMBER 30, 2025

ASSETS	<u>Homes</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 1,870,914	\$ -	\$ -	\$ 1,870,914
Accounts Receivable	2,004,148	-	-	2,004,148
Allowance for Credit Losses	(228,998)	-	-	(228,998)
Accounts Receivable, Net	1,775,150	-	-	1,775,150
Investments	11,503,025	44,690,200	-	56,193,225
Contributions Receivable, Net	-	405,307	-	405,307
Prepaid Expenses and Other Assets	1,014,795	5,381	-	1,020,176
Deposit	1,971	-	-	1,971
Note Receivable	2,500,000	-	-	2,500,000
Due from Foundation	-	2,123,491	(2,123,491)	-
Total Current Assets	18,665,855	47,224,379	(2,123,491)	63,766,743
ASSETS LIMITED AS TO USE				
Entrance Fee Deposits	3,167,748	-	-	3,167,748
Internally Designated for ThriveMore at Home	2,109,385	-	-	2,109,385
Internally Designated for Statutory Operating Reserve	8,867,000	-	-	8,867,000
Total Assets Limited as to Use	14,144,133	-	-	14,144,133
INVESTMENTS AND OTHER ASSETS				
Assets in Split-Interest Agreements:				
Charitable Remainder Trusts	1,704,991	69,671	-	1,774,662
Beneficial Interest in Perpetual Trust	5,497,837	2,261,213	-	7,759,050
Other Assets	15,000	-	-	15,000
Goodwill, Net	13,744,215	-	-	13,744,215
Contribution Receivable, Net of Current	-	302,818	-	302,818
Total Investments and Other Assets	20,962,043	2,633,702	-	23,595,745
PROPERTY AND EQUIPMENT, NET	127,521,615	968,188	-	128,489,803
INVESTMENT IN AFFILIATE	50,812,389	-	(50,812,389)	-
Total Assets	<u>\$ 232,106,035</u>	<u>\$ 50,826,269</u>	<u>\$ (52,935,880)</u>	<u>\$ 229,996,424</u>

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
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CONSOLIDATING BALANCE SHEET (CONTINUED)
SEPTEMBER 30, 2025

LIABILITIES AND NET ASSETS	<u>Homes</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
CURRENT LIABILITIES				
Current Maturities of Long-Term Debt	\$ 1,993,728	\$ -	\$ -	\$ 1,993,728
Line of Credit	6,110,900	-	-	6,110,900
Accounts Payable	\$5,586,244	2,284	-	5,588,528
Accrued Expenses	4,002,037	6,391	-	4,008,428
Accrued Employee Compensation	1,499,005	5,205	-	1,504,210
Due to Related Party	2,123,491	-	(2,123,491)	-
Other Current Liabilities	10,486	-	-	10,486
Current Portion of Refundable Advance Fees	736,179	-	-	736,179
Total Current Liabilities	<u>22,062,070</u>	<u>13,880</u>	<u>(2,123,491)</u>	<u>19,952,459</u>
LONG-TERM DEBT, LESS CURRENT MATURITIES				
	82,447,768	-	-	82,447,768
DEFERRED REVENUE AND OTHER LIABILITIES				
Entrance Fee and Waitlist Deposits	2,659,451	-	-	2,659,451
Deferred Revenue from Advance Fees	22,855,320	-	-	22,855,320
Refundable Advance Fees on Occupied Units, Net of Current Portion	26,913,611	-	-	26,913,611
Total Deferred Revenue and Other Liabilities	<u>52,428,382</u>	<u>-</u>	<u>-</u>	<u>52,428,382</u>
Total Liabilities	156,938,220	13,880	(2,123,491)	154,828,609
NET ASSETS				
Without Donor Restrictions	49,309,991	35,770,737	(35,770,737)	49,309,991
With Donor Restrictions	25,857,824	15,041,652	(15,041,652)	25,857,824
Total Net Assets	<u>75,167,815</u>	<u>50,812,389</u>	<u>(50,812,389)</u>	<u>75,167,815</u>
Total Liabilities and Net Assets	<u>\$ 232,106,035</u>	<u>\$ 50,826,269</u>	<u>\$ (52,935,880)</u>	<u>\$ 229,996,424</u>

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2025

	<u>Homes</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
REVENUES, GAINS, AND OTHER SUPPORT				
Resident Services:				
On Campus	\$ 35,927,427	\$ -	\$ -	\$ 35,927,427
ThriveMore at Home	163,528	-	-	163,528
Amortization of Advance Fees:				
On Campus	3,582,232	-	-	3,582,232
ThriveMore at Home	97,680	-	-	97,680
Income from Grants and Gifts, Including Gifts from Churches	-	2,134,763	(1,545,000)	589,763
Income from Estates and Trusts	-	249,122	-	249,122
Investment Income and Realized Gains	3,671,031	336,479	-	4,007,510
Net Assets Released from Restrictions	-	830,276	-	830,276
Other	311,661	25,000	-	336,661
Total Revenues, Gains, and Other Support	<u>43,753,559</u>	<u>3,575,640</u>	<u>(1,545,000)</u>	<u>45,784,199</u>
OPERATING EXPENSES				
Resident Care	19,924,603	-	-	19,924,603
ThriveMore at Home	592,737	-	-	592,737
Dietary	6,117,269	-	-	6,117,269
Maintenance and Housekeeping	7,268,172	-	-	7,268,172
General and Administrative	8,054,076	1,238,078	(1,545,000)	7,747,154
Depreciation and Amortization	11,214,019	7,306	-	11,221,325
Interest	1,713,049	-	-	1,713,049
Total Operating Expenses	<u>54,883,925</u>	<u>1,245,384</u>	<u>(1,545,000)</u>	<u>54,584,309</u>
OPERATING INCOME (LOSS)	(11,130,366)	2,330,256	-	(8,800,110)
NONOPERATING INCOME (LOSS)				
Loss on Sale of Property and Equipment	(13,962)	(18,048)	-	(32,010)
Unrealized Gain on Investments	400,156	2,286,807	-	2,686,963
Accreted Interest	(780,996)	-	-	(780,996)
Total Nonoperating Income (Loss)	<u>(394,802)</u>	<u>2,268,759</u>	<u>-</u>	<u>1,873,957</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENSES	(11,525,168)	4,599,015	-	(6,926,153)
OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS				
Net Assets Released from Restrictions for Property and Equipment	-	190,201	-	190,201
Change in Investment in Affiliate	4,789,216	-	(4,789,216)	-
Total Other Changes in Net Assets Without Donor Restrictions	<u>4,789,216</u>	<u>190,201</u>	<u>(4,789,216)</u>	<u>190,201</u>
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(6,735,952)	4,789,216	(4,789,216)	(6,735,952)

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

	<u>Homes</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS				
Contributions	\$ -	\$ 851,657	\$ -	\$ 851,657
Change in Value of Charitable Remainder Trusts	178,740	5,779	-	184,519
Change in Unrealized Gains on Investments	164,515	927,648	-	1,092,163
Change in Value of Beneficial Interest in Perpetual Trusts	430,456	94,378	-	524,834
Net Assets Released from Restrictions	-	(1,020,477)	-	(1,020,477)
Decrease in Investment in Affiliate	858,985	-	(858,985)	-
Increase (Decrease) in Net Assets With Donor Restrictions	<u>1,632,696</u>	<u>858,985</u>	<u>(858,985)</u>	<u>1,632,696</u>
CHANGE IN NET ASSETS	(5,103,256)	5,648,201	(5,648,201)	(5,103,256)
Net Assets - Beginning of Year	<u>80,271,071</u>	<u>45,164,188</u>	<u>(45,164,188)</u>	<u>80,271,071</u>
NET ASSETS - END OF YEAR	<u>\$ 75,167,815</u>	<u>\$ 50,812,389</u>	<u>\$ (50,812,389)</u>	<u>\$ 75,167,815</u>

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
COMBINING BALANCE SHEET OF HOMES
SEPTEMBER 30, 2025

ASSETS	Brookridge Retirement Community	The Taylor House	The Gardens of Taylor Glen	ThriveMore at Home	Ardenwoods of North Carolina	Brice Point	Corporate	Eliminations	Total Homes
CURRENT ASSETS									
Cash and Cash Equivalents	\$ (155,981)	\$ 3,159	\$ 5,687	\$ -	\$ 5,232	\$ 4	\$ 2,012,813	\$ -	\$ 1,870,914
Accounts Receivable	1,545,512	29,993	367,232	234	61,177	-	-	-	2,004,148
Allowance for Credit Losses	(150,672)	(17,464)	(36,262)	-	(24,600)	-	-	-	(228,998)
Accounts Receivable, Net	1,394,840	12,529	330,970	234	36,577	-	-	-	1,775,150
Investments	-	-	-	-	-	-	11,503,025	-	11,503,025
Prepaid Expenses and Other Assets	132,737	5,652	448,671	1,326	53,506	3,377	369,526	-	1,014,795
Deposit	-	-	-	-	-	-	1,971	-	1,971
Note Receivable	-	-	-	-	-	-	2,500,000	-	2,500,000
Total Current Assets	1,371,596	21,340	785,328	1,560	95,315	3,381	16,387,335	-	18,665,855
ASSETS LIMITED AS TO USE									
Entrance Fee Deposits	-	-	3,009,977	-	-	157,771	-	-	3,167,748
Internally Designated for ThriveMore at Home	-	-	-	-	-	-	2,109,385	-	2,109,385
Internally Designated for Statutory Operating Reserve	-	-	-	-	-	-	8,867,000	-	8,867,000
Total Assets Limited as to Use	-	-	3,009,977	-	-	157,771	10,976,385	-	14,144,133
INVESTMENTS AND OTHER ASSETS									
Assets in Split-Interest Agreements:									
Charitable Remainder Trusts	-	-	-	-	-	-	1,704,991	-	1,704,991
Beneficial Interest in Perpetual Trust	-	-	-	-	-	-	5,497,837	-	5,497,837
Other Assets	-	-	-	-	-	-	15,000	-	15,000
Goodwill, Net	-	-	-	-	-	-	13,744,215	-	13,744,215
Note Receivable	-	-	-	-	-	-	-	-	-
Total Investments and Other Assets	-	-	-	-	-	-	20,962,043	-	20,962,043
PROPERTY AND EQUIPMENT, NET	29,958,376	1,428,171	61,345,764	-	19,492,318	32,679	15,264,307	-	127,521,615
INVESTMENT IN AFFILIATE	-	-	-	-	-	-	50,812,389	-	50,812,389
Total Assets	\$ 31,329,972	\$ 1,449,511	\$ 65,141,069	\$ 1,560	\$ 19,587,633	\$ 193,831	\$ 114,402,459	\$ -	\$ 232,106,035

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
COMBINING BALANCE SHEET OF HOMES (CONTINUED)
SEPTEMBER 30, 2025

LIABILITIES AND NET ASSETS	Brookridge Retirement Community	The Taylor House	The Gardens of Taylor Glen	ThriveMore at Home	Ardenwoods of North Carolina	Brice Point	Corporate	Eliminations	Total Homes
CURRENT LIABILITIES									
Current Maturities of Long-Term Debt	\$ 723,202	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,270,526	\$ -	\$ 1,993,728
Line of Credit	-	-	-	-	-	-	6,110,900	-	6,110,900
Accounts Payable	908,713	904,759	3,408,007	2,695	155,034	82,287	124,749	-	5,586,244
Accrued Expenses	3,886	2,609	3,681,457	215	12,883	13,907	287,080	-	4,002,037
Accrued Employee Compensation	266,786	18,350	132,629	11,664	83,036	5,890	980,650	-	1,499,005
Due to Related Party	18,575,405	6,962,073	66,761,428	(746,741)	6,719,259	542,305	(96,690,238)	-	2,123,491
Other Current Liabilities	1,062	2,159	6,692	-	-	-	573	-	10,486
Current Portion of Refundable Advance Fees	109,667	-	99,512	-	527,000	-	-	-	736,179
Total Current Liabilities	<u>20,588,721</u>	<u>7,889,950</u>	<u>74,089,725</u>	<u>(732,167)</u>	<u>7,497,212</u>	<u>644,389</u>	<u>(87,915,760)</u>	<u>-</u>	<u>22,062,070</u>
LONG-TERM DEBT, LESS CURRENT MATURITIES	7,303,969	-	-	-	-	-	75,143,799	-	82,447,768
DEFERRED REVENUE AND OTHER LIABILITIES									
Entrance Fee and Waitlist Deposits	94,000	-	2,410,451	-	-	155,000	-	-	2,659,451
Deferred Revenue from Advance Fees	8,632,682	-	10,775,809	1,749,167	1,697,662	-	-	-	22,855,320
Refundable Advance Fees on Occupied Units, Net of Current Portion	5,218,298	-	5,231,611	-	16,463,702	-	-	-	26,913,611
Total Deferred Revenue and Other Liabilities	<u>13,944,980</u>	<u>-</u>	<u>18,417,871</u>	<u>1,749,167</u>	<u>18,161,364</u>	<u>155,000</u>	<u>-</u>	<u>-</u>	<u>52,428,382</u>
Total Liabilities	41,837,670	7,889,950	92,507,596	1,017,000	25,658,576	799,389	(12,771,961)	-	156,938,220
NET ASSETS									
Without Donor Restrictions	(10,507,698)	(6,440,439)	(27,366,527)	(1,015,440)	(6,070,943)	(605,558)	101,316,596	-	49,309,991
With Donor Restrictions	-	-	-	-	-	-	25,857,824	-	25,857,824
Total Net Assets	<u>(10,507,698)</u>	<u>(6,440,439)</u>	<u>(27,366,527)</u>	<u>(1,015,440)</u>	<u>(6,070,943)</u>	<u>(605,558)</u>	<u>127,174,420</u>	<u>-</u>	<u>75,167,815</u>
Total Liabilities and Net Assets	<u>\$ 31,329,972</u>	<u>\$ 1,449,511</u>	<u>\$ 65,141,069</u>	<u>\$ 1,560</u>	<u>\$ 19,587,633</u>	<u>\$ 193,831</u>	<u>\$ 114,402,459</u>	<u>\$ -</u>	<u>\$ 232,106,035</u>

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS OF HOMES
YEAR ENDED SEPTEMBER 30, 2025

	Brookridge Retirement Community	The Taylor House	The Gardens of Taylor Glen	ThriveMore at Home	Ardenwoods of North Carolina	Brice Point	Corporate	Eliminations	Homes
REVENUES, GAINS, AND OTHER SUPPORT									
Resident Services:									
On Campus	\$ 17,555,567	\$ 680,463	\$ 10,235,186	\$ (9,195)	\$ 7,465,406	\$ -	\$ -	\$ -	\$ 35,927,427
ThriveMore at Home	-	-	-	163,528	-	-	-	-	163,528
Amortization of Advance Fees:									
On Campus	1,794,156	-	1,442,724	-	345,352	-	-	-	3,582,232
ThriveMore at Home	-	-	-	97,680	-	-	-	-	97,680
Investment Income and Realized Gains	-	-	-	-	-	-	3,671,031	-	3,671,031
Other	128,912	-	138,043	-	43,683	-	1,023	-	311,661
Total Revenues, Gains, and Other Support	19,478,635	680,463	11,815,953	252,013	7,854,441	-	3,672,054	-	43,753,559
OPERATING EXPENSES									
Resident Care	11,068,842	973,220	4,923,034	-	2,957,938	-	1,569	-	19,924,603
ThriveMore at Home	-	-	-	592,737	-	-	-	-	592,737
Dietary	2,492,446	75,993	1,718,002	-	1,830,841	-	(13)	-	6,117,269
Maintenance and Housekeeping	3,035,966	114,086	2,715,773	-	1,402,347	-	-	-	7,268,172
General and Administrative	3,722,751	144,806	2,395,530	-	1,272,654	599,559	(81,224)	-	8,054,076
Depreciation and Amortization	4,020,468	87,790	3,019,854	-	2,322,546	5,999	1,757,362	-	11,214,019
Interest	354,435	-	407,049	-	388,699	-	562,866	-	1,713,049
Total Operating Expenses	24,694,908	1,395,895	15,179,242	592,737	10,175,025	605,558	2,240,560	-	54,883,925
OPERATING INCOME (LOSS)	(5,216,273)	(715,432)	(3,363,289)	(340,724)	(2,320,584)	(605,558)	1,431,494	-	(11,130,366)
NONOPERATING INCOME (LOSS)									
Loss on Sale of Property and Equipment	-	-	2,000	-	-	-	(15,962)	-	(13,962)
Unrealized Gain on Investments	-	-	-	-	-	-	400,156	-	400,156
Accreted Interest	-	-	-	-	(780,996)	-	-	-	(780,996)
Total Nonoperating Income	-	-	2,000	-	(780,996)	-	384,194	-	(394,802)
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENSES	(5,216,273)	(715,432)	(3,361,289)	(340,724)	(3,101,580)	(605,558)	1,815,688	-	(11,525,168)
OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS									
Change in Investment in Affiliate	-	-	-	-	-	-	4,789,216	-	4,789,216
Total Other Changes in Net Assets Without Donor Restrictions	-	-	-	-	-	-	4,789,216	-	4,789,216
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(5,216,273)	(715,432)	(3,361,289)	(340,724)	(3,101,580)	(605,558)	6,604,904	-	(6,735,952)

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND AFFILIATE
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS OF HOMES (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

	Brookridge Retirement Community	The Taylor House	The Gardens of Taylor Glen	ThriveMore at Home	Ardenwoods of North Carolina	Brice Point	Corporate	Eliminations	Homes
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS									
Change in Value of Charitable Remainder Trusts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 178,740	\$ -	\$ 178,740
Change in Unrealized Gains on Investments	-	-	-	-	-	-	164,515	-	164,515
Change in Value of Beneficial Interest in Perpetual Trusts	-	-	-	-	-	-	430,456	-	430,456
Increase in Investment in Affiliate	-	-	-	-	-	-	858,985	-	858,985
Increase (Decrease) in Net Assets With Donor Restrictions	-	-	-	-	-	-	1,632,696	-	1,632,696
CHANGE IN NET ASSETS	(5,216,273)	(715,432)	(3,361,289)	(340,724)	(3,101,580)	(605,558)	8,237,600	-	(5,103,256)
Net Assets - Beginning of Year	(5,291,425)	(5,725,007)	(24,005,238)	(674,716)	(2,969,363)	-	118,936,820	-	80,271,071
NET ASSETS - END OF YEAR	<u>\$ (10,507,698)</u>	<u>\$ (6,440,439)</u>	<u>\$ (27,366,527)</u>	<u>\$ (1,015,440)</u>	<u>\$ (6,070,943)</u>	<u>\$ (605,558)</u>	<u>\$ 127,174,420</u>	<u>\$ -</u>	<u>\$ 75,167,815</u>



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Attachment F

Pro-forma Financial Statements

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

**PROJECTED CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT ACCOUNTANTS' COMPILATION REPORT**

**FOR THE YEARS ENDING
SEPTEMBER 30, 2026 THROUGH SEPTEMBER 30, 2030**



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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

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

Management is responsible for the accompanying projected consolidated financial statements of Baptist Retirement Homes of North Carolina, Incorporated dba Thrivemore and its consolidated affiliate (collectively, the "Organization"), which comprise the projected consolidated balance sheets as of September 30, 2026, 2027, 2028, 2029, and 2030 and the related projected consolidated statements of operations and changes in net assets, and cash flows for the years then ending, and the related summaries of significant projection assumptions and accounting policies in accordance with the guidelines for presentation of a financial projection established by the American Institute of Certified Public Accountants ("AICPA"). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the projected consolidated financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these projected consolidated financial statements or the assumptions. Furthermore, even if the Organization is able to achieve the hypothetical assumptions as noted in Management's Summary of Significant Projection Assumptions and Accounting Policies on page 5 (the "Hypothetical Assumptions"), the projected results may not be achieved as there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The accompanying supplementary information contained in the Supplemental Projected Consolidating Statements of Operations and Changes in Net Assets without Donor Restrictions is presented for purposes of additional analysis and is not a required part of the projection. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not examined or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

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

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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Charlotte, North Carolina
February 23, 2026

See Accompanying Independent Accountants' Compilation Report

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

	2026	2027	2028	2029	2030
REVENUES, GAINS, AND OTHER SUPPORT					
Resident Service Revenue	\$ 40,749	\$ 45,441	\$ 48,778	\$ 50,487	\$ 52,260
Net Resident Service Revenue - ThriveMore at Home	317	465	624	805	990
Amortization of Deferred Revenue from Nonrefundable Advance Fees	4,853	5,941	6,849	7,549	8,225
Amortization of Deferred Revenue from Nonrefundable Advance Fees - ThriveMore at Home	59	177	301	430	563
Gifts, Including Gifts from Churches and Special Day Offerings	1,750	1,768	1,785	1,803	1,821
Investment Income	3,065	3,377	3,416	3,423	3,468
Other	602	669	717	739	761
Other - At Home Program	26	48	79	118	164
Total Revenues, Gains, and Other Support	51,421	57,886	62,549	65,354	68,252
OPERATING EXPENSES					
Resident Care	20,219	22,002	23,172	24,098	25,063
Dietary	6,957	7,505	7,878	8,223	8,550
Maintenance and Housekeeping	7,555	8,011	8,404	8,749	9,099
General and Administrative	8,460	8,772	9,154	9,519	9,900
ThriveMore at Home	479	844	1,135	1,442	1,775
Depreciation	10,489	11,246	11,177	11,177	11,177
Amortization	1,694	1,694	1,694	1,694	1,694
Interest Expense	2,825	5,655	5,797	5,640	5,466
Total Operating Expenses	58,678	65,728	68,411	70,542	72,725
OPERATING LOSS	(7,257)	(7,842)	(5,862)	(5,188)	(4,473)
NON-OPERATING LOSS					
Accreted Interest	(752)	(752)	(752)	(752)	(752)
Total Non-Operating Loss	(752)	(752)	(752)	(752)	(752)
DEFICIT OF REVENUES OVER EXPENSES AND DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS					
	(8,009)	(8,594)	(6,614)	(5,940)	(5,225)
OTHER CHANGES IN NET ASSES WITHOUT DONOR RESTRICTIONS					
Net Assets Released from Restrictions for Property and Equipment	673	-	-	-	-
Total Other Changes in Net Assets Without Donor Restrictions	673	-	-	-	-
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(7,336)	(8,594)	(6,614)	(5,940)	(5,225)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS					
Contributions	673	-	-	-	-
Net Assets Released from Restrictions for Property and Equipment	(673)	-	-	-	-
Change in Net Assets with Donor Restrictions	-	-	-	-	-
Decrease in Net Assets	(7,336)	(8,594)	(6,614)	(5,940)	(5,225)
Net Assets - Beginning of Year	75,168	67,832	59,237	52,623	46,683
Net Assets - End of Year	\$ 67,832	\$ 59,237	\$ 52,623	\$ 46,683	\$ 41,458

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

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

	2026	2027	2028	2029	2030
CASH FLOWS FROM OPERATING ACTIVITIES					
Decrease in Net Assets	\$ (7,336)	\$ (8,594)	\$ (6,614)	\$ (5,940)	\$ (5,225)
Adjustments to Reconcile Decrease in Net Assets to Net Cash Provided by Operating Activities:					
Depreciation	10,489	11,246	11,177	11,177	11,177
Amortization of Goodwill	1,694	1,694	1,694	1,694	1,694
Amortization of Deferred Revenue from Advance Fees	(4,853)	(5,941)	(6,849)	(7,549)	(8,225)
Amortization of Deferred Revenue from Nonrefundable Advance Fees - ThriveMore at Home	(59)	(177)	(301)	(430)	(563)
Amortization of Deferred Issuance Costs	211	84	86	87	85
Accreted Interest	752	752	752	752	752
Advance Fees Received	14,255	13,802	15,192	17,091	18,716
Advance Fees Refunded	(4,508)	(5,105)	(5,680)	(6,389)	(6,976)
Advance Fees Received - At Home Program	1,402	1,458	1,516	1,577	1,640
(Increase) Decrease in Current Assets					
Accounts Receivable	(593)	(375)	(266)	(143)	(147)
Prepaid Expenses and Other Current Assets	10	(54)	(45)	(46)	(46)
Increase (Decrease) in Current Liabilities					
Accounts Payable	(2,724)	400	159	134	140
Accrued Expenses	(2,827)	309	84	59	59
Accrued Employee Compensation	(376)	54	54	56	59
Net Cash Provided by Operating Activities	5,537	9,552	10,959	12,130	13,141
CASH FLOWS FROM INVESTING ACTIVITIES					
Net Change in Investments	(13,457)	(78)	2,995	60	(83)
Net Change in Assets Limited as to Use	842	(2,316)	(2,429)	(920)	(1,212)
Change in Note Receivable - Western	2,500	-	-	-	-
Purchase of Property and Equipment	(40,928)	(10,784)	(6,819)	(7,023)	(7,234)
Net Cash Used in Investing Activities	(51,043)	(13,178)	(6,253)	(7,883)	(8,529)
CASH FLOWS FROM FINANCING ACTIVITIES					
Principal Payments on Long-Term Debt	(17,309)	(5,341)	(5,738)	(3,953)	(4,122)
Proceeds from Issuance of Long-Term Debt	38,635	5,553	-	-	-
Payment of Financing Costs	(241)	-	-	-	-
Initial Entrance Fees Received	24,697	3,785	1,363	-	-
Net Cash Provided (Used in) Investing Activities	45,782	3,997	(4,375)	(3,953)	(4,122)
CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	276	371	331	294	490
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	1,871	2,147	2,518	2,849	3,143
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	\$ 2,147	\$ 2,518	\$ 2,849	\$ 3,143	\$ 3,633
Supplementary Disclosure: Cash Paid for Interest, Net of Capitalized Interest	\$ 2,544	\$ 4,737	\$ 4,629	\$ 4,392	\$ 4,247

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

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

	2026	2027	2028	2029	2030
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 2,147	\$ 2,518	\$ 2,849	\$ 3,143	\$ 3,633
Accounts Receivable, Net	2,368	2,743	3,009	3,152	3,299
Investments	69,650	69,728	66,734	66,674	66,756
Contributions Receivable	708	708	708	708	708
Prepaid Expenses and Other Assets	1,012	1,066	1,111	1,157	1,203
Total Current Assets	75,885	76,763	74,411	74,834	75,599
ASSETS LIMITED AS TO USE					
Internally Designated for Statutory Operating Reserve	9,792	11,258	12,687	12,607	13,019
Internally Designated for ThriveMore at Home	3,109	4,109	5,109	6,109	6,909
Entrance Fee Deposits	400	250	250	250	250
Total Assets Limited as to Use	13,301	15,617	18,046	18,966	20,178
INVESTMENTS AND OTHER ASSETS					
Investments Under Split-Interest Agreements:					
Charitable Remainder Trusts	1,775	1,775	1,775	1,775	1,775
Beneficial Interest in Perpetual Trust	7,759	7,759	7,759	7,759	7,759
Other Assets	15	15	15	15	15
Total Investments and Other Assets	9,549	9,549	9,549	9,549	9,549
PROPERTY AND EQUIPMENT, NET	158,928	158,466	154,108	149,953	146,010
GOODWILL, NET	12,050	10,356	8,662	6,968	5,274
Total Assets	\$ 269,713	\$ 270,752	\$ 264,775	\$ 260,270	\$ 256,610
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Current Maturities of Long-Term Debt	\$ 2,141	\$ 2,738	\$ 3,953	\$ 4,122	\$ 4,302
Line of Credit	6,111	6,111	6,111	6,111	6,111
Accounts Payable	2,862	3,263	3,421	3,555	3,696
Accrued Expenses	1,181	1,490	1,574	1,633	1,692
Accrued Employee Compensation	1,129	1,183	1,237	1,293	1,352
Other Current Liabilities	10	10	10	10	10
Current Portion of Refundable Advance Fees	736	736	736	736	736
Total Current Liabilities	14,170	15,531	17,042	17,460	17,899
LONG-TERM DEBT, LESS CURRENT MATURITIES, NET OF ISSUANCE COSTS	103,596	103,295	96,428	92,393	88,175
DEFERRED REVENUE AND OTHER LIABILITIES					
Entrance Fee and Waitlist Deposits	336	336	336	336	336
Deferred Revenue from Advance Fees	35,042	39,697	41,673	42,313	42,960
Refundable Advance Fees On Occupied Units, Net of Current Portion	45,645	48,283	51,085	54,350	57,970
Deferred Revenue from Advance Fees - ThriveMore at Home	2,031	3,309	4,520	5,663	6,736
Refundable Advance Fees On Occupied Units, Net of Current Portion - ThriveMore at Home	1,061	1,064	1,068	1,072	1,076
Total Deferred Revenue and Other Liabilities	84,115	92,689	98,682	103,734	109,078
Total Liabilities	201,881	211,515	212,152	213,587	215,152
NET ASSETS					
Net Assets Without Donor Restrictions	41,974	33,379	26,765	20,825	15,600
Net Assets With Donor Restrictions	25,858	25,858	25,858	25,858	25,858
Total Net Assets	67,832	59,237	52,623	46,683	41,458
Total Liabilities and Net Assets	\$ 269,713	\$ 270,752	\$ 264,775	\$ 260,270	\$ 256,610

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

Summary of Significant Projection Assumptions and Accounting Policies

BACKGROUND AND INFORMATION

Basis of Presentation

This financial projection presents, to the best of management's knowledge and belief, the Baptist Retirement Homes of North Carolina, Incorporated dba Thrivemore (the "Homes") and its consolidated affiliate, Baptist Retirement Homes Foundation (the "Foundation") (collectively, the "Organization"), expected consolidated balance sheets, statements of operations and changes in net assets and cash flows as of September 30, 2026, 2027, 2028, 2029, and 2030 (the "Projection Period") and for each of the years then ending. As used herein, management of the Organization is referred to as "Management."

Accordingly, the projection reflects Management's judgment as of February 23, 2026, the date of this projection, of the expected conditions and its expected course of action during the Projection Period. The financial projection is based on Management's assumptions concerning future events and circumstances. The assumptions disclosed herein are those that Management believes are significant to the projection or are key factors upon which the financial results of the Organization depend.

The projected results may not be achieved as there will usually be differences between the projected and actual results because events and circumstances frequently do not occur as expected and those differences may be material. Management does not intend to revise this projection to reflect changes in present circumstances or the occurrence of unanticipated events.

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

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

- Management is able to achieve the operating revenue inflationary rate increases and operating expense inflationary increases as projected;
- Management is able to achieve the net entrance fees from turnover, as projected;
- Interest rates related to variable debt remain as projected;
- Management is able to achieve the projected fill-up of the "ThriveMore at Home Program" or "TMAHP", as defined hereinafter, at the projected pricing, entrance fee plan selection and service plan selection mix, and operates the TMAHP as projected;
- The Taylor Glen Project, as defined hereinafter, is completed at the projected costs and timing, and achieves the projected fill-up and entrance fee plan mix selection;
- The Day Care Project, as defined hereinafter, is completed at the timing and costs, as projected, and is operated, as projected;
- The Adult Memory Care Project, as defined hereinafter, is completed at the timing and costs, as projected;
- The Adult Memory Care Project achieves the demand and fill, as projected, at the assumed projected pricing; and
- Management is able to operate the Adult Memory Care Project, as projected.

Summary of Significant Projection Assumptions and Accounting Policies

Background of the Organization

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

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

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

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

Principles of Consolidation

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

The Homes' Facilities

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

Summary of Significant Projection Assumptions and Accounting Policies

The Gardens of Taylor Glen Retirement Community: The Gardens of Taylor Glen Retirement Community (“Gardens”) is a continuing care retirement community that opened in November 2002. It is located on a 134-plus-acre tract of land located in Concord, North Carolina. As of October 1, 2025, the community currently consists of 130 independent living apartments, 12 adult care home residences, 12 memory-enhanced residences, and 24 nursing care beds. The Taylor Glen Project, as described herein, is projected to open in phases during fiscal year 2026. With the opening of the Taylor Glen Project, Management is projecting renovations to the existing memory-enhanced assisted living residences to convert them to traditional assisted living residences. See Table 2 for the unit configuration at the Garden before and after completion of the Taylor Glen Project and assisted living renovations. The Gardens also incorporates the following support facilities: administrative offices, a bank, a chapel, a multi-purpose room, a swimming pool, an exercise area, arts and crafts rooms, a wood-working shop, a library, a guest cottage, physical therapy rooms, recreation/social areas to include a pond and walking paths, dining areas, beauty/barber shops, a convenience store, a mail area, parlors, a cafe, a kitchen, a training area for health care employees, and several areas for environmental services, maintenance and laundry. A renovation of the entrance was completed in January 2024. In addition, over the last five years, a significant amount of capital reinvestment has occurred with the apartments being upgraded to current market standards which has lead to significant growth in occupancy, creating essentially a full independent living setting with a growing waitlist.

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

Ardenwoods: The Ardenwoods community is located on approximately 48 acres in Arden, North Carolina and provides a continuum of resident accommodations that currently include 95 independent living apartments and 47 assisted living units. The community includes two campuses that separately house the independent living units (the “Upper Campus”) and the assisted living units (the “Lower Campus”), and a main common area (the “Clubhouse”). Ardenwoods was acquired by the Homes effective October 2, 2023.

Summary of Significant Projection Assumptions and Accounting Policies

The following table shows the current unit configurations for each of the Homes' facilities as of October 1, 2025.

	Brookridge	Gardens	Taylor ⁽¹⁾	Ardenwoods
Independent Living Units:				
Studio	7	-	-	-
One Bedroom	42	36	-	23
Two Bedroom	35	94	-	48
Three Bedroom		-	-	24
Garden Homes, Single Units	6	-	-	-
Garden Homes, Duplex	42	-	-	-
Total Independent Living Units	132	130	-	95
Assisted Living Units:				
Traditional Residence	26	12	28	47
Memory-Enhanced Residence	10	12	-	-
Total Assisted Living Units	36	24	28	47
Total Nursing Units	77	24	-	-
Total Units	245	178	28	142

Source: Management

Note:

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

The following table summarizes the unit configurations at the Gardens before and after completion of the Taylor Glen Project and assisted living renovations (the "AL Renovations").

	Existing Units	Taylor Glen Project		Units after Project
		Additions ⁽¹⁾	AL Renovations ⁽²⁾	
Independent Living Units:				
Studio	-	-	-	-
One Bedroom	36	3	-	39
Two Bedroom	94	44	-	138
Three Bedroom	-	3	-	3
Garden Homes, Single Units	-	-	-	-
Garden Homes, Duplex	-	-	-	-
Total Independent Living Units	130	50	-	180
Assisted Living Units:				
Traditional Residence	12	-	12	24
Memory-Enhanced Residence	12	12	(12)	12
Total Assisted Living Units	24	12	-	36
Total Nursing Units	24	-	-	24
Total Units	178	62	-	240

Source: Management

Notes:

See Accompanying Independent Accountants' Compilation Report

Summary of Significant Projection Assumptions and Accounting Policies

- (1) The first of the New Independent Living Units, as hereinafter defined, are projected to open in phases, beginning in October 2025, with the final units opening in May 2026. The memory-enhanced residences are expected to open in February 2026.
- (2) Management has projected that once the new memory-enhanced residences open, the existing units will close for renovations and are projected to reopen as traditional residences in July 2026.

ThriveMore at Home Program

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

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

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

The core elements of the TMAHP are as follows:

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

See Accompanying Independent Accountants’ Compilation Report

Summary of Significant Projection Assumptions and Accounting Policies

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

Table 3
ThriveMore at Home Program
2026 Plan and Coverage Levels ⁽¹⁾

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

Source: Management

Notes:

- (3) Maximum Daily Benefit Amount means the amount equal to the lesser of: (i) the actual fees, costs and charges to Member by the Provider for the services provided to Member in a day; and (ii) the maximum dollar amount limit of fees, costs and charges covered per day by the Provider as published by Provider from time to time ("Published Cost of Care") for services provided by Provider with both (i) and (ii) subject to the Member Plan (and corresponding percentages thereunder) selected by Member, including co-payments, deductibles and limitations, and subject to fees, costs and charges that are covered by any governmental payor program and/or insurance. The 2026 Published Cost of Care is \$420.

The plans provide the following benefits:

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

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

Summary of Significant Projection Assumptions and Accounting Policies

THE TAYLOR GLEN PROJECT

Management has projected an expansion at the Gardens. The “Taylor Glen Project” will consist of 50 New Independent Living Units and 12 New Assisted Living Units with memory-enhanced services. The New Independent Living Units will consist of 33 cottages (the “IL Cottages”) and 17 apartments (the “IL Villas”).

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

Table 4
The Taylor Glen Project
Unit Configuration, Monthly Fees and Entrance Fees
(in 2026 Dollars)

Unit Name	Unit Type	Number of Units / Beds	Square Footage	Monthly Service Fees	Entrance Fee	
					90% Refund Plan	Standard Plan - 60 Month
New Independent Living Units						
Daisy	1 Bedroom, 1 Bath	3	1,112	\$3,700	\$417,000	\$213,000
Lily	2 Bedroom, 2 Bath	4	1,508	5,000	565,000	289,000
Peony	2 Bedroom. 2.5 Bath. Den	6	1,800	5,980	675,000	345,000
Dahlia	2 Bedroom. 2.5 Bath. Den. Sunroom	4	2,006	6,630	750,000	384,000
Dogwood	2 Bedroom, 2 Bath	9	1,700	5,650	690,000	353,000
Lupine	2 Bedroom. 2 Bath. Den	17	1,842	6,090	745,000	382,000
Iris	2 Bedroom. 2.5 Bath. Den. Sunroom	4	2,085	6,850	845,000	432,000
Iris Two- Story	3 Bedroom. 3.5 Bath. Sunroom. Bonus	3	2,962	8,150	1,200,000	614,000
Total / Weighted Average - New Independent Living Units		50	1,663	\$ 5,506	\$ 656,320	\$ 336,000
Second Person Fees				\$960	\$21,300	\$21,300
New Assisted Living Units		12		\$ 9,000	N/A	N/A

Source: Management

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

Table 5
The Taylor Glen Project
Projected Utilization of Entrance Fee Plans

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

Source: Management

Notes:

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

(2) Represents the projected allocation of entrance fee plan types selected by subsequent residents of the New Independent

See Accompanying Independent Accountants’ Compilation Report

Summary of Significant Projection Assumptions and Accounting Policies

Living Units during the Projection Period.

Taylor Glen Project Timeline

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

**Table 6
The Taylor Project
Development Timeline**

Date	Milestone
October-25	Construction of the IL Cottages is Complete and Occupancy Commences
February-26	Resident Transfers to the New Assisted Living Units is Complete
May-26	IL Cottages Achieve Stabilized Occupancy (95%)
May-26	Construction of the IL Villas is Complete and Occupancy Commences
August-26	IL Villas Achieve Stabilized Occupancy (95%)

Source: Management

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

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

Month	Total Units	Net Move-Ins	Cumulative Occupancy	
			Number of Units	Percentage
Fiscal Year 2026				
October	50.0	11.0	11.0	22%
November	50.0	3.0	14.0	28%
December	50.0	0.0	14.0	28%
January	50.0	3.0	17.0	34%
February	50.0	3.0	20.0	40%
March	50.0	6.0	26.0	52%
April	50.0	3.0	29.0	58%
May	50.0	7.4	36.4	73%
June	50.0	5.0	41.4	83%
July	50.0	3.1	44.5	89%
August	50.0	3.1	47.6	95%
Thereafter	50.0		47.6	95%

Source: Management

Management expects double occupancy for the New Independent Living Units to be 75% in 2026, decreasing by 5% annually until reaching 55% during the Projection Period.

Summary of Significant Projection Assumptions and Accounting Policies

With the opening of the New Assisted Living Units, Management has projected that the 12 memory-enhanced existing assisted living units at the Gardens will be closed for renovations, and all residents will be relocated to the New Assisted Living Units. As a result, the New Assisted Living Units will not have a fill-up period. Instead, the table below outlines the projected move-in schedule for the assisted living units after renovations are completed these units open.

**Table 8
Gardens
Move-In Schedule
AL Renovation Units**

Month	Total Units ⁽¹⁾	Net Move-Ins	Cumulative Occupancy	
			Number of Units	Percentage
Fiscal Year 2026				
July	12.0	2.0	2.0	17%
August	12.0	2.0	4.0	33%
September	12.0	2.0	6.0	50%
Fiscal Year 2027				
October	12.0	2.0	8.0	67%
November	12.0	2.0	10.0	83%
December	12.0	1.0	11.0	92%
Thereafter	12.0		11.0	92%

Source: Management

Notes:

(1) As previously mentioned, Management has projected that the existing memory-enhanced residences at the Gardens would be renovated and reopen as assisted living units that offer traditional assisted living services.

Summary of Significant Projection Assumptions and Accounting Policies

THE DAY CARE PROJECT

Management has projected an expansion to the Brookridge Retirement Community through the construction of a Day Care Center (the "Day Care Project"). Construction is anticipated to be completed with child enrollment beginning in March 2026. Effective February 12, 2025, Management has entered into a lease agreement whereby the day care facility will be leased to another nonprofit organization, which will be responsible for managing all daily operations, including all matters related to personnel management and certain operating costs.

PLAN OF FINANCE – DAY CARE PROJECT

Management has assumed the following sources and uses of funds in preparing its financial projection. A summary of the projected sources and uses of funds for the Organization's financing is provided in the following table:

Table 9
Day Care Project
Projected Sources and Uses of Funds
(In Thousands of Dollars)

Sources of Funds:		
Day Care Loan	\$	3,891 (1)
Equity		1,439 (2)
Total Sources of Funds	\$	5,330
Uses of Funds:		
Project Costs:		
Design and Engineering	\$	478 (3)
Construction		4,605 (4)
Furniture and Equipment		25 (5)
Owner's Contingency		126 (6)
Total Project Costs		5,234
Cost of Issuance		96 (7)
Total Uses of Funds	\$	5,330

Source: Management

Notes to Table 9:

- 1) Management has projected that the Day Care Project would be financed through the issuance of commercial promissory note with First-Citizens Bank & Trust Company (the "Day Care Loan"), bearing interest at 6.39 percent, subject to monthly principal and interest payments, with interest only payments beginning December 2025 and monthly principal and interest payments beginning December 2026 through November 2036.
- 2) Management has projected an equity contribution of approximately \$1,439,000.
- 3) Management has projected design and engineering costs of approximately \$478,000.
- 4) Management has projected construction costs of approximately \$4,605,000.
- 5) Management has projected furniture and equipment costs of approximately \$25,000
- 6) Management has projected a project contingency of approximately \$126,000.
- 7) Management has projected issuance costs of approximately \$96,000.

Summary of Significant Projection Assumptions and Accounting Policies

THE COUPLES MEMORY CARE PROJECT

Management has projected the “Couples Memory Care Project” to be constructed as part of the Brookridge Retirement Community. The Couples Memory Care Project will include 12 units (24 beds) designed specifically for couples where one resident requires memory enhanced assisted living services and the other is able to live independently (the “Couples Memory Care Units”).

The following table shows the current unit configurations, monthly service fees and entrance fees for the Couples Memory Care Project.

Table 10
The Couples Memory Care Project
Unit Configuration, Monthly Fees and Entrance Fees
(in 2026 Dollars)

Unit Name	Unit Type	Number of Beds	Square Footage	Monthly Service Fees	Entrance Fee ⁽¹⁾
					Standard Plan - 60 Month
Independent Living	1 Bedroom, 1 Bath with Garage	12	2,332	\$5,220	\$432,640
Memory Enhanced Assisted Living	1 Bedroom, 1 Bath with Garage	12	2,332	9,426	N/A
Total / Weighted Average - Couples Memory Care Units		24	2,332	\$ 7,323	\$432,640

Source: Management

Notes:

(1) Each couple pays a joint entrance fee.

Management has projected that the Couples Memory Care Units will offer only the Standard Plan – 60 Month as the entrance fee option.

Couples Memory Care Project Timeline

The following table presents the projected timeline, as provided by Management, for the Couples Memory Care Project.

Table 11
The Couples Memory Care Project
Development Timeline

Date	Milestone
October-25	Construction of the Couples Memory Care Project Commences
January-27	Construction is Completed and Move-ins Begin
December-27	Couples Memory Care Units Achieve Stabilized Occupancy (90%)

Source: Management

Summary of Significant Projection Assumptions and Accounting Policies

PLAN OF FINANCE – COUPLES MEMORY CARE PROJECT

Management has assumed the following sources and uses of funds in preparing its financial projection. A summary of the projected sources and uses of funds for the Organization’s financing is provided in the following table:

Sources of Funds:		
Long-Term Loan	\$	15,689 (1)
Entrance Fee Loan		3,200 (1)
Equity		35 (2)
Total Sources of Funds	\$	18,924
Uses of Funds:		
Project Costs:		
Design and Engineering	\$	908 (3)
Construction		16,850 (4)
Furniture and Equipment		595 (5)
Marketing		38 (6)
Owner's Contingency		388 (7)
Total Project Costs		18,779
Cost of Issuance		145 (8)
Total Uses of Funds	\$	18,924

Source: Management

Notes to Table 12:

- 1) The Organization projected proceeds from financing arrangements with First-Citizens Bank & Trust Company in the amount of \$18,889,000 are planned to be generated utilizing the following structure and terms:
 - Management has projected that a portion of the Couples Memory Care Project would be financed through the issuance of a \$15,689,000 fixed rate promissory note (the “Long-Term Loan”), bearing interest at 5.98 percent, subject to monthly principal and interest payments, with interest only payments beginning February 2026 and monthly principal and interest payments beginning February 2028 through January 2038.
 - Management has projected that a portion of the Couples Memory Care Project would be financed through the issuance of a \$3,200,000 fixed rate promissory note (the “Entrance Fee Loan”), bearing interest at 5.00 percent, with monthly interest only payments beginning February 2026 with a maturity date of December 19, 2027 at which time all principal will be repaid. The Entrance Fee Loan is expected to be repaid from initial entrance fees from first generation residents of the Couples Memory Care Units in advance of the stated maturity.
- 2) Management has projected an equity contribution of approximately \$35,000.
- 3) Management has projected design and engineering costs of approximately \$908,000.
- 4) Management has projected construction costs of approximately \$16,850,000.

See Accompanying Independent Accountants’ Compilation Report

Summary of Significant Projection Assumptions and Accounting Policies

- 5) Management has projected furniture and equipment costs of approximately \$595,000
- 6) Management has projected marketing costs of approximately \$38,000.
- 7) Management has projected a project contingency of approximately \$388,000.
- 8) Management has projected issuance costs of the proposed loans of approximately \$145,000.

Projected occupancy for the Couples Memory Care Project is based upon Management's assumed move-in schedule for the Couples Memory Care Units as depicted in the following table.

Table 13
Couples Memory Care Project Move-In Schedule
Couples Memory Care Units

Month	Total Units	Net Move-Ins	Cumulative Occupancy	
			Number of Units	Percentage
Fiscal Year 2027				
January	12.0	0.9	0.9	8%
February	12.0	0.9	1.8	15%
March	12.0	0.9	2.7	23%
April	12.0	0.9	3.6	30%
May	12.0	0.9	4.5	38%
June	12.0	0.9	5.4	45%
July	12.0	0.9	6.3	53%
August	12.0	0.9	7.2	60%
September	12.0	0.9	8.1	68%
October	12.0	0.9	9.0	75%
November	12.0	0.9	9.9	83%
December	12.0	0.9	10.8	90%
Thereafter	12.0		10.8	90%

Source: Management

Summary of Significant Projection Assumptions and Accounting Policies

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Net Assets without Donor Restrictions

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

Net Assets with Donor Restrictions

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

Cash and Cash Equivalents

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

Accounts Receivable

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

Contributions and Support

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

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

Summary of Significant Projection Assumptions and Accounting Policies

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

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

Assets Limited as to Use

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

Investments

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

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

Assets in Split-Interest Agreements

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

Summary of Significant Projection Assumptions and Accounting Policies

Property and Equipment

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

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

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

Deferred Financing Costs

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

Deferred Revenue from Advance Fees

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

Obligation to Provide Future Services

The Organization annually calculates the present value of the net cost of future services and use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from advance fees. If the present value of the net cost of future services and use of facilities exceeds the deferred revenue from advance fees, a liability is recorded (obligation to provide future services and use of facilities) with the corresponding charge to income. There was no liability recognized at September 30, 2025. Management has not projected any obligation to provide future services liability during the Projection Period.

Summary of Significant Projection Assumptions and Accounting Policies

Deficit of Revenue Over Expenses

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

Net Resident and Health Care Service Revenue

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

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

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

Summary of Significant Projection Assumptions and Accounting Policies

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

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

Medicare

The Organization's licensed nursing facilities participate in the Medicare program. This federal program is administered by the Centers for Medicare and Medicaid Services (CMS). The nursing facilities were paid under the Medicare Prospective Payment System (PPS) for residents who are Medicare Part A eligible and met the coverage guidelines for skilled nursing facility services. The PPS was a per diem price-based system. CMS finalized the Patient Driven Payment Model (PDPM) to replace the existing Medicare reimbursement system effective October 1, 2019. Under PDPM, therapy minutes are removed as the primary basis for payment and instead the underlying complexity and clinical needs of a patient is used as a basis for reimbursement.

In addition, PDPM introduces variance adjustment factors that change reimbursement rates during the resident's length of stay. Annual cost reports are required to be submitted to the designated Medicare Administrative Contractor; however, they do not contain a cost settlement.

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

Medicaid

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

Other

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

Summary of Significant Projection Assumptions and Accounting Policies

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Organization's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations.

Generally, residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Organization estimates the transaction price for residents with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are recorded as adjustments to resident services revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the resident's ability to pay are recorded as bad debt expense.

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

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

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

Contract Costs

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

Summary of Significant Projection Assumptions and Accounting Policies

Income Taxes

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

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

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

Allowance for Credit Losses

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

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

Goodwill

The Organization accounts for business acquisitions using the acquisition method of accounting. Goodwill is recognized as a result of a business combination when the purchase price paid for the acquired business exceeds the fair value of its intended net assets. Identified intangible assets are recognized at their fair value when acquired. The Organization has elected the alternative accounting for goodwill as its accounting policy. The Organization has elected to amortize goodwill on a straight-line basis over 10 years and to test for impairment at the entity level. Goodwill is amortized on a straight-line basis. At September 30, 2025, goodwill was approximately \$16,941,000 and amortization expense was approximately \$1,598,000. At September 30, 2025, accumulated amortization was approximately \$3,196,000. Organizations making the election test goodwill for impairment only when a triggering event occurs and perform the goodwill impairment evaluation as of the end of each reporting period, instead of annually. When impairment is likely, the Organization calculates goodwill impairment as the Organization's carrying value including goodwill that exceeds its fair value. There was no impairment of goodwill during 2025. Management has not projected any impairment of goodwill during the Projection Period.

Summary of Significant Projection Assumptions and Accounting Policies

Business Combination Accounting for Contract Assets and Contract Liabilities

In 2024, the Organization early adopted FASB ASU No. 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*, which requires an acquirer to recognize and measure contract assets and liabilities acquired in a business combination in accordance with Topic 606 rather than adjust them to fair value at the acquisition date.

Use of Estimates

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

Summary of Significant Projection Assumptions and Accounting Policies

Management's Basis for Projection of Revenue

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

Revenue for the independent living units is based on the monthly service fees assumed by Management to be charged to the residents and the assumed utilization of the independent living units. Health care revenues consist of funds generated from services provided to residents transferring from the independent living units, and those services provided to residents admitted directly to the Health Center.

Management's projected occupancy assumptions are presented in Table 14.

Health Center Free Days

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

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

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

Projected Occupancy Levels

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

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

Summary of Significant Projection Assumptions and Accounting Policies

The following table shows projected occupancy for each of the Homes' facilities existing units for the Projection Period, as projected by Management based in part on the Organization's historical experience.

	2026	2027	2028	2029	2030
Brookridge ⁽¹⁾					
Independent Living Units	93.9%	93.9%	93.9%	93.9%	93.9%
Assisted Living Units	88.9%	88.9%	88.9%	88.9%	88.9%
Nursing Units	76.6%	76.6%	76.6%	76.6%	76.6%
Gardens ⁽²⁾ :					
Independent Living Units	95.4%	95.4%	95.4%	95.4%	95.4%
Assisted Living Units	91.7%	91.7%	91.7%	91.7%	91.7%
Nursing Units	66.7%	66.7%	66.7%	66.7%	66.7%
Ardenwoods:					
Independent Living Units	94.7%	94.7%	94.7%	94.7%	94.7%
Assisted Living Units	93.6%	93.6%	93.6%	93.6%	93.6%
Taylor:					
Assisted Living Units	96.4%	96.4%	96.4%	96.4%	96.4%

Source: Management

Note:

(1) Does not include the Couples Memory Care Units. See Table 13 for Couples Memory Care Project fill schedule and projected occupancy.

(2) Does not include the New Independent Living Units and New Assisted Living Units. See Table 7 and Table 8 for Taylor Glen Project fill schedules and projected occupancy.

The projected double occupancy percentages in the independent living units of Gardens, Brookridge, and Ardenwoods are approximately 31 percent, 29 percent, and 26 percent, respectively, based upon historical operating experience and the assumptions provided by Management.

Summary of Significant Projection Assumptions and Accounting Policies

ThriveMore at Home Program Fill Schedule

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

Table 15
ThriveMore at Home Program
Projected Fill Schedule

Month	Fiscal Year									
	2026	2026	2027	2027	2028	2028	2029	2029	2030	2030
	New	Cumulative								
	Enrollees									
October	1.5	36.5	1.5	54.5	1.5	72.5	1.5	90.5	1.5	108.5
November	1.5	38.0	1.5	56.0	1.5	74.0	1.5	92.0	1.5	110.0
December	1.5	39.5	1.5	57.5	1.5	75.5	1.5	93.5	1.5	111.5
January	1.5	41.0	1.5	59.0	1.5	77.0	1.5	95.0	1.5	113.0
February	1.5	42.5	1.5	60.5	1.5	78.5	1.5	96.5	1.5	114.5
March	1.5	44.0	1.5	62.0	1.5	80.0	1.5	98.0	1.5	116.0
April	1.5	45.5	1.5	63.5	1.5	81.5	1.5	99.5	1.5	117.5
May	1.5	47.0	1.5	65.0	1.5	83.0	1.5	101.0	1.5	119.0
June	1.5	48.5	1.5	66.5	1.5	84.5	1.5	102.5	1.5	120.5
July	1.5	50.0	1.5	68.0	1.5	86.0	1.5	104.0	1.5	122.0
August	1.5	51.5	1.5	69.5	1.5	87.5	1.5	105.5	1.5	123.5
September	1.5	53.0	1.5	71.0	1.5	89.0	1.5	107.0	1.5	125.0

Source: Management

Projected Entrance and Monthly Service Fees

The following tables summarize the entrance fees, monthly service fees and daily rates for the Organization's facilities. Note that these fees became effective during fiscal year 2026.

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

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

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

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

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUE (CONTINUED)

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

The following table summarizes the monthly service fees and daily rates for those facilities that comprised the Homes as of October 1, 2025:

Table 16
Homes
Monthly Fees / Daily Fees - 2026

	Brookridge	Gardens	Taylor ⁽¹⁾	Ardenwoods ⁽²⁾
Independent Living Units (Monthly Rates):				
Single Rates:				
Studio	\$ 1,750	\$ -	\$ -	\$ -
One Bedroom	2,280	2,520	-	3,310
One Bedroom, Deluxe	2,900	2,910	-	3,310
Two Bedrooms	2,900	4,220	-	3,900
Two Bedrooms, Deluxe	3,650	4,660	-	3,900
Two Bedrooms, Classic	3,190	4,860	-	-
Two Bedroom, Combo	-	5,280	-	-
Three Bedrooms				4,180
Three Bedrooms, Deluxe				4,180
Garden Homes, Single Unit (Willow)	5,220	-	-	-
Garden Homes, Single Unit (Cypress)	3,320			
Garden Homes, Duplex	3,320	-	-	-
Second Person Fees	1,050	960	550	1,000
Assisted Living Units (Monthly Rates):				
Large Room	\$ -	\$ -	\$ 4,020	\$ -
Studio	-	-	-	6,070
Regular Room	7,780	6,940	3,880	-
Regular Room, Entrance Fee	6,560	-	-	-
Suites	8,560	-	4,720	-
Suites, Entrance Fee	7,220	-	-	-
Memory-Enhanced Residence	9,690	9,000	-	-
Nursing Beds (Daily Rates):				
Semi-Private	\$ 420	\$ -	\$ -	N/A
Private	475	400	-	N/A

Source: Management

Notes:

(1) Taylor does not provide independent living or nursing services.

(2) Ardenwoods does not provide nursing services.

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUE (CONTINUED)

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

**Table 17
Homes
Entrance Fees – 2026**

	Brookridge ⁽¹⁾	Gardens ⁽¹⁾	Ardenwoods ⁽²⁾
Independent Living Units:			
Studio	\$ 54,700	\$ -	\$ -
One Bedroom	86,600	150,300	271,000
One Bedroom, Deluxe	144,600	162,800	306,000
Two Bedrooms	144,600	207,800	371,000
Two Bedrooms, Deluxe	234,000	281,400	406,000
Two Bedrooms, Classic	156,000	335,900	-
Two Bedroom Combo	-	376,400	-
Three Bedrooms	-	-	449,000
Three Bedrooms, Deluxe	-	-	484,000
Garden Homes, Single Unit (Willow)	475,000	-	-
Garden Homes, Single Unit (Cypress)	-	-	-
Garden Homes, Duplex	243,800	-	-
Second Person Fees	15,000	15,000	25,000
Assisted Living Units:			
Studio	\$ -	\$ -	\$ 2,500

Source: Management

Notes:

(1) Entrance fee pricing noted above for Brookridge and Gardens is for the Standard Plan.

(2) Entrance fee pricing noted above for Ardenwoods is for the 90 Percent Refund Plan.

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUE (CONTINUED)

The following table summarizes the monthly service fees and membership fees for the program in 2026 dollars.

Table 18
ThriveMore at Home Program
Fee Schedule 2026 ⁽¹⁾

Age	Individual Membership Fee ⁽²⁾		Individual Monthly Service Fee ⁽²⁾		Couple Membership Fee ⁽³⁾		Couple Monthly Service Fee ⁽³⁾	
Diamond								
62	\$	63,135	\$	807	\$	50,715	\$	767
65	\$	72,450	\$	807	\$	60,030	\$	767
70	\$	86,940	\$	807	\$	73,485	\$	767
75	\$	103,500	\$	807	\$	82,800	\$	767
80	\$	115,920	\$	807	\$	93,150	\$	767
85	\$	116,955	\$	807	\$	93,668	\$	767
90	\$	117,990	\$	807	\$	94,185	\$	767
Platinum								
62	\$	51,750	\$	699	\$	38,399	\$	664
65	\$	57,960	\$	699	\$	45,540	\$	664
70	\$	70,380	\$	699	\$	55,890	\$	664
75	\$	75,555	\$	699	\$	64,170	\$	664
80	\$	89,010	\$	699	\$	72,450	\$	664
85	\$	92,115	\$	699	\$	72,968	\$	664
90	\$	93,150	\$	699	\$	73,485	\$	664
Gold								
62	\$	50,094	\$	538	\$	38,295	\$	511
65	\$	53,820	\$	538	\$	41,400	\$	511
70	\$	60,030	\$	538	\$	47,610	\$	511
75	\$	63,135	\$	538	\$	53,303	\$	511
80	\$	68,310	\$	538	\$	53,820	\$	511
85	\$	69,345	\$	538	\$	54,338	\$	511
90	\$	70,380	\$	538	\$	54,855	\$	511
Silver								
62	\$	48,438	\$	435	\$	31,878	\$	413
65	\$	51,750	\$	435	\$	35,190	\$	413
70	\$	53,820	\$	435	\$	39,330	\$	413
75	\$	54,855	\$	435	\$	40,883	\$	413
80	\$	55,890	\$	435	\$	41,400	\$	413
85	\$	57,960	\$	435	\$	41,918	\$	413
90	\$	58,995	\$	435	\$	42,435	\$	413
Bronze ⁽⁴⁾								
62	\$	7,000	\$	400	\$	3,750	\$	380
65	\$	8,500	\$	400	\$	4,500	\$	380
70	\$	11,500	\$	400	\$	6,000	\$	380
75	\$	13,500	\$	400	\$	7,000	\$	380
80	\$	15,500	\$	400	\$	8,000	\$	380
85	\$	16,500	\$	400	\$	8,500	\$	380
90	\$	17,000	\$	400	\$	8,750	\$	380

Source: Management

See Accompanying Independent Accountants' Compilation Report

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUE (CONTINUED)

Notes:

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

The Participant agrees to pay to the Homes a membership fee as a condition of becoming a Participant in the TMAHP. The membership fee is non-refundable, except as previously described in Table 18. In the event that the Participant elects to and is granted residency to a Homes accommodation, the membership fee paid for the TMAHP will be applied to the entrance fee required for the selected accommodation at one of the Homes' communities.

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

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

Table 19
ThriveMore at Home Program
Projected Average Occupancy and Average Monthly Service Fees

For the Years Ending September 30,	2026	2027	2028	2029	2030
Average Participant Occupancy	44.0	62.0	80.0	98.0	116.0
Weighted Average Monthly Service Fees ⁽¹⁾	\$ 600	\$ 624	\$ 650	\$ 684	\$ 711

Source: Management

Note:

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

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUE (CONTINUED)

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

	2026	2027	2028	2029	2030
Independent Living Rate Increases					
Monthly Fee	**	5.00%	5.00%	4.00%	4.00%
Entrance Fee	**	8.00%	8.00%	8.00%	5.00%
Assisted Living Rate Increases					
Monthly Fee	**	5.00%	5.00%	4.00%	4.00%
Nursing Rate Increases					
Private	**	5.00%	5.00%	4.00%	4.00%
Medicare	**	2.00%	2.00%	2.00%	2.00%
Medicaid	**	1.00%	1.00%	1.00%	1.00%
Thrivemore at Home Rate Increases					
Monthly Service Fee	**	4.00%	4.00%	4.00%	4.00%
Membership Fee	**	4.00%	4.00%	4.00%	4.00%

Source: Management

* Annual pricing increases are effective on October 1 of the fiscal year.

** The 2026 pricing is noted in Table 16, Table 17 and Table 18.

Entrance Fee Receipts

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

	2026	2027	2028	2029	2030
Advance Fees / Deposits Received from Initial Residents	\$24,697	\$ 3,785	\$ 1,363	\$ -	\$ -
Advance Fees from Turnover	14,255	13,802	15,192	17,091	18,716
Advance Fees Refunded	(4,508)	(5,105)	(5,680)	(6,389)	(6,976)
Total Advance Fees, Net	\$34,444	\$12,482	\$10,875	\$10,702	\$11,740

Source: Management

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUE (CONTINUED)

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

Membership Fee Plan Mix ⁽¹⁾	Distribution Mix
0% Refundable Plan	100%
50% Refundable Plan	0%
90% Refundable Plan	0%
Total Membership Fee Plan Mix	100%
Service Package Mix ⁽²⁾	Distribution Mix
Diamond	5%
Platinum	32%
Gold	56%
Silver	7%
Total Service Package Mix	100%

Source: Management

Notes:

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

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

	2026	2027	2028	2029	2030
Total Membership Fees, Net	\$ 1,402	\$ 1,458	\$ 1,516	\$ 1,577	\$ 1,640
Number of Membership Fees Received	18.0	18.0	18.0	18.0	18.0
Number of Membership Fees Refunded	(1.4)	(2.5)	(3.7)	(4.9)	(6.2)
Total Number of Membership Fees Received, Net	16.6	15.5	14.3	13.1	11.8

Source: Management and the Actuary

Notes:

- (1) Management has assumed membership fee receipts for the TMAHP based upon the membership fee pricing as summarized in Table 18 and the utilization of the membership fee contract types as summarized in Table 22.

Investment Income

Investment income consists of interest earnings on cash, cash equivalents, investments, and assets limited as to use, as provided by Management. Management has assumed investment returns on certain assets as noted in Table 24. Management does not project unrealized gains or losses during the Projection Period.

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT’S BASIS FOR PROJECTION OF REVENUE (CONTINUED)

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

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

Source: Management

Other Revenue Items

Management projects income from gifts, including gifts from churches and special day offerings, and trusts based upon past experience. Management projects that income from gifts, including gifts from churches and special day offerings, and trusts will be approximately \$1,750,000 in 2026 and an assumed a 1.0 percent increase throughout the remainder of the Projection Period.

Other revenue items include food service income from additional meals, guest meals, guest house, catering, etc., for the Organization and interest earnings from the notes receivable. Management assumes that charges for other revenues will increase approximately 4.0 percent annually throughout the remainder of the Projection Period. Also included in other revenue is interest earnings from the Note Receivable – Western, as described hereinafter, which is projected to be \$155,000 in 2026 and then \$0 for the remainder of the Projection Period. Other revenue also includes rental income from the Day Care Project, which is projected to be approximately \$223,000 in 2026 and \$392,000 in 2027, with an anticipated annual increase of approximately 2.0 percent throughout the remainder of the Projection Period.

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF OPERATING EXPENSES

Operating Expenses

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

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

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

Salaries and Related Benefits

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

Resident Care

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

Dietary

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

Maintenance and Housekeeping

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

General and Administrative

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

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF OTHER ITEMS

Assets Limited as to Use

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

Internally Designated for Statutory Operating Reserve

North Carolina Statutory Operating Reserve – Section 58-64A-245 of the General Statutes of North Carolina, as amended, requires that all continuing care facilities maintain operating reserves equal to 50 percent of the total operating costs (as defined in Section 58-64A-245) for the 12-month period related to the calculation. Once a continuing care facility achieves a 12-month daily average independent living unit occupancy rate of ninety percent (90% or higher) a provider shall only be required to maintain an operating reserve in an amount calculated using the table below, unless otherwise instructed by the Commission.

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

A provider who has a 12-month daily average independent living unit occupancy rate equal to or in excess of ninety-three percent (93%) and has no long-term debt or a debt service coverage ratio in excess of 2.00 as of the provider's most recent fiscal year-end shall only be required to maintain an operating reserve equal to twelve and one-half percent (12.5%) of total operating costs of the continuing care retirement community, unless otherwise instructed by the NCDOL.

Management has projected an operating reserve of 25.0% of the total operating costs of each of the continuing care retirement communities during the Projection Period.

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

Internally Designated for ThriveMore at Home

Management has projected an Internally Designated for ThriveMore at Home account to increase throughout the Projection Period based upon projected cash flows from TMAHP.

Entrance Fee Deposits

Management has projected the resident deposits collected related to the Taylor Glen Project will be released upon the move-in and payment of the required entrance fees for the units, which is projected to occur during 2026 once the Taylor Glen Project opens. The remaining amount of entrance fee deposits in the Projection are those deposits not related to the Taylor Glen Project. Management has not projected any change during the Projection Period.

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

Summary of Significant Projection Assumptions and Accounting Policies

Table 25
Projected Operating Reserve Requirements - Brookridge
For The Years Ending September 30,

Brookridge	2026	2027	2028	2029	2030
Total Operating Expenses ⁽¹⁾	\$ 21,430	\$ 23,362	\$ 24,756	\$ 25,569	\$ 26,306
Include:					
Loan Principal Payments	952	4,265	1,299	1,447	1,506
Exclude:					
Depreciation	(4,010)	(4,188)	(4,184)	(4,184)	(4,184)
Amortization of Issuance Costs included in Interest Expense	(17)	(30)	(32)	(33)	(32)
Debt Payment Funded by Initial Entrance Fees	-	(3,200)	-	-	-
Total Operating Costs	\$ 18,355	\$ 20,209	\$ 21,838	\$ 22,798	\$ 23,596
Operating Reserve Percentage	25%	25%	25%	25%	25%
Operating Reserve at 9/30	\$ 4,589	\$ 5,052	\$ 5,460	\$ 5,700	\$ 5,899
Total Average Occupied Independent Living Units					
Existing Independent Living Units	124.0	124.0	124.0	124.0	124.0
Couples Memory Care Units	-	3.4	10.6	10.8	10.8
Total Average Occupied Independent Living Units	124.0	127.4	134.6	134.8	134.8
Total Average Available Independent Living Units	132.0	141.0	144.0	144.0	144.0
Projected Occupancy Level ⁽²⁾	93.9%	90.3%	93.5%	93.6%	93.6%

Source: Management

Notes:

(1) Total operating expenses include all line items as presented on the consolidated statements of operations and changes in net assets for the respective community.

(2) The occupancy noted above is the projected occupancy of the independent living occupants as of September 30 of each respective year presented, for Brookridge, which also includes the Couples Memory Care Project starting in fiscal year 2027.

Table 26
Projected Operating Reserve Requirements - Gardens
For The Years Ending September 30,

Gardens	2026	2027	2028	2029	2030
Total Operating Expenses ⁽¹⁾	\$ 17,123	\$ 21,050	\$ 21,448	\$ 21,807	\$ 22,236
Include:					
Loan Principal Payments	16,358	1,076	4,439	2,505	2,617
Exclude:					
Depreciation	(4,060)	(4,421)	(4,387)	(4,387)	(4,387)
Amortization of Issuance Costs included in Interest Expense	(190)	(54)	(54)	(54)	(53)
Debt Payment Funded by Initial Entrance Fees	(15,315)	-	-	-	-
Total Operating Costs	\$ 13,916	\$ 17,651	\$ 21,446	\$ 19,871	\$ 20,413
Operating Reserve Percentage	25%	25%	25%	25%	25%
Operating Reserve at 9/30	\$ 3,479	\$ 4,413	\$ 5,362	\$ 4,968	\$ 5,103
Total Average Occupied Independent Living Units					
Existing Independent Living Units	124.0	124.0	124.0	124.0	124.0
New Independent Living Units	29.0	47.5	47.5	47.5	47.5
Total Average Occupied Independent Living Units	153.0	171.5	171.5	171.5	171.5
Total Average Available Independent Living Units	161.8	180.0	180.0	180.0	180.0
Projected Occupancy Level ⁽²⁾	94.5%	95.3%	95.3%	95.3%	95.3%

Source: Management

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Summary of Significant Projection Assumptions and Accounting Policies

Notes:

(1) Total operating expenses include all line items as presented on the consolidated statements of operations and changes in net assets for the respective community, which includes the Taylor Glen Project.

(2) The occupancy noted above is the projected occupancy of the independent living occupants as of September 30 of each respective year presented for the Gardens, which also includes the Taylor Glen Project.

Table 27
Projected Operating Reserve Requirements - Ardenwoods
For The Years Ending September 30,

Ardenwoods	2026	2027	2028	2029	2030
Total Operating Expenses ⁽¹⁾	\$ 10,832	\$ 11,105	\$ 11,367	\$ 11,663	\$ 11,975
Include:					
Loan Principal Payments	-	-	-	-	-
Exclude:					
Depreciation	(2,244)	(2,241)	(2,215)	(2,215)	(2,215)
Amortization of Goodwill	(1,694)	(1,694)	(1,694)	(1,694)	(1,694)
Total Operating Costs	\$ 6,894	\$ 7,170	\$ 7,458	\$ 7,754	\$ 8,066
Operating Reserve Percentage	25%	25%	25%	25%	25%
Operating Reserve at 9/30	\$ 1,724	\$ 1,793	\$ 1,865	\$ 1,939	\$ 2,017
Average Occupied Independent Living Units	90.0	90.0	90.0	90.0	90.0
Average Available Independent Living Units	95.0	95.0	95.0	95.0	95.0
Projected Occupancy Level ⁽²⁾	94.7%	94.7%	94.7%	94.7%	94.7%
Total Operating Reserve - All	\$ 9,792	\$ 11,258	\$ 12,687	\$ 12,607	\$ 13,019

Source: Management

Notes:

(1) Total operating expenses include all line items as presented on the consolidated statements of operations and changes in net assets for the respective community.

(2) The occupancy noted above is the projected occupancy of the independent living and assisted living occupants as of September 30 of each respective year presented, for Ardenwoods.

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

Table 28
Total Projected Operating Reserve Requirements
For The Years Ending September 30,

	2026	2027	2028	2029	2030
Operating Reserve - Brookridge	\$ 4,589	\$ 5,052	\$ 5,460	\$ 5,700	\$ 5,899
Operating Reserve - Gardens	3,479	4,413	5,362	4,968	5,103
Operating Reserve - Ardenwoods	1,724	1,793	1,865	1,939	2,017
Total Operating Reserve	\$ 9,792	\$ 11,258	\$ 12,687	\$ 12,607	\$ 13,019

Source: Management

Note Receivable - Western

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

The terms of the Note Receivable state the Organization shall receive monthly interest payments based upon an interest rate of 6.2 percent. The maturity date of the Note Receivable shall be the earlier of the

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Summary of Significant Projection Assumptions and Accounting Policies

third anniversary of the Note Receivable, the date on which the outstanding principal balance of the Note Receivable becomes due and payable, whether by declaration or acceleration upon the occurrence and continuance of an event of default, as defined in the agreement, the refinancing of the existing senior mortgage encumbering the real property or a sale, or any other disposition of all or substantially all of the assets of the entity. Management has projected the notes receivable to be collected in 2026.

Property and Equipment

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

Management has projected the following major property and equipment categories:

Table 29
Projected Property and Equipment Major Categories
For The Years Ending September 30,
(In Thousands of Dollars)

	2026	2027	2028	2029	2030
Land and Land Improvements	\$ 12,697	\$ 12,697	\$ 12,697	\$ 12,697	\$ 12,697
Buildings and Improvements	206,467	228,117	230,845	233,654	236,548
Furniture, Fixtures, and Equipment	16,346	20,318	24,409	28,623	32,963
Vehicles	1,125	1,125	1,125	1,125	1,125
Total	236,635	262,257	269,076	276,099	283,333
Less: Accumulated Depreciation	(92,544)	(103,790)	(114,968)	(126,145)	(137,323)
Add: Construction in Process	14,837	-	-	-	-
Property and Equipment, Net	\$ 158,928	\$ 158,466	\$ 154,108	\$ 149,953	\$ 146,010

Source: Management

Assets in Split-Interest Agreements

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

Line of Credit

The Organization holds a line of credit with a maximum borrowing limit of \$7,500,000. Interest on the line of credit is based upon SOFR plus 1.90%, with a max of 18.00% and a floor of 2.00%. As of October 1, 2025, the line of credit carried a balance of approximately \$6,111,000. Management has not projected any repayment of the line of credit during the Projection Period. Management has projected monthly interest expense on the line of credit at an assumed fixed rate of 6.25%.

Long-Term Debt and Interest Expense

Projected interest expense and long-term debt for 2026 and subsequent years were based on the construction loan and the commercial loan associated with the improvements at Brookridge and Gardens, the 2024 Note Payable associated with the acquisition of Ardenwoods, the Series 2024 Bonds, as well as the 2025 commercial and construction loans designated for the development of the Day Care Center and Couples Memory Care on the Brookridge campus. The terms of the Day Care Center Loan and Couples Memory Care Loan are more fully described in the notes to Table 9 and Table 12, respectively. In 2013, the Homes entered into a Term Loan Agreement for \$34,650,000 to refinance North Carolina Medical Care Commission term bonds outstanding. During the year ended September 30, 2020 the Organization refinanced this loan. Under the terms of the new agreement, the Organization is responsible for monthly payments consisting of interest and principal through maturity in June 2035 in the amount of

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Summary of Significant Projection Assumptions and Accounting Policies

\$142,416. The refinanced term loan carries an interest rate of 3.22%.

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

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

- \$67,685,000 in direct bank placed fixed rate term draw-down bonds (the "Series 2024A Bonds"), bearing interest at a bank-bought fixed rate of 5.28 percent, subject to monthly principal and interest payments, with interest only payments beginning July 2024 and monthly principal and interest payments beginning July 2028 through June 2053. The balance of the Series 2024A Bonds was \$60,044,000 as of September 30, 2025.
- \$15,315,000 in direct bank placed short term fixed rate draw-down debt (the "Series 2024B Bonds"). This debt is anticipated to be repaid from the availability of "Initial Entrance Fees" received from the Taylor Glen Project. The debt has a 5 year maturity, with monthly interest payments due beginning July 2024, and the principal amount due in full on June 2029. The Series 2024B Bonds will qualify as qualified intermediate term indebtedness for purposes of covenant consideration. Management has projected the repayment of the Series 2024B Bonds with Initial Entrance Fees from the Taylor Glen Project to occur within 3 years. Annual interest on the Series 2024B Bonds is at a bank-bought fixed rate of 4.95 percent. The balance of the Series 2024B Bonds was \$181,000 as of September 30, 2025.
- \$3,000,000 in direct bank placed fixed rate term draw-down bonds (the "Series 2024C Bonds"), bearing interest at a bank bought fixed rate of 5.28 percent, with monthly interest only payments beginning July 2024 with a maturity date of June 2028 at which time all principal will be repaid. The balance of the Series 2024C Bonds was \$3,000,000 as of September 30, 2025.

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

Summary of Significant Projection Assumptions and Accounting Policies

Table 30
Projected Principal Payments on the Organization's Debt
(In Thousands of Dollars)

Year Ending September 30,	Permanent Loan	Term Loan	Series 2024A Bonds	Series 2024B Bonds	Series 2024C Bonds	Day Care Loan	Couples Memory Care		Total Debt
							LT Loan	EF Loan	
2026	\$ 723	\$ 1,271	\$ -	\$ 15,315	\$ -	\$ -	\$ -	\$ -	\$ 17,309
2027	747	1,312	-	-	-	82	-	3,200	5,341
2028	771	1,355	328	-	3,000	103	181	-	5,738
2029	796	1,400	1,358	-	-	111	288	-	3,953
2030	822	1,446	1,431	-	-	118	306	-	4,123
2031	849	1,492	1,509	-	-	126	326	-	4,302
2032	877	1,541	1,590	-	-	134	343	-	4,485
2033	906	1,591	1,676	-	-	143	367	-	4,683
2034	935	1,643	1,767	-	-	153	390	-	4,888
2035	653	1,147	1,862	-	-	163	414	-	4,239
Thereafter	724	1,268	56,164	-	-	2,758	13,074	-	73,988
Total Projected Long-Term Debt	\$ 8,803	\$ 15,466	\$ 67,685	\$ 15,315	\$ 3,000	\$ 3,891	\$ 15,689	\$ 3,200	\$ 133,049

Source: Management

Refundable Advance Fees and Accreted Interest

The residency agreements acquired upon acquisition of Ardenwoods were recorded at their estimated fair value at the time of acquisition. The fair value of those refundable advance fees are accreted to face value using the effective interest method over the estimated life expectancy of the residents at acquisition. The discount rate assumed by Management in its projection was 4.25%. At September 30, 2025, the net unamortized discount was approximately \$4,512,000. Accreted interest upon amortization of these agreements is projected as accreted interest on the projected consolidated statements of operations and changes in net assets.

Current Assets and Current Liabilities

Cash and Cash Equivalents

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

Accounts Receivable, Net

Accounts receivable, net is projected based on historical levels throughout the Projection Period.

Contributions Receivable, Net

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

Prepaid Expenses and Other Assets

Prepaid expenses and other assets have been projected based on historical levels.

Accounts Payable

Accounts payable has been projected based on historical levels.

Accrued Expenses

Accrued expenses have been projected based on historical levels.

Accrued Employee Compensation

Accrued employee compensation has been projected based on historical levels.

Other Current Liabilities

Other current liabilities have been projected based on historical levels.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED DBA THRIVEMORE AND ITS CONSOLIDATED
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DONOR RESTRICTIONS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS NOTED ON PAGE 5
FOR THE YEAR ENDING SEPTEMBER 30, 2026
(In Thousands of Dollars)**

	Brookridge Retirement Community	The Taylor House	The Gardens of Taylor Glen	ThriveMore at Home	Ardenwoods of North Carolina	Brice Pointe	Corporate	Foundation	Consolidated
REVENUES, GAINS, AND OTHER SUPPORT									
Resident Service Revenue	\$ 18,636	\$ 765	\$ 13,724	\$ -	\$ 7,624	\$ -	\$ -	\$ -	\$ 40,749
Net Resident Service Revenue - ThriveMore at Home	-	-	-	317	-	-	-	-	317
Amortization of Deferred Revenue from Nonrefundable Advance Fees	1,945	-	2,546	-	362	-	-	-	4,853
Amortization of Deferred Revenue from Nonrefundable Advance Fees - ThriveMore at Home	-	-	-	59	-	-	-	-	59
Gifts, Including Gifts from Churches and Special Day Offerings	-	-	-	-	-	-	-	1,750	1,750
Investment Income ⁽¹⁾	-	-	-	-	-	-	-	-	3,065
Other	293	-	109	-	45	-	155	-	602
Other - At Home Program	-	-	-	26	-	-	-	-	26
Total Revenue, Gains, and Other Support	20,874	765	16,379	402	8,031	-	155	1,750	51,421
OPERATING EXPENSES									
Health Care	10,711	976	5,168	-	3,364	-	-	-	20,219
Dietary	2,393	123	2,415	-	2,026	-	-	-	6,957
Maintenance, Housekeeping and Laundry	3,167	115	3,122	-	1,151	-	-	-	7,555
General and Administrative	700	33	364	-	353	537	5,859	614	8,460
At Home Program	-	-	-	479	-	-	-	-	479
Depreciation	4,010	47	4,060	-	2,244	5	120	3	10,489
Amortization of Goodwill	-	-	-	-	1,694	-	-	-	1,694
Interest Expense	449	-	1,994	-	-	-	382	-	2,825
Total Operating Expenses	21,430	1,294	17,123	479	10,832	542	6,361	617	58,678
Operating Income (Loss)	(556)	(529)	(744)	(77)	(2,801)	(542)	(6,206)	1,133	(7,257)
NON-OPERATING LOSS									
Accreted Interest	-	-	-	-	(752)	-	-	-	(752)
Total Non-Operating Loss	-	-	-	-	(752)	-	-	-	(752)
Excess (Deficit) of Revenues over Expenses and Increase (Decrease) in Net Assets without Donor Restrictions	\$ (556)	\$ (529)	\$ (744)	\$ (77)	\$ (3,553)	\$ (542)	\$ (6,206)	\$ 1,133	\$ (8,009)

Source: Management

Note:

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

See Accompanying Independent Accountants' Compilation Report

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED DBA THRIVEMORE AND ITS CONSOLIDATED
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DONOR RESTRICTIONS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS NOTED ON PAGE 5
FOR THE YEAR ENDING SEPTEMBER 30, 2027
(In Thousands of Dollars)**

	Brookridge Retirement Community	The Taylor House	The Gardens of Taylor Glen	ThriveMore at Home	Ardenwoods of North Carolina	Brice Pointe	Corporate	Foundation	Consolidated
REVENUES, GAINS, AND OTHER SUPPORT									
Resident Service Revenue	\$ 19,958	\$ 803	\$ 16,674	\$ -	\$ 8,006	\$ -	\$ -	\$ -	\$ 45,441
Net Resident Service Revenue - ThriveMore at Home	-	-	-	465	-	-	-	-	465
Amortization of Deferred Revenue from Nonrefundable Advance Fees	2,355	-	3,152	-	434	-	-	-	5,941
Amortization of Deferred Revenue from Nonrefundable Advance Fees - ThriveMore at Home	-	-	-	177	-	-	-	-	177
Gifts, Including Gifts from Churches and Special Day Offerings	-	-	-	-	-	-	-	1,768	1,768
Investment Income ⁽¹⁾	-	-	-	-	-	-	-	-	3,377
Other	509	-	113	-	47	-	-	-	669
Other - At Home Program	-	-	-	48	-	-	-	-	48
Total Revenue, Gains, and Other Support	22,822	803	19,939	690	8,487	-	-	1,768	57,886
OPERATING EXPENSES									
Health Care	11,327	1,015	6,161	-	3,499	-	-	-	22,002
Dietary	2,572	128	2,698	-	2,107	-	-	-	7,505
Maintenance, Housekeeping and Laundry	3,358	120	3,336	-	1,197	-	-	-	8,011
General and Administrative	754	34	325	-	367	559	6,094	639	8,772
At Home Program	-	-	-	844	-	-	-	-	844
Depreciation	4,188	85	4,421	-	2,241	154	154	3	11,246
Amortization of Goodwill	-	-	-	-	1,694	-	-	-	1,694
Interest Expense	1,164	-	4,109	-	-	-	382	-	5,655
Total Operating Expenses	23,362	1,382	21,050	844	11,105	713	6,630	642	65,728
Operating Income (Loss)	(540)	(579)	(1,111)	(154)	(2,618)	(713)	(6,630)	1,126	(7,842)
NON-OPERATING LOSS									
Accreted Interest	-	-	-	-	(752)	-	-	-	(752)
Total Non-Operating Loss	-	-	-	-	(752)	-	-	-	(752)
Excess (Deficit) of Revenues over Expenses and Increase (Decrease) in Net Assets without Donor Restrictions	\$ (540)	\$ (579)	\$ (1,111)	\$ (154)	\$ (3,370)	\$ (713)	\$ (6,630)	\$ 1,126	\$ (8,594)

Source: Management

Note:

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

See Accompanying Independent Accountants' Compilation Report

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED DBA THRIVEMORE AND ITS CONSOLIDATED
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ASSUMING THE HYPOTHETICAL ASSUMPTIONS NOTED ON PAGE 5
FOR THE YEAR ENDING SEPTEMBER 30, 2028
(In Thousands of Dollars)**

	Brookridge Retirement Community	The Taylor House	The Gardens of Taylor Glen	ThriveMore at Home	Ardenwoods of North Carolina	Brice Pointe	Corporate	Foundation	Consolidated
REVENUES, GAINS, AND OTHER SUPPORT									
Resident Service Revenue	\$ 22,115	\$ 844	\$ 17,413	\$ -	\$ 8,406	\$ -	\$ -	\$ -	\$ 48,778
Net Resident Service Revenue - ThriveMore at Home	-	-	-	624	-	-	-	-	624
Amortization of Deferred Revenue from Nonrefundable Advance Fees	2,758	-	3,625	-	466	-	-	-	6,849
Amortization of Deferred Revenue from Nonrefundable Advance Fees - ThriveMore at Home	-	-	-	301	-	-	-	-	301
Gifts, Including Gifts from Churches and Special Day Offerings	-	-	-	-	-	-	-	1,785	1,785
Investment Income ⁽¹⁾	-	-	-	-	-	-	-	-	3,416
Other	550	-	118	-	49	-	-	-	717
Other - At Home Program	-	-	-	79	-	-	-	-	79
Total Revenue, Gains, and Other Support	25,423	844	21,156	1,004	8,921	-	-	1,785	62,549
OPERATING EXPENSES									
Health Care	12,042	1,056	6,435	-	3,639	-	-	-	23,172
Dietary	2,756	133	2,797	-	2,192	-	-	-	7,878
Maintenance, Housekeeping and Laundry	3,565	124	3,470	-	1,245	-	-	-	8,404
General and Administrative	815	36	338	-	382	581	6,337	665	9,154
At Home Program	-	-	-	1,135	-	-	-	-	1,135
Depreciation	4,184	84	4,387	-	2,215	152	152	3	11,177
Amortization of Goodwill	-	-	-	-	1,694	-	-	-	1,694
Interest Expense	1,394	-	4,021	-	-	-	382	-	5,797
Total Operating Expenses	24,756	1,433	21,448	1,135	11,367	733	6,871	668	68,411
Operating Income (Loss)	667	(589)	(292)	(131)	(2,446)	(733)	(6,871)	1,117	(5,862)
NON-OPERATING LOSS									
Accreted Interest	-	-	-	-	(752)	-	-	-	(752)
Total Non-Operating Loss	-	-	-	-	(752)	-	-	-	(752)
Excess (Deficit) of Revenues over Expenses and Increase (Decrease) in Net Assets without Donor Restrictions	\$ 667	\$ (589)	\$ (292)	\$ (131)	\$ (3,198)	\$ (733)	\$ (6,871)	\$ 1,117	\$ (6,614)

Source: Management

Note:

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

See Accompanying Independent Accountants' Compilation Report

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

	Brookridge Retirement Community	The Taylor House	The Gardens of Taylor Glen	ThriveMore at Home	Ardenwoods of North Carolina	Brice Pointe	Corporate	Foundation	Consolidated
REVENUES, GAINS, AND OTHER SUPPORT									
Resident Service Revenue	\$ 22,831	\$ 877	\$ 18,037	\$ -	\$ 8,742	\$ -	\$ -	\$ -	\$ 50,487
Net Resident Service Revenue - ThriveMore at Home	-	-	-	805	-	-	-	-	805
Amortization of Deferred Revenue from Nonrefundable Advance Fees	2,977	-	4,076	-	496	-	-	-	7,549
Amortization of Deferred Revenue from Nonrefundable Advance Fees - ThriveMore at Home	-	-	-	430	-	-	-	-	430
Gifts, Including Gifts from Churches and Special Day Offerings	-	-	-	-	-	-	-	1,803	1,803
Investment Income ⁽¹⁾	-	-	-	-	-	-	-	-	3,423
Other	565	-	123	-	51	-	-	-	739
Other - At Home Program	-	-	-	118	-	-	-	-	118
Total Revenue, Gains, and Other Support	26,373	877	22,236	1,353	9,289	-	-	1,803	65,354
OPERATING EXPENSES									
Health Care	12,523	1,098	6,693	-	3,784	-	-	-	24,098
Dietary	2,866	138	2,940	-	2,279	-	-	-	8,223
Maintenance, Housekeeping and Laundry	3,717	129	3,609	-	1,294	-	-	-	8,749
General and Administrative	847	37	352	-	397	604	6,591	691	9,519
At Home Program	-	-	-	1,442	-	-	-	-	1,442
Depreciation	4,184	84	4,387	-	2,215	152	152	3	11,177
Amortization of Goodwill	-	-	-	-	1,694	-	-	-	1,694
Interest Expense	1,432	-	3,826	-	-	-	382	-	5,640
Total Operating Expenses	25,569	1,486	21,807	1,442	11,663	756	7,125	694	70,542
Operating Income (Loss)	804	(609)	429	(89)	(2,374)	(756)	(7,125)	1,109	(5,188)
NON-OPERATING LOSS									
Accreted Interest	-	-	-	-	(752)	-	-	-	(752)
Total Non-Operating Loss	-	-	-	-	(752)	-	-	-	(752)
Excess (Deficit) of Revenues over Expenses and Increase (Decrease) in Net Assets without Donor Restrictions	\$ 804	\$ (609)	\$ 429	\$ (89)	\$ (3,126)	\$ (756)	\$ (7,125)	\$ 1,109	\$ (5,940)

Source: Management

Note:

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

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**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED DBA THRIVEMORE AND ITS CONSOLIDATED
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ASSUMING THE HYPOTHETICAL ASSUMPTIONS NOTED ON PAGE 5
FOR THE YEAR ENDING SEPTEMBER 30, 2030
(In Thousands of Dollars)**

	Brookridge Retirement Community	The Taylor House	The Gardens of Taylor Glen	ThriveMore at Home	Ardenwoods of North Carolina	Brice Pointe	Corporate	Foundation	Consolidated
REVENUES, GAINS, AND OTHER SUPPORT									
Resident Service Revenue	\$ 23,573	\$ 912	\$ 18,683	\$ -	\$ 9,092	\$ -	\$ -	\$ -	\$ 52,260
Net Resident Service Revenue - ThriveMore at Home	-	-	-	990	-	-	-	-	990
Amortization of Deferred Revenue from Nonrefundable Advance Fees	3,140	-	4,561	-	524	-	-	-	8,225
Amortization of Deferred Revenue from Nonrefundable Advance Fees - ThriveMore at Home	-	-	-	563	-	-	-	-	563
Gifts, Including Gifts from Churches and Special Day Offerings	-	-	-	-	-	-	-	1,821	1,821
Investment Income ⁽¹⁾	-	-	-	-	-	-	-	-	3,468
Other	580	-	128	-	53	-	-	-	761
Other - At Home Program	-	-	-	164	-	-	-	-	164
Total Revenue, Gains, and Other Support	27,293	912	23,372	1,717	9,669	-	-	1,821	68,252
OPERATING EXPENSES									
Health Care	13,025	1,142	6,960	-	3,936	-	-	-	25,063
Dietary	2,979	143	3,057	-	2,371	-	-	-	8,550
Maintenance, Housekeeping and Laundry	3,865	135	3,753	-	1,346	-	-	-	9,099
General and Administrative	881	38	366	-	413	629	6,854	719	9,900
At Home Program	-	-	-	1,775	-	-	-	-	1,775
Depreciation	4,184	84	4,387	-	2,215	152	152	3	11,177
Amortization of Goodwill	-	-	-	-	1,694	-	-	-	1,694
Interest Expense	1,371	-	3,713	-	-	-	382	-	5,466
Total Operating Expenses	26,306	1,542	22,236	1,775	11,975	781	7,388	722	72,725
Operating Income (Loss)	987	(630)	1,136	(58)	(2,306)	(781)	(7,388)	1,099	(4,473)
NON-OPERATING LOSS									
Accreted Interest	-	-	-	-	(752)	-	-	-	(752)
Total Non-Operating Loss	-	-	-	-	(752)	-	-	-	(752)
Excess (Deficit) of Revenues over Expenses and Increase (Decrease) in Net Assets without Donor Restrictions	\$ 987	\$ (630)	\$ 1,136	\$ (58)	\$ (3,058)	\$ (781)	\$ (7,388)	\$ 1,099	\$ (5,225)

Source: Management

Note:

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

See Accompanying Independent Accountants' Compilation Report



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

Attachment G

Life Expectancy Chart

LIFE EXPECTANCY IN YEARS

<u>AGE</u>	MALE	<u>FEMALE</u>
60	24.60	27.40
61	23.70	26.50
62	22.90	25.60
63	22.10	24.80
64	21.30	23.90
65	20.40	23.00
66	19.60	22.20
67	18.90	21.30
68	18.10	20.50
69	17.30	19.60
70	16.60	18.80
71	15.90	18.00
72	15.20	17.20
73	14.50	16.40
74	13.80	15.60
75	13.20	14.90
76	12.50	14.10
77	11.90	13.40
78	11.30	12.70
79	10.80	12.00
80	10.20	11.30
81	9.70	10.70
82	9.20	10.10
83	8.70	9.50
84	8.20	8.90
85	7.80	8.40
86	7.30	7.90
87	6.90	7.40
88	6.50	6.90
89	6.20	6.50
90	5.80	6.10
91	5.50	5.70
92	5.20	5.40
93	4.90	5.10
94	4.60	4.80
95	4.30	4.50
96	4.10	4.20
97	3.80	4.00
98	3.60	3.80
99	3.40	3.50
100	3.10	3.30