

# Abernethy Laurels



## Disclosure Statement

March 1, 2025

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, 2026.
- ◇ This disclosure statement is required by North Carolina law to be delivered to a prospective resident prior to execution of a Residency Agreement.
- ◇ This disclosure statement has not been approved by any government agency or representative to ensure accuracy or completeness of the information set out.

EveryAge, d/b/a Abernethy Laurels  
100 Leonard Avenue, Newton, NC 28658

**Phone:** 828.464.8260  
**Toll free:** 877.637.7941

# Table of Contents

<b>I.</b>	<b>Organization Introduction and Information</b> .....	<b>3</b>
	Corporation Statement .....	3
	Our Mission .....	4
	Our Vision.....	4
	Our Values .....	4
	The Board of Directors of EveryAge.....	6
	Home Office Administration .....	7
	Community Administration .....	9
<b>II.</b>	<b>Community Introduction and Information</b> .....	<b>11</b>
<b>III.</b>	<b>Policies</b> .....	<b>12</b>
	Admissions Policy Statement .....	12
	1. Health Needs .....	12
	2. Social Interests.....	12
	3. Financial Requirements .....	12
	4. Age Requirements.....	13
	Residency Agreement Policies.....	13
	1. Basic Requirements and Terms for Cancellation .....	13
	2. Changes in Occupancy.....	15
	3. Residency.....	15
	4. Health Insurance.....	17
	5. Health Needs .....	17
	6. Other Considerations .....	18
<b>IV.</b>	<b>Services</b> .....	<b>19</b>
	Diverse and Complete Community .....	19
	The Village .....	19
	1. One-Bedroom Apartment .....	19
	2. Two-Bedroom Apartment .....	19
	3. Villa .....	19
	4. Cottage .....	19
	The Pavilion.....	20
	1. Studio Room .....	20
	2. Efficiency Apartment .....	20
	3. Efficiency Deluxe Apartment.....	20
	4. One-Bedroom Apartment .....	20
	5. One-Bedroom Deluxe Apartment.....	20
	Other Services .....	20
	1. Clinic .....	20
	2. Home Visits.....	21
	3. Infirmary Services.....	21
	Health Center.....	21
	1. Nursing Services .....	21
	2. Other Services.....	21
	Rental Option .....	21
<b>V.</b>	<b>Fees and Refund Schedules</b> .....	<b>22</b>
	Residency Fee .....	22
	Monthly Fee.....	22
	50% Refund Residency Agreement (Plan A).....	22
	Fully Declining Residency Agreement (Plan B).....	22

Daily Fees (Health Center).....	23
Monthly Fee (Residential Living) .....	23
The Pavilion at Abernethy Laurels.....	24
Residency Agreement Fee.....	24
<b>VI. Financial Information and Five-Year Projection Statement.....</b>	<b>25</b>
Historical and Forecasted Financial Statements.....	25
<b>VII. Reserves, Escrow and Trusts.....</b>	<b>63</b>
<b>VIII. Community Development and Expansion .....</b>	<b>64</b>
Abernethy Laurels.....	64
Funding.....	65
<b>IX. Other Material Information.....</b>	<b>65</b>
Balance Sheet.....	66
Profit and Loss Statement.....	67
Cash Flow .....	68
Footnotes.....	69
<b>X. Exhibit 1: Fee Schedules.....</b>	<b>70</b>
The Health Center .....	71
Adult Care Home.....	72
The Pavilion.....	73
The Village .....	74
<b>XI. Exhibit 2: Residential Living Unit: 50% Refund.....</b>	<b>76</b>
1. Basic Requirements and Terms for Cancellation .....	78
2. Changes In Occupancy .....	80
3. Residency.....	81
4. Monthly Fee .....	82
5. Financial Requirements .....	83
6. Health Insurance.....	84
7. Health Needs.....	85
8. Resident Obligations .....	86
9. Financial Assistance .....	87
10. Residency Agreement Concerns.....	88
11. Other Considerations.....	89
<b>XII. Exhibit 3: Residential Living Unit: Fully Declining .....</b>	<b>91</b>
1. Basic Requirements and Terms for Cancellation.....	93
2. Changes In Occupancy .....	95
3. Residency.....	96
4. Monthly Fee .....	97
5. Financial Requirements .....	98
6. Health Insurance.....	99
7. Health Needs.....	100
8. Resident Obligations .....	101
9. Financial Assistance .....	102
10. Residency Agreement Concerns.....	103
11. Other Considerations.....	104
<b>XIII. Exhibit 4: Articles of Incorporation.....</b>	<b>106</b>
<b>XIV. Exhibit 5: Certified 2023 - 2024 Audited Financial Statement.....</b>	<b>110</b>
<b>XV. Exhibit 6: Interim Financial Statements.....</b>	<b>154</b>
1. EveryAge Balance Sheet (Side By Side) .....	155
2. EveryAge Profit and Loss (YTD).....	156
3. EveryAge Cash Flow Statement.....	157
4. EveryAge Profit and Loss Statement (Fiscal Year 2025), Budget).....	158

## Section I: **Organization Introduction and Information**

---

### **Corporation Statement**

EveryAge (the “Corporation”), formerly known as United Church Homes and Services is a North Carolina nonprofit corporation that was organized in 1961 for the purpose of developing and managing housing, retirement communities and programs of outreach across the geographic boundaries of the Southern Conference of The United Church of Christ (the “Southern Conference”). In connection with celebrating its 50th anniversary, the Corporation announced its new name EveryAge with a promise of a “new design, a new name, a new beginning. Same great mission.”

The Corporation is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. In the event that the Corporation is assessed sales or use tax on Monthly and/or Daily Fees and/or fees for other services, the Resident will be responsible for all such taxes.

A volunteer Board of Directors governs the Corporation. The Conference Minister of the Southern Conference, with offices in Burlington, North Carolina, serves as an ex-officio member of the Board with voice but no vote. The Corporation is a member of the American Health Care Association, North Carolina Health Care Facilities Association, LeadingAge, LeadingAge North Carolina and the Council for Health and Human Service Ministries of United Church of Christ.

The Corporation is a not-for-profit organization that owns and/or manages continuing care retirement communities in Newton (Abernethy Laurels), Thomasville (Piedmont Crossing), North Carolina, and Suffolk (Lake Prince Woods), Virginia, which consist of residential living, adult care (assisted living) and skilled nursing levels of living. Providence Place, LLC (“Providence Place”), a North Carolina limited liability company was organized in July 2024 for the purpose of acquiring Providence Place, a retirement community located in High Point, North Carolina. In October 2023, EveryAge acquired Providence Place, which offers residential living, assisted living, and skilled nursing. An application was submitted to the North Carolina Department of Insurance to license Providence Place as a CCRC. The conditional permanent license was issued on February 13, 2025.

The home office of the Corporation is located at 100 Leonard Avenue, Newton, North Carolina, Catawba County 28658. The Corporation employs a President and Chief Executive Officer who is authorized to have full executive power to carry out the policies and directives of the Board of Directors on a day-to-day basis. Each retirement community (Abernethy Laurels, Piedmont Crossing Lake Prince Woods, and Providence Place) has an Executive Director employed and authorized to carry on the day-to-day operations of their respective campus. EveryAge provides management services for Carolina SeniorCare and Elderhaus, Inc., PACE (Program of All-inclusive Care for the Elderly) centers located in Lexington, North Carolina and Wilmington, North Carolina, respectively. In addition to the PACE, Elderhaus, Inc. also operates an Adult Day Health Program and Home Care program. Carolina SeniorCare is expanding with a new PACE Center, East, opening in New Bern, NC by mid-2025. Additionally, in 2023, EveryAge entered into a management agreement with Iredell Adult Day Services in Statesville, North Carolina.

EveryAge formed and registered a limited liability corporation, BellaAge Hickory, LLC with the North Carolina Secretary of State in late 2022. BellaAge Hickory, LLC is a planned new independent living unit community in downtown Hickory, NC that will be known as BellaAge Hickory. The rental community will have 95 apartments which will be targeted to the middle-market. The average square footage per unit will be approximately 1,081 square feet. Prospective residents will enter into a rental contract with services. Land was purchased in downtown Hickory (approximately 15 miles from its Abernethy Laurels campus) in 2021 as this opportunity was being explored. The community will be registered with the North Carolina Department of

Health Service Regulation as a Multi-unit Assisted Housing with Services facility. Construction began in 2023 with the first tenants anticipated to move in by Spring 2025.

Lake Prince At Home, LLC, (herein referred to as LPAH) a limited liability company, organized under the laws of the State of North Carolina, was formed upon the issuance of its articles of organization by the North Carolina Department of the Secretary of State on October 16, 2017. LPAH also registered for authorization to do business in the Commonwealth of Virginia, through the State Corporation Commission, on November 28, 2017. LPAH's sole member is Lake Prince Center, Inc. LPAH was formed for the purpose of developing a Medicare-certified home health and hospice company. LPAH obtained its Home Care Organizational License from the Virginia Department of Health Office of Licensure and Certification, effective August 1, 2018, and Medicare Certification, effective April 25, 2019. LPAH obtained Hospice certification, effective April 21, 2022.

In order to protect the health and safety of all residents, management retains the authority to evacuate and relocate residents upon threat of disasters. In cooperation with local emergency management agencies, Abernethy Laurels maintains a current evacuation plan to be implemented upon threat of pending disasters including, but not limited to, hurricanes or floods, warnings of the movement of airborne hazardous materials due to transportation accidents, or the recognition of unstable conditions at nuclear power plants. All residents must fully cooperate with evacuation plans when the order to evacuate has been issued by management. If any resident fails to cooperate with evacuation plans, management will take the necessary actions including assistance from law enforcement and emergency management agencies to remove the resident from Abernethy Laurels and transport to another location. No waivers of responsibility will entitle a resident to remain at the Community following an order for emergency evacuation.

The Corporation provides various administrative, accounting and management services, and in most cases sponsorship and start-up funding, for the following entities:

- ◆ Carolina SeniorCare
- ◆ Elderhaus, Inc.
- ◆ Lake Prince Center, Inc., d.b.a. ("Lake Prince Woods")
- ◆ Lake Prince At Home, LLC
- ◆ BellaAge Hickory, LLC
- ◆ EveryAge Foundation ("Foundation")
- ◆ ElderCenter, Inc., d.b.a. Iredell Adult Day Services
- ◆ Providence Place, LLC

Under the principles of consolidation as set forth by accounting principles generally accepted in the United States of America, the financial statements of Carolina SeniorCare, Lake Prince Woods, Lake Prince At Home and the Foundation are consolidated with the Corporation's financial statements. Neither the Southern Conference of the United Church of Christ nor any other unit of the United Church of Christ is responsible for financial obligations of the Corporation.

### **Our Mission**

A Christian Ministry providing vibrant living, diverse programs of outreach and compassionate services.

### **Our Vision**

Enriching lives by providing the right services at the right time, in the right setting.

### **Our Values**

- ❖ **Compassion** ..... we treat all individuals with understanding, care, and respect
- ❖ **Innovation** ..... we are continually changing in order to meet new needs
- ❖ **Integrity** ..... we are honest, accountable, and transparent in our services, communications, and

the fulfillment of our mission

- ❖ **People**..... we are committed to hiring and investing in dedicated, passionate people
- ❖ **Quality** ..... we strive to provide excellent service, surpassing ordinary standards and expectations
- ❖ **Value**..... we aim to be the provider of choice making services accessible to as many as possible

## The Board of Directors of EveryAge

The Board of Directors of EveryAge is comprised of the following members:

**EXECUTIVE COMMITTEE:** Brad Thie, Chair  
 Margie Wiley, Vice-Chair  
 Gregory M. Alcorn, Secretary  
 Jeffrey S. Gilliam, Treasurer  
 Parker Howell, Past Board Chair

<b><u>BOARD MEMBER</u></b>	<b><u>ADDRESS</u></b>
1. Julius Abernethy	3781 Dockside Ln., Sherrills Ford, NC 28673
2. Greg Alcorn	c/o GCS Agents, 118-B South Main St., Salisbury, NC 28144
3. Larry Bolick	329 Summit Avenue, Apt. A, Salisbury, NC 28144
4. Anthony Branch	2737 NE 1 <sup>st</sup> St., Pompano Beach, FL 33062
5. Charles Erdman	3300 Rivers Bend Pl., Suffolk, VA 23435
6. Jeff Gilliam	3799 Love Rd., Claremont, NC 28610
7. Allen Gray	307 Church St., Wilmington, NC 28401
8. * Michelle Horton (Advisory Council Chair)	907 Craig Dr., Suffolk VA 23434
9. *Parker Howell (Board Past Chair)	PO Box 2278, Suffolk, VA 23432
10. Lamont Maddox	847 Greenfield Ln., Chesapeake, VA 23322
11. Hunter March	908 West Washington St., Suffolk, VA 23434
12. Shane Smith	PO Box 65014, Lubbock, TX 79464
13. * Jody Street (Advisory Council Chair)	c/o Peoples Bank, 518 W. C St., PO Box 467, Newton, NC 28658
14. * Diana Sullivan (Advisory Council Chair)	First National Bank, 919 Randolph St., Thomasville, NC 27360
15. Brad Thie	53 Pineland St., Chapel Hill, NC 27516
16. Cory Tobin	PO Box 71, Thomasville, NC 27361-0368
17. Margie Wiley	2000 Hillpoint Blvd. N. Ste. 200, Suffolk, VA 23434
18. Kathy Wood	5005 Sundrop Ln., Little River, SC 29566
** Edward Davis (Southern Conference UCC Minister)	252-B West 5 <sup>th</sup> St., Burlington, NC 27215
** Lee Syria (President and CEO)	100 Leonard Ave., Newton, NC 28658
** Sarah Abernethy (Executive Assistant/Assistant Secretary)	100 Leonard Ave., Newton, NC 28658

**Ex-Officio** *By virtue of office:*

- \* Past Board Chair (voice and vote)
- \* Advisory Council Chair(s) (voice and vote)
- \*\* Southern Conference Minister (voice, no vote)
- \*\* President and CEO of EveryAge (voice, no vote)
- \*\* Executive Assistant/ Assistant Secretary of the Corporation (voice, no vote)

## **Home Office Administration**

### **Lee B. Syria, President and Chief Executive Officer**

- ◆ Was named President and CEO of EveryAge, effective October 1, 2012, and worked as Interim President and CEO from February 28 through September 30, 2012. Previously served as Senior Vice President of Operations for EveryAge since July 2008.
- ◆ Was previously employed with EveryAge as Vice President of Human Resources, beginning October 2003, and served as Director of Human Resources with EveryAge three years prior to her promotion from the position of Personnel Manager of Abernethy Laurels (EveryAge), beginning June 1997.
- ◆ Was named as a certified Consecrated Diakonal Minister through the Council for Health and Human Service Ministries in 2008.
- ◆ Has been a licensed Nursing Home Administrator (NHA) since 2006 and holds an NHA license in the State of North Carolina and in the Commonwealth of Virginia.
- ◆ Earned a Master's Degree in Business Administration from Gardner-Webb University and a Bachelor of Science degree in Business Administration (Healthcare Management) from Appalachian State University.

### **Aimee N. Reimann, Chief Operating Officer**

- ◆ Has worked as Chief Operating Officer since June 1, 2013.
- ◆ Was previously employed by EveryAge as the Vice President of Home and Community Based Services from April 2011 to June 2013.
- ◆ Was previously employed as the Executive Director of Abernethy Laurels, beginning in January 2008.
- ◆ Was previously employed as Administrator of Lutheran Home in Winston-Salem, North Carolina.
- ◆ Has been a licensed Nursing Home Administrator since 2004 and holds an NHA license in the State of North Carolina and the Commonwealth of Virginia.
- ◆ Has experience in various aspects of management since 1998.
- ◆ Earned a Bachelor of Arts degree in Nutrition from Indiana University of Pennsylvania.
- ◆ Holds a Fellows designation from the LeadingAge Leadership Academy.

### **Tammy H. Jones, Chief Financial Officer**

- ◆ Employed by EveryAge since November of 2010 and appointed as Chief Financial Officer, effective February 1, 2023.
- ◆ Previously served for 12 years as Corporate Controller of EveryAge, a multi-site senior living provider headquartered in Newton, North Carolina.
- ◆ Previously served as Senior General Accountant with Kewaunee Scientific Corporation in Statesville, NC from 2007 – 2010 where she performed a full spectrum of accounting services for this recognized global leader in the design, manufacture, and installation of laboratory, healthcare, and technical furniture products.
- ◆ Was previously employed with Hanesbrands, Inc. (May 2006 – Feb. 2007) as Senior Cost and International Accountant, Winston-Salem, NC. Prior to her promotion, from Dec. 1999 to May 2006, she worked as Plant Accountant/Accounts Payable Supervisor for Hanesbrands, Inc. in



Statesville, NC. She was previously the Accounting Coordinator for Hanesbrands from Oct. 1997 to Dec. 1999.

- ◆ Served as Legal Assistant and Office Manager for the Law Office of Minor & Brown, Statesville, NC from Feb 1996 – Oct. 1997.
- ◆ Earned a Bachelor of Science degree in Business Management from Gardner-Webb University in Boiling Springs, North Carolina and an A.A.S degree in Computer Programming from Mitchell Community College in Statesville, NC.

**Michelle N. Roseman, Chief Quality and Compliance Officer**

- ◆ Employed by EveryAge in July 2020 and appointed as Chief Quality and Compliance Officer effective December 19, 2020.
- ◆ Was previously employed with Kindred at Home as Area Vice President of Operations from 2016 through May of 2020.
- ◆ Was previously employed as Executive Vice President and Chief Operating Officer for Catawba Regional Hospice from 2007 to 2016.
- ◆ Earned a Master of Business Administration Degree and Bachelor of Science Degrees in Psychology and Health Education from Gardner-Webb University.
- ◆ Achieved certification in Health Care Compliance (CHC) and Healthcare Privacy Compliance (CHPC) by the Health Care Compliance Association.
- ◆ Has previously worked as Executive Director of Abernethy Laurels/EveryAge from 1994 to 2007 and prior to her promotion, served as Healthcare Administrator and Director of Social Services at Abernethy Laurels.
- ◆ Has been a licensed Nursing Home Administrator (NHA) since 1998 and holds an NHA license in the State of North Carolina and in the Commonwealth of Virginia.

**Kim Kilday, Chief Marketing and Public Relations Officer**

- ◆ Has worked as Chief Marketing and Public Relations Officer at EveryAge since April 10, 2021.
- ◆ Was Regional Director of Sales and Marketing at Principle LTC from 2020-2021.
- ◆ Was Vice President of Sales and Marketing at Liberty Healthcare Management for nine years.
- ◆ Has previously worked as the Regional Director of Marketing for Care One Virginia.
- ◆ Was employed NC West Region Sales & Marketing: Shoreline Healthcare Management 2007-08.
- ◆ Earned a Master's Degree in Data Marketing Communication from West Virginia University, a Master of Business Administration Degree with a concentration in Health Administration from Pfeiffer University, and a Bachelor of Science Degree in Business with a concentration in Marketing from Clarion University of Pennsylvania.
- ◆ Holds a North Carolina Insurance license for Life, Health and Long-Term Care.

**Cathy Cooper, Chief Human Resources Officer**

- ◆ Has worked as Chief Human Resources Officer since June 22, 2015
- ◆ Was previously Sr. Director HR & Transitions of Richfield Hospitality, a hospitality management company based in Denver, Colorado from November 2004 to June 2015.
- ◆ Served in Human Resources and Operations with Hilton Knoxville from 1998-2004 and with Old Town Resorts, Key West, FL in Operations from 1995-1998.
- ◆ Earned the Senior Professional Human Resources (SPHR) designation from HRCI in 2004.
- ◆ Received the SHRM-SCP designation in January 2015.
- ◆ Earned a Bachelor of Science in Business Administration degree from LaSalle University.

## Community Administration

**Amber McIntosh**, Executive Director, Abernethy Laurels

- ◆ Has worked as the Executive Director of Abernethy Laurels since April 2013.
- ◆ Was previously employed, since 2001 by Lutheran Home-Hickory, Inc., and served most recently as Executive Director for two campuses in Hickory for Lutheran Services Carolinas.
- ◆ Has experience in various aspects of healthcare management since 1991 including Adult Day Health, Assisted Living and Skilled Nursing.
- ◆ Has been a licensed nursing home administrator since 1995.
- ◆ Holds a Bachelor of Science in Business Administration from Appalachian State University.

**Judy O. Raymond**, Executive Director, Lake Prince Woods

- ◆ Has worked as the Executive Director of Lake Prince Woods since September 2010.
- ◆ Was previously employed, since 1994 by Westminster-Canterbury on Chesapeake Bay, most recently, as Vice President of Resident and Health Services.
- ◆ Has experience in various aspects of healthcare management and senior housing since 1985.
- ◆ Holds a Bachelor of Arts Degree in Leisure Studies from Salisbury State University.
- ◆ Has been a licensed Nursing Home Administrator since 2002.

**Jan (Briggs) Purdy-Gray**, Executive Director, Piedmont Crossing

- ◆ Has worked as the Executive Director of Piedmont Crossing since September 2024.
- ◆ Previously worked as Director of Nursing and Nursing Home Administrator at Piedmont Crossing since 2014.
- ◆ Has over 30 years of long-term care experience.
- ◆ Holds a Bachelor of Science Degree in Nursing with a focus in health care administration from Winston-Salem State University.

**Maria Robin Niles**, Executive Director, Providence Place

- ◆ Has worked as the Executive Director of Providence Place since October 2024.
- ◆ Previously worked over 17 years at Choice Health Management as Director of Operations.
- ◆ Has experience in various aspects of long-term care administration since 1989.
- ◆ Has been a licensed nursing home administrator in North Carolina since 1997; and prior to that in Virginia since 1989
- ◆ Is licensed as a NC Real Estate Realtor since 2020.
- ◆ Holds a Bachelor of Science Degree in Psychology from High Point University.
- ◆ Serves on the Board for FutureCare of NC

*No member of the Board of Directors of EveryAge, Home Office Administration or Community Administration has been convicted of a felony or pleaded nolo contendere to a felony charge or have been held liable or enjoined in a civil action by final judgment, where the felony or civil action involved fraud, embezzlement, fraudulent conversion, or misappropriation of property. No member of the Board of Directors of EveryAge, Home Office Administration or Community Administration is subject to a currently effective injunctive or restrictive court order, or within of an action brought by a government agency or department, where the order or action arose out of or related to business activity of healthcare, including actions affecting a license to operate a foster care facility, nursing home, retirement home, home for aged, or facility subject to North Carolina General Statute 58-64-20 or similar law in another state.*

*In accordance with North Carolina General Statute (“GS”) § 58-64-20(a)(3)(b)], through this statement, it is hereby disclosed that no owner, officer, or person managing the Community on a day to day basis has a 10% or greater interest in any other entity or if any other entity has a 10% or greater interest in any owner, officer, or person managing the Community on a day to day basis has or will provide \$500 or more in goods or services to the Community.*

## Section II: Community Introduction and Information

---

### **Abernethy Laurels**

102 Leonard Avenue

Newton, NC 28658

Executive Director: Amber McIntosh

Abernethy Laurels combines the peace of a rural setting with the proximity of city life within easy driving distance. The community is nestled on 120 acres with abundant green space and attractive home sites. Abernethy Laurels became operational August 9, 1971, and was the first EveryAge continuing care retirement community, and has a rich history of quality service and amenities.

Each individual's application for admission is reviewed through an admissions process giving attention to health needs, social interests, along with financial and age requirements.

Abernethy Laurels is located two miles east of downtown Newton, NC, on Highway 16, in the foothills of the Blue Ridge Mountains of North Carolina. From Interstate 40, take Exit 132/NC16. Turn South onto Thornburg Drive/NC16 and travel approximately six miles. Turn left on NC16 South at the Chevrolet dealership. Abernethy Laurels is located approximately one mile on the left.

<b>Health Center</b>	<u>Available</u>	<u>Occupied</u>
Nursing Beds	174	164
<b>Residential Living Units</b>	<u>Available</u>	<u>Occupied</u>
Apartments	41	40
Villas	62	51
Cottages	26	25
<b>Pavilion</b>	<u>Available</u>	<u>Occupied</u>
Apartments	36	34
Studios	22	18
Adult Care	18	16

*There are approximately 378 Residents residing in all levels of living at Abernethy Laurels as of September 30, 2024. There is a total of 163 continuing care contracts with Abernethy Laurels, which encompass a total of 199 people, inclusive of second persons.*

## Section III: Policies

---

### **Admissions Policy Statement**

Admission to Residential Living Units shall follow the guidelines as established by EveryAge. Each Application for Admission is reviewed through an admissions process giving attention to health needs, social interests, financial and age requirements. The financial statement is carefully reviewed to ensure that the expenses incurred by residing at the Community would not place a financial hardship on the Resident or the Corporation. The applicant is notified of the decision regarding residency following the application review process. Depending upon the amount of time that has elapsed since the initial acceptance and whether any rate changes have been implemented, an applicant's financial status may be reevaluated.

The following guidelines are used in making a decision regarding approval of an application for admission:

#### **1. Health Needs**

An individual's health must be such that they are capable of meeting the requirements of residing in the Residential Living Unit that does not include any daily or other living services in the program for this level of living, such as those involving food preparation, housekeeping, medication administration, toileting, mobility, decision-making, shopping, financial management, bathing, dressing, grooming or hygiene. The individual must be able to meet the requirements listed above by himself/herself, or with the assistance of (1) aide, attendant, the Abernethy Laurels' Home Care Agency, Laurels At Home, or other outside support service, which the individual arranges for and follows the Corporation's private duty policy (2) the provision of reasonable accommodations, and/or (3) a reasonable modification of the Residential Living Unit.

#### **2. Social Interests**

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

#### **3. Financial Requirements**

Applicants should have sufficient income and assets to pay for all necessary fees and still be able to continue in their present lifestyle. Expenses related to health conditions and any required support services are carefully considered. If the applicant has a long-term care insurance policy that covers nursing home care this will be considered. A financial analysis is completed utilizing actuarial data. Marginal applicants will be reviewed for the possibility of other alternatives including other EveryAge campuses, other Residential Living Units on the desired campus, and other options available for payment. In the event that the Corporation is assessed sales or use tax on Monthly, Daily Fees, and/or fees for other services, the Resident will be responsible for all such taxes.

#### **4. Age Requirements**

The age for admission is at least sixty-two (62) years. If application is for two individuals (referred to hereinafter as a “couple”) to occupy one Residential Living Unit, at least one of the two individuals must be at least sixty-two (62) years of age.

### **Residency Agreement Policies**

#### **1. Basic Requirements and Terms for Cancellation**

##### **(a) Cancellation Prior to Occupancy Due to Death, Illness, or Incapacity**

If the Residency Agreement is entered into prior to occupancy of the Residential Living Unit and the Resident dies before occupying the Residential Living Unit, or if, on account of illness, injury, or incapacity, the Resident would be precluded from occupying the Residential Living Unit, the Residency Agreement is automatically cancelled, and the Resident or legal representative of the Resident shall receive a refund of all money or property transferred to the Corporation:

- (i) less any nonstandard costs specifically incurred by the Corporation at the request of the Resident, and
- (ii) any refund due the Resident for cancellation of the Residency Agreement under these circumstances will be made within forty-five (45) days after receipt by the Corporation of a written notice of the Resident’s death, illness, or incapacity.

##### **(b) Cancellation by the Resident Within Thirty (30) Days of Contract Execution:**

Notwithstanding any other provision of the Residency Agreement, the Resident may rescind the Residency Agreement within thirty (30) days following the execution of the Residency Agreement (or the receipt of a disclosure statement, if later) in which event any money paid will be refunded in full, other than:

- (i) the Monthly Fee applicable to the period a Residential Living Unit was occupied by the Resident;
- (ii) any damage caused to the Residential Living Unit during occupancy or in moving;
- (iii) any nonstandard costs specifically incurred by the Corporation at the request of the Resident; and
- (iv) any refund due the Resident under this thirty (30) day provision will be made within forty-five (45) days after receipt by the Corporation of a written notice of cancellation from the Resident. The Resident is not required to move into the Residential Living Unit before the expiration of this thirty (30) day period.

(c) Cancellation by Resident Between Thirtieth (30th) and Ninetieth (90th) Day of Occupancy

During the first ninety (90) days of occupancy, the Resident will have the right to terminate the Residency Agreement by serving the Corporation with written notice of such termination. During the ninety (90) day period, the Corporation also has the right to terminate the Residency Agreement based on its judgment regarding the Resident's ability to adjust to this lifestyle. Any money paid will be refunded in full, other than:

- (i) the Monthly Fee applicable to the period the Residential Living Unit was occupied by the Resident;
- (ii) a ten percent (10%) reduction in the initial Residency Fee paid as specified in the selected agreement;
- (iii) cost for repair of any damage caused to the Residential Living Unit during occupancy or in moving;
- (iv) any nonstandard costs specifically incurred by the Corporation at the request of the Resident; and
- (v) any refund due the Resident for termination during this period will be made within thirty (30) days after the date that the last Residential Living Unit to have been occupied by the Resident has been vacated and made available for marketing.

(d) Cancellation By the Resident After Ninety (90) Days of Occupancy:

After the ninety (90) day period, this Residency Agreement may be terminated by the Resident at any time by serving the Corporation a sixty (60) day advance written notice of such termination. Any refund due the Resident will be made only when the last Residential Living Unit to have been occupied by the Resident is covered by a new Residency Agreement with another person or persons and all new fees have been paid in full.

(e) Terminations By the Corporation:

The Corporation may terminate the Residency Agreement at any time if:

- (i) there has been any material misrepresentation or omission made by the Resident on the Application Form;
- (ii) there is conduct on the part of the Resident that threatens the safety or well-being of the Resident, that of the Resident's neighbors, or employees of the Corporation.

(f) Joint Occupancy of Residential Living Unit:

If another individual ("Other Resident") signs a separate Residency Agreement to share occupancy of the same Residential Living Unit with the Resident, in the event of the death of the Other Resident, or the removal of the Other Resident from the Residential Living Unit on a permanent basis for any reason, the remaining Resident will continue to enjoy all rights, privileges, and obligations of the Residency Agreement. Any refund of the Residency Fee due under either of said Residency Agreements will not be computed until the termination of both Residency Agreements due to death or otherwise, and any refund due under either Residency Agreement will be paid to the Resident or Other Resident who is the last to terminate their Residency Agreement.

## **2. Changes in Occupancy**

- (a) Should the Resident choose to marry, and the new spouse is not a resident of the Community, the spouse will be required to submit an application for admission. The spouse would complete the regular admission process including the payment of all fees, which may include but not be limited to the upgraded and readjusted Residency Fee, and the Monthly Fee. If denied, the couple will then have sixty (60) days to make other living arrangements. If the couple must make other living arrangements, any monies to be returned will be paid to the individual who was a contracted resident of the Community. This refund will be paid within thirty (30) days after the date that the last Residential Living Unit to have been occupied by the Resident has been vacated and made available for remarketing.
- (b) Should the Resident choose to marry another resident and the two choose to occupy a single Residential Living Unit, any fees to be returned to the person vacating their Residential Living Unit will be set aside and held by the Corporation for use by that Resident to pay for necessary healthcare expenses should that Resident need nursing care.
- (c) After the Resident has occupied a Residential Living Unit, should the Resident desire to have another individual move in with him/her (including a new spouse), the new individual shall complete the normal admission process including the payment of all fees. If the application for admission is approved, either the original Residency Agreement shall be amended, or new Residency Agreements shall be executed which specify the new fees and terms established by the Corporation.
- (d) Should a couple occupying a Residential Living Unit choose to no longer share a single living unit, one of the Residents may remain in the occupied unit with that Resident becoming solely entitled to any refund which may be later due under the Residency Agreement, and that Resident will continue to enjoy all rights, privileges, and obligations of said Residency Agreement. A separate and new Residency Agreement must be executed for the Other Resident moving out of the Residential Living Unit and into another Residential Living Unit. Should the Other Resident vacating the Residential Living Unit choose to leave the Community and find other living opportunities, the Other Resident is not entitled to any refund and the Corporation shall have no further obligations to that Resident or their heirs, executors, administrators, or assigns.

## **3. Residency**

- (a) The Corporation agrees the Resident may occupy the Residential Living Unit described in the Residency Agreement, subject to the conditions of the Residency Agreement.
- (b) Upon termination of the Residency Agreement by either party, or upon the death of the Resident, after a new Residency Agreement has been executed by another party for the last Residential Living Unit to have been occupied by the Resident, and all fees due have been paid in full, the Resident or Resident's estate will be entitled to a refund of the Residency Fee, as described in the selected Residency Agreement.



The amount of the refund shall be based upon the length of time that has elapsed from the date the Residency Agreement was signed to the effective date of termination. During the life of the Resident at the Community, the refund shall not be assigned to another party without an amendment to the Residency Agreement executed by the Resident and the Corporation.

- (c) If the Resident, because of changes in circumstances, chooses to move into a different Residential Living Unit where a lesser Residency Fee is required, the Resident may do so but without a refund. If the Resident should choose to move into a different Residential Living Unit where a larger Residency Fee is required, the Resident will pay the difference between the Residency Fee and additional fees based on the amount the Resident paid upon admission and the current Residency Fee for the new Residential Living Unit to be occupied.
- (d) When a resident in a single-occupant unit makes a permanent transfer to a licensed health care or adult care room (“licensed unit”), the Residency Fee stops amortizing. The amortization date is determined by calculating the length of time that has elapsed from the date the Residency Agreement was signed to the effective date the unit was made available for remarketing and the keys were turned into the marketing office.
  - (i) If the Resident occupies the Residential Living Unit for less than ninety (90) days and then moves permanently into a licensed unit, the Corporation will retain ten percent (10%) of the Residency Fee. The remainder of the Residency Fee will be set aside for use by the Resident for healthcare expenses.
  - (ii) If the Resident moves into a licensed room after ninety (90) days, but before the Residency Fee amortizes to zero, the amount of the refund shall be based upon the amortization schedule defined in Section 3 of the Residency Agreement.
- (e) If the Resident should move into a a licensed unit and vacate the Residential Living Unit, regardless of the length of residence in the Residential Living Unit, the Residency Agreement will remain in effect.
- (f) If two persons sign a Residency Agreement for the same Residential Living Unit and one of them should need to move into a a licensed unit on a permanent basis, the Resident remaining in the Residential Living Unit will continue to enjoy all the rights, privileges, and obligations of the Residency Agreement. The prevailing cost of room, board and other necessary or requested services for the person moving into the licensed unit shall be paid from that person's available assets, including assets transferred by the Resident to a revocable trust or to any trust in which the Resident is a beneficiary. The person remaining in the Residential Living Unit becomes solely entitled to any refund of the Residency Fee that may later be due under the Residency Agreement.
- (g) After the first ninety (90) days of occupancy of the Residential Living Unit, any refund due the Resident under the Residency Agreement will be made only when the last Residential Living Unit to have been occupied by the Resident is covered by a new Residency Agreement with another person or persons and all new fees have been paid in full.

#### **4. Health Insurance**

- (a) The Resident will maintain eligible Medicare Coverage and one supplemental insurance policy or equivalent insurance coverage, which adequately covers hospital, medical and skilled nursing deductibles and copayments required of the primary insurance plan.
- (b) If the Resident has chosen to participate in a managed care insurance program as an alternative to Medicare Part A, Medicare Part B, or other healthcare programs, and supplemental insurance coverage, when healthcare services are provided at the Community, the following restrictions apply:
  - (i) If the Corporation is an approved participating provider with the Resident's managed care program, the Corporation agrees to be reimbursed at the rate negotiated with the Resident's managed care program.
  - (ii) If the Corporation is not an approved participating provider with the Resident's managed care program and the Resident chooses to receive healthcare services at a managed care participating provider, then the Resident agrees that the Resident must relocate for as long as necessary for those services to be provided and be responsible for all costs. In addition, while receiving healthcare services at the managed care participating provider, the Resident agrees that unless this Agreement is terminated, the Resident will continue to pay all fees for the Resident's living accommodation at the Community, unless the Resident's living accommodation has been surrendered to the Community.
  - (iii) If the Corporation is not a participating provider in the Resident's managed care program and a negotiated rate is not agreed upon by the Corporation, and the Resident would still like to receive healthcare services at the Community, then the Resident will be responsible for the full amount of applicable fees and any charges not paid by the Resident's insurance carrier.
- (c) Both the primary and supplemental health insurance policies must recognize the Corporation as a healthcare provider; or the Resident will assume the financial responsibility for services provided that otherwise would not be covered.
- (d) The Resident will be responsible for ensuring that the health insurance coverage does not lapse and, upon request, will provide the Corporation with evidence of such coverage. Should the health insurance coverage lapse, the Corporation may require the Resident to reapply for suitable coverage.
- (e) If the Resident is unable to obtain adequate new coverage, the Corporation will bill the Resident for any costs related to medical or other healthcare services that would have otherwise been covered by the health insurance coverage policy.
- (f) The Corporation reserves the right and sole discretion to eliminate and/or change its participation in all insurance plans.

#### **5. Health Needs**

- (a) The Resident will provide the Community with appropriate medical records thirty (30) days prior to occupancy and will, within sixty (60) days after taking occupancy, have a medical

examination by a private physician or the Community's Medical Director. In matters of health, the Community's Medical Director will recommend to the administrative staff continued occupancy of a suitable Residential Living Unit. The administrative staff would make a final decision on occupancy of said Residential Living Unit after consultation with the Resident, the Resident's physician, and/or the Resident's Power-of-Attorney/Resident Representative.

- (b) When the Resident's health condition changes, an assessment team is assigned to evaluate the Resident utilizing the Corporation's Level of Living Guidelines, a copy of which is provided to all residents. A formal appeal process is available to the Resident if the assessment team recommends changes to the Resident's living accommodations and/or level of living status with which the Resident disagrees.
- (c) If at any time the Medical Director, in consultation with the administrative staff, determines the Resident is no longer able to function in a Residential Living Unit or needs care beyond the scope of the Corporation, the Resident will abide by that decision.
- (d) If the Resident becomes unable to care for their business and financial affairs, the Corporation reserves the right, because of its financial and moral involvement, to institute action for the determination of the Resident's competence and, if necessary, facilitate the appointment of a guardian to fulfill the terms of the Residency Agreement, unless such needed arrangements have already been made.
- (e) If the Resident should need Adult Care Services or Nursing Services, such services will be made available by the Corporation at fees current at such time as said services are needed and according to available space.

## **6. Other Considerations**

- (a) The Resident is given, as an Addendum to the Residency Agreement, a current copy of the Resident Handbook. These documents will change from time to time, but the Resident Handbooks are the procedural documents for those occupying Residential Living Units at the Community.
- (b) The Resident may not transfer or voluntarily reduce substantially their assets, as related on their application for occupancy of a Residential Living Unit at EveryAge, without notification to the Corporation. The Resident shall be required at specific times to present the Corporation with an updated confidential financial statement.
- (c) Should the Resident become financially unable to pay the Monthly Fee, the per diem Health Center Fee, or any other fees charged by the Community, the administrative staff of the Corporation will assist the Resident in applying for funds needed to meet the charges for care.

The Resident shall apply for any and all federal, state, and local grants and benefits for which the Resident may be entitled or eligible, and to apply any and all such grants and benefits toward the cost of the Resident's care at the Center. The Resident's failure to do so will result in termination of the Residency Agreement by the Corporation and release of its obligations hereunder.

## Section IV: Services

---

### **Diverse and Complete Community**

**Abernethy Laurels** is a continuing care retirement community providing support services and structural features to help persons live as independently as possible for as long as possible. The campus is designed to have three major areas with a specific lifestyle in mind. The Village, Pavilion, and Health Center cover a wide spectrum of living arrangements to accommodate a diversity of lifestyles on a single campus. Abernethy Laurels also operates an onsite Home Care Agency, Laurels At Home. The goal of this Community is to provide a holistic environment.

### **The Village**

The Residential Living Units in the Village consist of apartments, villas, and cottages. Independence and a self-sufficient lifestyle are what the Corporation strives to promote in all areas of residential living. Transportation, meals, laundry service, housekeeping, and salon services are among the support services available on an as needed, fee-for-service basis so that this type of lifestyle may be enjoyed for as long as possible. The standard services of lawn care, the Residential Living Unit's exterior maintenance, and appliance maintenance help to free the Resident to enjoy a more meaningful use of their time and efforts.

#### 1. One-Bedroom Apartment

A residence approximately 875 square feet in size with a living/dining area, one large bedroom, a kitchen equipped with standard appliances, a full bath, and porch or balcony.

#### 2. Two-Bedroom Apartment

A residence approximately 1,150 square feet in size with a living/dining area, one large bedroom and one smaller bedroom, a kitchen equipped with standard appliances, a bath and a half, and a porch or balcony. Most two-bedroom apartments are equipped with a washer and dryer.

#### 3. Villa

A residence ranging from approximately 960 to 2,724 square feet in size with a living/dining area, two bedrooms, a kitchen equipped with standard appliances, a screened or glassed sunroom, a washer and dryer, storage area, and single-car carport. Most villas have two baths.

#### 4. Cottage

A freestanding residence ranging from approximately 1,340 to 2,916 square feet in size with a living room, dining area, two bedrooms, two full baths, a kitchen equipped with standard appliances, a screened or glassed porch, a washer and dryer, and storage/work room. Most cottages have two baths and an enclosed single-car garage.

## **The Pavilion**

A person wanting or needing more support services than can reasonably be provided in the Village has the option of choosing a Residential Living Unit located in the Pavilion. The objective is the promotion of a self-sufficient lifestyle. By providing meals, laundry service, housekeeping, and staff persons on a twenty-four-hour basis, such a lifestyle can be made possible, enjoyable, and rewarding.

Other services such as transportation, salon services, guest meals, etc., are available on a fee-for-service basis. Abernethy Laurels offers home care services on a fee-for-service basis.

### **1. Studio Room**

A private room approximately 240 square feet in size. This room comes with a private half-bath and is designed to accommodate the Resident's own personal furnishings. These rooms may be offered as a rental option as described later in this section entitled "Rental Option."

#### **Adult Care (Assisted Living)**

Staff provides assistance in routine activities of daily living such as bathing, personal hygiene, and medication administration. Staff are available on a twenty-four (24) hour per day basis. There are 18 designated rooms that are licensed by the North Carolina Division of Health Service Regulation.

### **2. Efficiency Apartment**

Approximately 400 square feet in size with a bedroom/living area, kitchenette, and full bathtub/shower, and private balcony or patio.

### **3. Efficiency Deluxe Apartment**

Approximately 410 square feet in size arranged to promote ample privacy and desirable furniture arrangement. The unit has a bedroom/living area, kitchenette, full bath with walk-in shower, and private balcony.

### **4. One-Bedroom Apartment**

Approximately 500 square feet in size with a living/dining area, kitchenette, and separate bedroom. There is also a full bathtub/shower, and private balcony or patio.

### **5. One-Bedroom Deluxe Apartment**

One bedroom with separate living/dining/kitchenette area approximately 805 square feet. The unit also features a walk-in closet, a full bath with walk-in shower and a half bath.

## **Other Services**

### **1. Clinic**

Clinic services are available to all residential living residents. The clinic is staffed by professional nurses. Physician services are available on a periodic basis. The clinic is used for consultation, medication administration, outpatient examinations, outpatient treatments, and prescribed therapies. The clinic conducts screenings, vaccinations, and tests for residents as needed.

## 2. Home Visits

Occasionally residents need temporary healthcare services provided in their Residential Living Unit. These visits may include routine blood pressure and/or pulse rate checks, medication administration, special medical treatments, or assistance with bathing and dressing. Each resident living in a Residential Living Unit has up to twelve nurse visits per year at no additional charge. Additional visits are available on a fee-for-service basis. These services are provided through Abernethy Laurels' Home Care Agency, Laurels At Home.

## 3. Infirmiry Services

If residents have a minor illness or injury and are unable to care for themselves, infirmiry services are available on a limited basis to allow for a short-term recovery period.

## **Health Center**

The objective of the Health Center is to provide quality long-term and/or short-term rehabilitative care. The types of living accommodations provided are based on the Resident's physical needs. A person may enter the Community at the Health Center level by completing all the necessary steps for admission and paying the required fees. Residents are provided healthcare in the onsite Health Center when it is needed. The level of living provided by the Health Center is:

### 1. Nursing Services

Long-term nursing, memory support and short-term rehabilitative services are available on campus. The Health Center is licensed as a nursing home by the North Carolina Division of Health Service Regulation and is Medicare and Medicaid certified, offering both private and companion semiprivate suites. Residents are cared for by licensed and certified nursing professionals under the supervision of a Medical Director and a licensed Nursing Home Administrator.

### 2. Other Services

Other services such as transportation, salon services, guest meals, etc., are available on a fee-for-service basis.

## **Rental Option**

The Corporation offers a rental option through which an individual may enter the community by signing a monthly rental agreement. This agreement does not require payment of an entrance fee but does require payment of a monthly rental rate set at a higher fee than the monthly support fee paid by Residents who hold a contracted Residency Agreement with the Corporation.

The Rental Option provides the Renter with access to services and amenities also available to contracted Residents, with the exception of healthcare services. Additional amenities may be available on a fee-for-service basis for the Renter, and likewise the Renter shall be charged direct admission fees upon entrance to a higher level of living.

This Rental Option is available only in a limited number of specified Residential Living Units. This Rental Option is not an agreement for continuing care.

## Section V:

### **Fees and Refund Schedules**

---

The following provides the refund schedule for the 50% Refund Plan (50% Refund Residency Agreement) and the zero-refund plan (Fully Declining Residency Agreement). Cancellation of the Residency Agreement within the first ninety (90) days, or a portion thereof, will be refunded at a reduced balance based on the Residency Fee paid, minus a ten percent (10%) reduction on the initial Residency Fee.

#### **Residency Fee**

Payment of a Residency Fee (entrance fee) secures for a Resident the right to maintain occupancy of a selected Residential Living Unit and utilize the services and amenities available at the community for as long as the Resident is able to comply with the terms of the Residency Agreement. Prior to occupancy the Resident will sign a Residential Living Residency Agreement and pay the remainder of the Residency Fee.

#### **Monthly Fee**

Payment of a Monthly Fee provides a Resident with certain monthly services as provided in the disclosure statement and Residential Living Unit Residency Agreement(s). All other services are provided on an additional fee-for-service basis.

#### **50% Refund Residency Agreement (Plan A)**

Beginning on day 91, the total portion of the residency fee which remains refundable is reduced to 90% of the original fee. From Day 91 through the end of the 36<sup>th</sup> month of occupancy, the refundable portion of the original residency fee will be reduced by 1.21% per month for each month of occupancy through month thirty-six (36). After the thirty-sixth (36<sup>th</sup>) month of occupancy, the refund will remain at the fifty percent (50%) level. During the life of the Resident at the Community, the refund shall not be assigned to another party without an amendment to the Residency Agreement executed by the Resident and the Corporation.

#### **Fully Declining Residency Agreement (Plan B)**

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

The following outlines the fee structure for **Abernethy Laurels** for the past five years, including incremental average increases from the previous year. All fees for each year became effective on October 1. There is a Residency Fee for Residential Living Units ranging from \$35,500 to \$516,750.

### Daily Fees (Health Center)

	24/25	Average Increase	23/24	Average Increase	22/23	Average Increase	21/22	Average Increase	20/21	Average Increase
<b>Suite (Private)</b>										
Nursing	360	14	346	13	333	16	317	12	305	9
Memory Support	366	14	352	14	338	16	322	12	310	6
Short Term Rehabilitation	452	17	435	17	418	20	398	15	383	11
<b>Companion Suite (Semiprivate)</b>										
Nursing	324	12	312	12	300	14	286	11	275	8

*(Fees are subject to change with an advance notice.)*

### Monthly Fee (Residential Living)

		24/25	Average Increase	23/24	Average Increase	22/23	Average Increase	21/22	Average Increase	20/21	Average Increase
<b>Residential Living Unit</b>											
One-Bedroom	one person	1874	72	1802	78	1724	98	1626	59	1567	53
	two people	2716	104	2616	109	2503	142	2361	80	2281	60
Two-Bedroom	one person	2020	78	1942	84	1858	105	1753	63	1690	57
	two people	2862	110	2752	115	2637	149	2488	84	2404	64
Villa	one person	2160	83	2077	89	1988	113	1875	68	1807	61
	two people	3002	115	2887	120	2767	157	2610	89	2521	68
Cottage	one person	2356	91	2265	98	2167	123	2044	74	1970	67
	two people	3198	123	3075	129	2946	167	2779	95	2684	74

*(Fees are subject to change with an advance notice.)*



## The Pavilion at Abernethy Laurels

Daily Fee	24/25	Average Increase	23/24	Average Increase	22/23	Average Increase	21/22	Average Increase	20/21	Average Increase
<b>Residential Living Units</b>										
Assisted Living Room	208	6	202	8	194	6	187	5	182	6
Assisted Living – Studio A	208	6	202	8	194	6	187	5	182	2
Assisted Living – Studio A <input checked="" type="checkbox"/>	203	6	197	8	189	7	182	5	177	5
Assisted Living – Studio B	224	7	217	8	209	8	201	6	195	4
Assisted Living – Studio B <input checked="" type="checkbox"/>	219	7	212	8	204	8	196	6	190	4

(Fees are subject to change with an advance notice.)

Indicates Existence of Residency Agreement

Monthly Fee		24/25	Average Increase	23/24	Average Increase	22/23	Average Increase	21/22	Average Increase	20/21	Average Increase
<b>Residential Living Units</b>											
Efficiency Apartment	one person	3626	156	3470	149	3321	158	3163	114	3049	42
	two people	4975	208	4767	199	4568	217	4351	149	4202	53
Efficiency Deluxe Apartment	one person	4031	174	3857	166	3691	176	3515	127	3388	99
	two people	5380	226	5154	216	4938	235	4703	162	4541	110
1 Bedroom Apartment	one person	4681	202	4479	193	4286	204	4082	148	3934	115
	two people	6030	254	5776	243	5533	263	5270	183	5087	126
1 Bedroom Deluxe Apartment	one person	4898	211	4687	202	3691	214	4271	154	4117	120
	two people	6247	263	5984	252	4938	273	5459	189	5270	131

(Fees are subject to change with an advance notice.)

## Residency Agreement Fee

	Plan A	Plan B
Villa	211,500-432,750	141,000-288,500
Cottage	313,500-516,750	209,000-344,500
Pavilion Efficiency Apartment	53,350	35,500
Pavilion One Bedroom Apartment	75,500	50,500
Pavilion One Bedroom Deluxe	117,750	78,500

There is a fee schedule published annually to cover such items as transportation, meals, housekeeping, etc. This list is available upon request and strives to provide services for residential living persons as they are needed and at a reasonable cost. (See Exhibit 1)

Section VI:  
**Financial Information and Five-Year Projection Statement**

---

**Historical and Forecasted Financial Statements**

Year Ending September 30, 2025 (Forecast)

Year Ending September 30, 2026 (Forecast)

Year Ending September 30, 2027 (Forecast)

Year Ending September 30, 2028 (Forecast)

Year Ending September 30, 2029 (Forecast)

EVERYAGE  
PROJECTED COMBINED FINANCIAL STATEMENTS  
AND INDEPENDENT ACCOUNTANTS' REPORT  
FOR THE YEARS ENDING SEPTEMBER 30, 2025  
THROUGH SEPTEMBER 30, 2029



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAcconnect.com](http://CLAcconnect.com)

**EVERYAGE  
TABLE OF CONTENTS  
FOR THE YEARS ENDING SEPTEMBER 30, 2025 THROUGH 2029**

<b>Independent Accountants' Compilation Report</b>	<b>1</b>
<b>Projected Combined Financial Statements</b>	
Projected Combined Balance Sheets	2
Projected Combined Statements of Operations and Changes in Net Assets	3
Projected Combined Statements of Cash Flows	4
<b>Summary of Significant Projection Assumptions and Accounting Policies:</b>	
Basis of Presentation	5
Background and Summary of Significant Accounting Policies	6
Management's Basis for Projection of Revenues	12
Management's Basis for Projection of Expenses and Other Items	17
<b>Supplemental Information</b>	
<b>Independent Accountants' Compilation Report on Supplemental Information</b>	<b>22</b>
<b>Projected Balance Sheets, Statements of Operations and Changes in Net Assets, and Statements of Cash Flows</b>	
EveryAge – Abernethy Laurels	23
EveryAge – Piedmont Crossing	26
EveryAge – Providence Place LLC	29
EveryAge – Home Office	32



## INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Directors  
EveryAge  
Newton, North Carolina

Management is responsible for the accompanying projected combined financial statements of EveryAge (the "Organization"), which comprise the projected combined balance sheets as of September 30, 2025, 2026, 2027, 2028 and 2029, and the related projected combined statements of operations and changes in net assets, and cash flows for the years then ending, and the related summary of significant projection assumptions and accounting policies in accordance with the guidelines for presentation of a financial projection established by the American Institute of Certified Public Accountants ("AICPA"). We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the projected combined financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these projected combined financial statements or the assumptions. Furthermore, even if the hypothetical assumptions as noted in Management's Summary of Significant Projection Assumptions and Accounting Policies on page 5 (the "Hypothetical Assumptions") occurs as projected, the projected results may not be achieved, as there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

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

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

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Charlotte, North Carolina  
February 24, 2025

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAGlobal.com/disclaimer](https://www.claglobal.com/disclaimer).

(1)

	2025	2026	2027	2028	2029
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents	\$ 2,276	\$ 2,338	\$ 2,403	\$ 2,469	\$ 2,538
Accounts Receivable	4,983	5,101	5,223	5,350	5,482
Allowance for Credit Losses	(394)	(394)	(394)	(394)	(394)
Other Receivables	935	968	1,001	1,037	1,074
Due from Related Parties, Current	33,889	36,872	41,100	46,012	51,351
Other Current Assets	561	580	601	622	644
<b>Total Current Assets</b>	<b>42,250</b>	<b>45,465</b>	<b>49,934</b>	<b>55,096</b>	<b>60,895</b>
Due from Related Parties, Less Current Portion	228	228	228	228	228
<b>Assets Limited as to Use</b>					
Statutory Operating Reserve	20,494	21,111	21,858	22,592	23,329
Trustee Deposit Accounts Required by Debt Agreement	490	489	495	498	514
Residents' Funds	94	94	94	94	94
Debt Service Reserve Fund	3,712	3,712	3,712	3,712	3,712
<b>Total Assets Limited as to Use</b>	<b>25,018</b>	<b>25,634</b>	<b>26,387</b>	<b>27,124</b>	<b>27,877</b>
<b>Investments</b>					
Equity Investment	65,174	72,723	80,347	88,339	96,788
Fair Value of Interest Swap Agreements	1,441	1,441	1,441	1,441	1,441
Other Noncurrent Assets	5,198	5,198	5,198	5,198	5,198
Property and Equipment, Net	1,442	1,442	1,442	1,442	1,442
Property and Equipment	177,499	181,941	186,486	191,138	195,900
Less: Accumulated Depreciation	(93,555)	(100,699)	(107,864)	(115,182)	(122,819)
Property and Equipment, Net	83,944	81,242	78,622	75,956	73,081
Intangible Assets and Goodwill	10,037	9,076	8,115	7,154	6,193
<b>Total Assets</b>	<b>\$234,504</b>	<b>\$242,221</b>	<b>\$251,486</b>	<b>\$ 261,750</b>	<b>\$272,715</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Current Portion of Long-Term Debt	1,145	1,170	1,283	1,366	1,603
Accounts Payable	2,691	2,752	2,817	2,884	2,953
Accrued Salaries and Related Benefits	3,809	3,939	4,077	4,220	4,367
Other Current Payables	1,492	1,492	1,492	1,492	1,492
Due to Affiliates	27,242	30,225	34,453	39,365	44,704
<b>Total Current Liabilities</b>	<b>36,379</b>	<b>39,578</b>	<b>44,122</b>	<b>49,327</b>	<b>55,119</b>
<b>LONG-TERM LIABILITIES</b>					
Long-Term Debt, Net of Current Portion	105,386	104,216	102,933	101,567	99,964
Deferred Financing Costs	(2,042)	(1,955)	(1,868)	(1,781)	(1,694)
Unamortized Bond Premium	3,031	2,882	2,733	2,584	2,435
Long-Term Debt, Net of Current Portion	106,375	105,143	103,798	102,370	100,705
Refundable Entrance Fees	6,020	5,825	5,723	5,737	5,850
Deferred Revenue from Advance Fees	23,971	25,478	26,988	28,445	29,939
<b>Total Long-Term Liabilities</b>	<b>136,366</b>	<b>136,446</b>	<b>136,509</b>	<b>136,552</b>	<b>136,494</b>
<b>Total Liabilities</b>	<b>\$172,745</b>	<b>\$178,024</b>	<b>\$180,631</b>	<b>\$ 185,879</b>	<b>\$191,613</b>
<b>NET ASSETS</b>					
Net Assets Without Donor Restrictions	61,759	66,197	70,855	75,871	81,102
Net Assets With Donor Restrictions	-	-	-	-	-
<b>Total Net Assets</b>	<b>61,759</b>	<b>66,197</b>	<b>70,855</b>	<b>75,871</b>	<b>81,102</b>
<b>Total Liabilities and Net Assets</b>	<b>\$234,504</b>	<b>\$242,221</b>	<b>\$251,486</b>	<b>\$ 261,750</b>	<b>\$272,715</b>

**EVERYAGE**  
**PROJECTED COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS**  
**ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 5**  
**FOR THE YEARS ENDING SEPTEMBER 30, 2025 THROUGH 2029**

	2025	2026	2027	2028	2029
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>					
Health Care	\$ 47,911	\$ 49,588	\$ 51,324	\$ 53,120	\$ 54,980
Pavilion/Assisted Living	6,496	6,723	6,959	7,203	7,455
Residential Living	14,671	15,185	15,717	16,267	16,835
Amortization of Advance Fees	4,142	4,267	4,395	4,527	4,663
Home Care	1,581	1,636	1,693	1,752	1,813
Management Fee Income	2,505	2,382	2,211	2,288	2,369
Other Operating Revenue	2,384	2,467	2,554	2,643	2,735
<b>Total Revenue, Gains, and Other Support</b>	<b>79,690</b>	<b>82,248</b>	<b>84,853</b>	<b>87,800</b>	<b>90,850</b>
<b>EXPENSES</b>					
Health Services					
Health Care	20,805	21,534	22,288	23,068	23,875
Medical Records	170	176	183	189	196
Personnel and Employee Benefits	14,082	14,575	15,085	15,613	16,159
Laundry	525	544	564	583	603
Social Services	361	394	408	423	437
Activities	699	722	748	775	802
Spiritual Life	206	212	220	227	236
Housekeeping	2,071	2,143	2,218	2,295	2,376
Plant Maintenance	5,712	5,911	6,118	6,332	6,553
Residential Living	10	10	11	11	11
Pavilion/Assisted Living	1,928	1,996	2,066	2,138	2,213
Clinic	167	173	179	185	192
Resident Services	277	287	297	307	318
Transportation	156	162	168	173	179
Dietary	6,689	6,924	7,166	7,417	7,677
Wellness Center	217	225	233	241	249
Beauty Shop	25	26	27	28	29
Day Care	322	333	345	357	369
Home Care	1,260	1,304	1,350	1,398	1,446
General and Administrative:					
Administrative	7,208	7,460	7,722	7,993	8,272
Marketing	1,050	1,087	1,125	1,164	1,205
Staff Development	216	224	231	239	247
Depreciation and Amortization	7,509	8,105	8,126	8,279	8,598
Real Estate Taxes	8	8	8	8	8
Interest Expense	3,856	3,833	3,793	3,755	3,705
Interest - Amortization of Issuance Costs	87	87	87	87	87
Insurance	1,312	1,359	1,407	1,456	1,507
Credit Loss Expense	438	292	303	313	325
Other Operating Expenses	992	1,027	1,054	1,101	1,140
<b>Total Operating Expenses</b>	<b>78,378</b>	<b>81,133</b>	<b>83,540</b>	<b>86,155</b>	<b>89,014</b>
<b>Operating Loss</b>	<b>1,312</b>	<b>1,115</b>	<b>1,313</b>	<b>1,645</b>	<b>1,836</b>
Nonoperating Income					
Contribution Income (Expense)	(83)	(90)	(98)	(106)	(114)
Other Nonoperating Revenue	122	125	128	131	134
Investment/Interest Income	3,230	3,288	3,315	3,346	3,375
Net Assets Released from Restrictions	-	-	-	-	-
<b>Net Nonoperating Income</b>	<b>3,269</b>	<b>3,323</b>	<b>3,345</b>	<b>3,371</b>	<b>3,395</b>
<b>Excess of Revenues Over Expenses and Change in Net Assets Without Donor Restrictions</b>	<b>4,581</b>	<b>4,438</b>	<b>4,658</b>	<b>5,016</b>	<b>5,231</b>
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>					
Contributions	-	-	-	-	-
<b>Change in Net Assets With Donor Restrictions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Net Assets</b>	<b>4,581</b>	<b>4,438</b>	<b>4,658</b>	<b>5,016</b>	<b>5,231</b>
<b>Net Assets, Beginning of Year</b>	<b>57,178</b>	<b>61,759</b>	<b>66,197</b>	<b>70,855</b>	<b>75,871</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 61,759</b>	<b>\$ 66,197</b>	<b>\$ 70,855</b>	<b>\$ 75,871</b>	<b>\$ 81,102</b>

See Independent Accountants' Compilation Report and  
Summary of Significant Projection Assumptions and Accounting Policies  
(3)

**EVERYAGE**  
**PROJECTED COMBINED STATEMENTS OF CASH FLOWS**  
**ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 5**  
**FOR THE YEARS ENDING SEPTEMBER 30, 2024 THROUGH 2028**

	2025	2026	2027	2028	2029
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Change in Net Assets	\$ 4,581	\$ 4,438	\$ 4,658	\$ 5,016	\$ 5,231
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:					
Depreciation and Amortization	7,509	8,105	8,126	8,279	8,598
Amortization of Deferred Issue Costs	87	87	87	87	87
Amortization of Bond Premium, Net	(52)	(149)	(149)	(149)	(149)
Amortization of Advance Fees	(4,142)	(4,267)	(4,395)	(4,527)	(4,663)
Advance Fees Received	4,976	3,703	3,772	3,788	3,894
Accounts Receivable	(1,981)	(118)	(122)	(127)	(132)
Other Receivables	(84)	(33)	(33)	(36)	(37)
Other Current Assets	(172)	(19)	(21)	(21)	(22)
Increase (Decrease) in Current Liabilities:					
Accounts Payable	1,114	61	65	67	69
Accrued Salaries and Related Benefits	511	130	138	143	147
Other Current Payables	(56)	-	-	-	-
<b>Net Cash Provided by Operating Activities</b>	<b>12,291</b>	<b>11,938</b>	<b>12,126</b>	<b>12,520</b>	<b>13,023</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Change in Assets Limited as to Use	(9,060)	(616)	(753)	(737)	(753)
Purchases of Property and Equipment	(35,316)	(4,442)	(4,545)	(4,652)	(4,762)
(Purchase) Sale of Investments	(5,443)	(7,549)	(7,624)	(7,992)	(8,449)
<b>Net Cash Used in Investing Activities</b>	<b>(49,819)</b>	<b>(12,607)</b>	<b>(12,922)</b>	<b>(13,381)</b>	<b>(13,964)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Advanced Fees Refunds	(1,597)	(1,582)	(1,499)	(1,357)	(1,285)
Borrowings of Long-Term Debt	37,713	-	-	-	-
Principal Payments on Long-Term Debt	(1,326)	(1,145)	(1,170)	(1,283)	(1,366)
Refundable and First Generation Advance Fees Received	3,941	3,458	3,530	3,567	3,661
Increase in Bond Issuance Costs	(1,117)	-	-	-	-
Premium Received on Bonds Issued	682	-	-	-	-
<b>Net Cash Provided by Financing Activities</b>	<b>38,296</b>	<b>731</b>	<b>861</b>	<b>927</b>	<b>1,010</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>788</b>	<b>62</b>	<b>65</b>	<b>66</b>	<b>69</b>
Cash and Cash Equivalents, Beginning of Year	1,508	2,276	2,338	2,403	2,469
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 2,276</b>	<b>\$ 2,338</b>	<b>\$ 2,403</b>	<b>\$ 2,469</b>	<b>\$ 2,538</b>
Supplemental Disclosure of Cash Flow Information:					
Cash Paid for Interest	\$ 3,873	\$ 3,982	\$ 3,942	\$ 3,904	\$ 3,854

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

(4)



## **Summary of Significant Projection Assumptions and Accounting Policies**

### **BASIS OF PRESENTATION**

The financial projection (the "Projection") presents to the best of the knowledge and belief of management ("Management") of EveryAge (the "Organization"), the expected financial position, results of operations and cash flows as of September 30, 2025, 2026, 2027, 2028 and 2029 and for each of the years then ending (the "Projection Period") for the combined entities. All significant intra-entity activity has been eliminated upon combination.

The combined presentation has been prepared pursuant to the requirements of the North Carolina Department of Insurance relating to licensed continuing care retirement communities ("CCRC"s) and includes the activities of:

- EveryAge's Home Office which provides services to both the following communities that are part of Management's presentation, and other communities that are excluded from Management's presentation;
- Abemethy Laurels, a licensed continuing care retirement community ("CCRC");
- Piedmont Crossing, a licensed CCRCs; and
- Providence Place LLC, who owns and operates a retirement community currently applying for licensure as a CCRC (Providence Place).

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

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

Management's Hypothetical Assumption is as follows:

- Management is able to achieve the projected operating revenue inflationary rate increases and operating expense inflationary increases as described hereinafter related to the CCRCs;
- Management's reflection of the acquisition of Providence Place LLC is consistent with its final determination of acquisition value; and
- Interest rates related to variable debt remain as projected.

Management's purpose for preparing this financial Projection is for the use of Management, the Board of Directors, and for inclusion in Management's Disclosure Statements in accordance with Chapter 58, Article 64 of the North Carolina General Statutes and is not intended to be and should not be used, by another other than these specified parties. The Projection reflects management's judgment as of February 24, 2025, the date of this Projection, of the expected conditions and its expected course of actions. The assumptions disclosed herein are those that Management of EveryAge believes are significant to the projected combined financial statements. Furthermore, even if the Hypothetical Assumptions were to occur, there will usually be differences between projected and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. Management does not intend to revise this Projection to reflect changes in present circumstances or the occurrence of unanticipated events.

**This combined presentation presents the combined entities that are licensed by the North Carolina Department of Insurance and as such, exclude other related entities.**

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

See Independent Accountants' Compilation Report  
(5)

## **Summary of Significant Projection Assumptions and Accounting Policies**

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

#### **Background**

EveryAge is a not-for-profit organization that owns and operates continuing care retirement communities in Newton (Abernethy Laurels), Thomasville (Piedmont Crossing) and High Point (Providence Place) consisting of residential living units, assisted living units and nursing facilities providing adult care and intermediate and skilled nursing care. Providence Place was LLC acquired/affiliated on October 1, 2024, and the acquisition was funded by proceeds from the Series 2024A and 2024B Bonds (described hereafter).

EveryAge houses the corporate activities (the "Home Office") relating to the management of both the facilities noted above, as well as other organizations that are excluded from this presentation.

Abernethy Laurels and Piedmont Crossing are currently licensed by the North Carolina Department of Insurance ("NCDI") as continuing care retirement communities ("CCRCs"). EveryAge is applying for CCRC licensure for Providence Place LLC.

EveryAge also owns/operates other organizations both in North Carolina and Virginia that are not licensed as CCRCs by the NCDI. EveryAge's corporate office is located in Newton, North Carolina.

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

##### **Cash Equivalents**

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

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

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

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

##### **Assets Limited as to Use – Operating Reserve**

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

See Independent Accountants' Compilation Report

(6)

## **Summary of Significant Projection Assumptions and Accounting Policies**

### **BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Accounts Receivable**

The Organization records accounts receivable at the total unpaid balance less an allowance for doubtful accounts. The Organization determines past-due status based on the billing dates and does not charge interest on overdue accounts. The Organization writes off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to bad debt expense.

#### **Property and Equipment**

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

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

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

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

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

#### **Deferred Costs**

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

#### **Resident Escrows**

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

See Independent Accountants' Compilation Report  
(7)

## **Summary of Significant Projection Assumptions and Accounting Policies**

### **BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

#### **Advance Deposits**

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

#### **Advance Fees**

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

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

#### **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 entrance fees. If the present value of the net cost of future services and use of facilities exceeds the deferred revenue from entrance fees, a liability is recorded (obligation to provide future services and use of facilities) with the corresponding charge to income.

#### **Revenue Recognition**

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

Performance obligations are determined based on the nature of the services provided by the 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

See Independent Accountants' Compilation Report  
(8)

## **Summary of Significant Projection Assumptions and Accounting Policies**

### **BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

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

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

#### **Medicare and Medicaid**

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

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

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

See Independent Accountants' Compilation Report  
(9)

## **Summary of Significant Projection Assumptions and Accounting Policies**

### **BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### Other

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

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the 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, are not expected to be significant during the Projection Period.

Generally, residents and patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Organization estimates the transaction price for residents and patients with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent charges to the estimate of the transaction price are generally recorded as adjustments to resident and home and community-based services revenue in the period of the change. Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments are not expected to be significant during the Projection Period. Subsequent changes that are determined to be the result of an adverse change in the resident's or patient's ability to pay are recorded as bad debt expense.

The 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.

#### Entrance Fees

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

#### Health Care Services

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

See Independent Accountants' Compilation Report

(10)

## **Summary of Significant Projection Assumptions and Accounting Policies**

### **BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

subject to such audits, reviews, and investigations. Historically such adjustments for the Organization have not been significant in relation to the combined financial statements as a whole.

#### **Monthly Service Fees**

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

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

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

#### **Benevolent Assistance**

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

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

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

#### **Income Tax Status**

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

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

#### **Goodwill and Intangible Assets**

As part of the acquisition of Providence Place LLC the Organization recognized goodwill which it is amortizing over 10 years, and other intangible assets that it is amortizing over 15 years.

See Independent Accountants' Compilation Report  
(11)

**Summary of Significant Projection Assumptions and Accounting Policies**

**MANAGEMENT'S BASIS FOR PROJECTION OF REVENUES**

Unless otherwise noted, assumptions are the same for all three Organizations.

**Facility Utilization**

Management has projected the occupancies at EveryAge – Abernethy Laurels, EveryAge – Piedmont Crossing, and EveryAge – Providence Place will be as follows during the Projection Period:

<b>EveryAge - Abernethy Laurels</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
<b>Average Occupied Units:</b>					
Independent Living	176	176	176	176	176
Assisted Living	17	17	17	17	17
Skilled Nursing	159	159	159	159	159
<b>Available Units:</b>					
Independent Living	187	187	187	187	187
Assisted Living	18	18	18	18	18
Skilled Nursing	174	174	174	174	174
Average Independent Living Occupancy Percentage	94%	94%	94%	94%	94%
Average Assisted Living Occupancy Percentage	94%	94%	94%	94%	94%
Average Skilled Nursing Occupancy Percentage	91%	91%	91%	91%	91%

<b>EveryAge - Piedmont Crossing</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
<b>Average Occupied Units:</b>					
Independent Living	153	153	153	153	153
Assisted Living	9	9	9	9	9
Skilled Nursing	82	82	82	82	82
<b>Available Units:</b>					
Independent Living	169	169	169	169	169
Assisted Living	20	20	20	20	20
Skilled Nursing	104	104	104	104	104
Average Independent Living Occupancy Percentage	91%	91%	91%	91%	91%
Average Assisted Living Occupancy Percentage	45%	45%	45%	45%	45%
Average Skilled Nursing Occupancy Percentage	79%	79%	79%	79%	79%

<b>EveryAge - Providence Place</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
<b>Average Occupied Units:</b>					
Independent Living	154	154	154	154	154
Assisted Living	70	70	70	70	70
Skilled Nursing	114	114	114	114	114
<b>Available Units:</b>					
Independent Living	160	160	160	160	160
Assisted Living	80	80	80	80	80
Skilled Nursing	129	129	129	129	129
Average Independent Living Occupancy Percentage	96%	96%	96%	96%	96%
Average Assisted Living Occupancy Percentage	88%	88%	88%	88%	88%
Average Skilled Nursing Occupancy Percentage	88%	88%	88%	88%	88%

See Independent Accountants' Compilation Report  
(12)



## **Summary of Significant Projection Assumptions and Accounting Policies**

---

### **MANAGEMENT'S BASIS FOR PROJECTION OF REVENUES**

#### **Revenue**

Management fee revenue reflects Management's projected revenues from EveryAge's Home Office management activities that relate to entities that are not included in Management's projections. Intercompany management fees between the Home Office and the entities that are included in Management's projections have been eliminated in Management's combined projections.

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

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

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

See Independent Accountants' Compilation Report  
(13)

**Summary of Significant Projection Assumptions and Accounting Policies**

**MANAGEMENT'S BASIS FOR PROJECTION OF REVENUES**

Abernethy Laurels					
Current Unit Mix, Size and Fees as of October 1, 2024					
Unit Type	Number of Units/Beds	Square Footage	Monthly Fees	Fully Declining (\$)	50% Refund (\$)
<b>Independent Living</b>					
<b>Apartments</b>					
Pavilion					
Studio A	18	240	\$6,327		
Studio B	4	240	\$6,813		
Efficiency Apartment	13	400	\$3,626	\$35,500	\$53,250
Efficiency Deluxe Apartment	2	410	\$4,031	\$35,500	\$53,250
One-Bedroom Apartment	17	500	\$4,681	\$50,500	\$75,750
One Bedroom Deluxe	4	805	\$4,898	\$78,500	\$117,750
Village					
One Bedroom Apartment	10	800-900	\$1,874	\$119,000-\$132,500	\$178,500-\$198,750
Two Bedroom Apartment	31	1,100	\$2,020	\$128,000-\$153,500	\$192,000-\$230,250
<b>Total Apartments</b>	<b>99</b>	<b>666</b>	<b>\$3,807</b>	<b>\$93,481</b>	<b>\$140,221</b>
<b>Villas/Cottages</b>					
Cottage	26	1,341 - 2,916	\$2,356	\$209,000-\$344,500	\$313,500-\$516,750
Villa	62	960 - 2,724	\$2,160	\$141,000-\$288,500	\$211,500-\$432,750
<b>Subtotal Cottages and Villas</b>	<b>88</b>	<b>1,524</b>	<b>\$2,218</b>	<b>\$235,483</b>	<b>\$353,224</b>
<b>Total Independent Living</b>	<b>187</b>	<b>1,062</b>	<b>\$3,059</b>	<b>\$253,823</b>	<b>\$169,215</b>
Second Person Fee - Pavilion			\$1,349		
Second Person Fee - Village			\$842		
<b>Assisted Living</b>	<b>Number</b>	<b>Sq. Feet</b>	<b>Monthly Fees</b>	<b>Daily fee</b>	
Private	18	240	\$6,327	\$208	
<b>Total Assisted Living</b>	<b>18</b>	<b>240</b>	<b>\$6,327</b>	<b>\$208</b>	
<b>Nursing</b>	<b>Number</b>	<b>Sq. Feet</b>	<b>Monthly Fees</b>	<b>Daily fee</b>	
Private	98	247 - 260		\$360-\$452	
Semi-private	76	224 - 256		\$324	
<b>Total Nursing</b>	<b>174</b>	<b>248</b>		<b>\$353</b>	
<b>Total Units</b>	<b>379</b>				

See Independent Accountants' Compilation Report  
(14)

**Summary of Significant Projection Assumptions and Accounting Policies**

**MANAGEMENT'S BASIS FOR PROJECTION OF REVENUES**

Piedmont Crossing					
Current Unit Mix, Size and Fees as of October 1, 2024					
Unit Type	Number of Units/Beds	Square Footage	Monthly Fees	Fully Declining (\$)	50% Refund (\$)
<b>Independent Living</b>					
<b>Apartments</b>					
<b>Pavilion</b>					
Studio	10	500	\$2,961	\$58,500	\$87,750
One Bedroom	26	640	\$3,564	\$74,500	\$111,750
Two Bedroom	8	950	\$4,035	\$91,500	\$137,250
<b>Gallery Apartments</b>					
One Bedroom Corner	4	650	\$2,562	\$80,500	\$120,750
One Bedroom	8	675	\$2,662	\$80,500	\$120,750
Two Bedroom	23	975	\$2,866	\$115,500	\$173,250
<b>Veranda B</b>					
One Bedroom	4	800	\$1,917	\$91,000	\$136,500
Two Bedroom	24	1,100	\$2,043	\$126,000	\$189,000
<b>Subtotal Apartments</b>	<b>107</b>	<b>834</b>	<b>\$2,885</b>	<b>\$95,930</b>	<b>\$143,895</b>
<b>Villas/Cottages/Patio Homes</b>					
<b>Village</b>					
Patio Homes	20	780 - 1,152	\$1,969-\$2,120	\$104,000-\$144,000	\$156,000-\$216,000
Villas	24	1,289 - 1,478	\$2,075	\$212,000 to \$308,500	\$318,000 to \$462,750
Cottages	18	1,339 - 1,622	\$2,247	\$243,500 to \$336,000	\$365,250 to \$504,000
<b>Subtotal Villas/Cottages/Patio Homes</b>	<b>62</b>	<b>1,308</b>	<b>\$2,128</b>	<b>\$220,040</b>	<b>\$333,060</b>
<b>Total Independent Living</b>	<b>169</b>	<b>1,006</b>	<b>\$2,607</b>	<b>\$142,195</b>	<b>\$213,393</b>
Second Person Fee - Pavilion			\$1,063		
Second Person Fee - Village			\$780-\$1,026		
<b>Assisted Living</b>	<b>Number</b>	<b>Sq. Feet</b>	<b>Monthly Fees</b>	<b>Daily fee</b>	
Private	14	350	\$6,692	\$227	
Semi-Private	6	350	\$4,988	\$169	
<b>Total Assisted Living</b>	<b>20</b>	<b>350</b>	<b>\$6,376</b>	<b>\$208</b>	
Second Person Fee					
<b>Nursing</b>	<b>Number</b>	<b>Sq. Feet</b>		<b>Daily fee</b>	
Private	96	280		\$344-\$454	
Semi-private	8	280		\$326	
<b>Total Nursing</b>	<b>104</b>	<b>280</b>		<b>\$364</b>	
<b>Total Units</b>	<b>293</b>				

See Independent Accountants' Compilation Report  
(15)

**Summary of Significant Projection Assumptions and Accounting Policies**

**MANAGEMENT'S BASIS FOR PROJECTION OF REVENUES**

Providence Place			
Current Unit Mix, Size and Fees as of October 1, 2024			
Unit Type	Number of Units/Beds	Square Footage	Monthly Fees
<b>Independent Living</b>			
<b>Apartments</b>			
<b>Village 1</b>			
Studio	1	314	\$989
One Bedroom - One Bath	36	442-717	\$1,049-\$1,873
Two Bedroom - One Bath	29	579-643	\$1,479-\$1,670
Two Bedroom - Two Bath	19	875-1,150	\$1,979-\$2,633
<b>Village 2</b>			
One Bedroom - One Bath	14	442-582	\$1,058-\$1,672
Two Bedroom - One Bath	20	643-708	\$1,685-\$1,866
Two Bedroom - Two Bath	35	875-1,215	\$1,988-\$2,814
Subtotal Apartments	154	727	\$1,762
<b>Villas (Cluster Homes)</b>			
Two Bedroom - Two Bath	4	1,365-1,402	\$2,230-\$2,287
Three Bedroom - Two Bath	2	1,725	\$2,814
Subtotal Villas	6	1,497	\$2,443
<b>Total Independent Living</b>	<b>160</b>	<b>756</b>	<b>\$1,788</b>
<b>Assisted Living-Westchester Harbour</b>			
<b>Assisted Living</b>	<b>Number</b>	<b>Sq. Feet</b>	<b>Monthly Fees</b>
Private	22	350	\$5,670
Semi-Private	36	350	\$4,480
<b>Memory Care</b>			
Private	8	350	\$6,525
Semi-Private	24	350	\$5,760
<b>Total Assisted Living</b>	<b>90</b>	<b>350</b>	<b>\$5,294</b>
<b>Nursing-Westchester Manor</b>	<b>Number</b>	<b>Sq. Feet</b>	<b>Daily fee</b>
Private	37	234	\$314
Semi-private	92	380	\$282
<b>Total Nursing</b>	<b>129</b>	<b>338</b>	<b>\$291</b>
<b>Total Units</b>	<b>379</b>		

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

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

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

Other revenue is expected to grow by 3.5 percent annually throughout the remainder of the Projection Period.

See Independent Accountants' Compilation Report  
(16)

**Summary of Significant Projection Assumptions and Accounting Policies**

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

**Cost and Expenses**

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

Other costs and expenses for the years ending September 30, 2025 are projected based upon historical operating expenses. Cost and expenses for subsequent years are being inflated 3.5 percent annually throughout the remainder of the Projection Period.

**Operating Reserve**

Under the rules and regulations of the Department of Insurance of North Carolina, which regulates continuing care facilities operating in the state, the Organization are required to maintain operating reserves of 25 percent or 50 percent depending on the occupancy percentage, of the total occupancy costs of the independent living units (i.e., total expenses less depreciation, amortization, and interest expense) plus an allocated portion of the skilled nursing facilities expenses based on a ratio of skilled nursing patient days provided to independent living patients for the twelve-month period related to the calculation. Such operating reserve may only be released upon approval of the North Carolina Commissioner of Insurance.

The operating reserves for the Organization are projected as follows. Management has utilized occupancies as of the last day of the fiscal year for purposes of projecting the operating reserves for each facility.

	2025	2026	2027	2028	2029
<b>EveryAge Abernethy Laurels - Statutory Operating Reserve Calculation (Expenses in Thousands):</b>					
Total Operating Expenses	\$ 31,541	\$ 32,610	\$ 33,717	\$ 34,861	\$ 36,041
Include:					
Bond Principal Payments	391	388	389	448	485
Exclude:					
Depreciation	(3,421)	(3,667)	(3,828)	(3,993)	(4,165)
Amortization of Bond Issuance Costs	(39)	(39)	(39)	(39)	(39)
Interest Set Aside in Debt Service Reserve Fund	(1,130)	(1,200)	(1,277)	(1,303)	(1,366)
Principal Set Aside in Debt Service Reserve Fund	(391)	(388)	(389)	(448)	(485)
<b>Total Operating Costs</b>	<b>\$ 26,951</b>	<b>\$ 27,704</b>	<b>\$ 28,573</b>	<b>\$ 29,526</b>	<b>\$ 30,471</b>
Required Reserve	25%	25%	25%	25%	25%
<b>Required Operating Reserve</b>	<b>\$ 6,738</b>	<b>\$ 6,926</b>	<b>\$ 7,143</b>	<b>\$ 7,382</b>	<b>\$ 7,618</b>
<b>Average Available Units:</b>					
Independent Living Units	181	187	187	187	187
Assisted Living Units	18	18	18	18	18
<b>Total Available Units</b>	<b>199</b>	<b>205</b>	<b>205</b>	<b>205</b>	<b>205</b>
<b>Average Occupied Units at September 30:</b>					
Independent Living Units	173	177	177	177	177
Assisted Living Units	13	17	17	17	17
<b>Total Occupied Units</b>	<b>186</b>	<b>194</b>	<b>194</b>	<b>194</b>	<b>194</b>
<b>Average Occupancy at December 31:</b>	<b>93%</b>	<b>95%</b>	<b>95%</b>	<b>95%</b>	<b>95%</b>

See Independent Accountants' Compilation Report  
(17)

## Summary of Significant Projection Assumptions and Accounting Policies

### MANAGEMENT'S BASIS FOR PROJECTION OF OTHER ITEMS (continued)

#### Operating Reserve (continued)

	2025	2026	2027	2028	2029
<b>Piedmont Crossing - Statutory Operating Reserve Calculation (Expenses in Thousands):</b>					
Total Operating Expenses	\$ 19,536	\$ 20,285	\$ 21,039	\$ 21,817	\$ 22,819
Include:					
Bond Principal Payments	154	152	151	177	195
Exclude:					
Depreciation	(1,800)	(1,985)	(2,113)	(2,245)	(2,383)
Amortization of Bond Issuance Costs	(11)	(11)	(11)	(11)	(11)
Interest Set Aside in Debt Service Reserve Fund	(161)	(177)	(194)	(186)	(189)
Principal Set Aside in Debt Service Reserve Fund	(154)	(152)	(151)	(177)	(195)
Total Operating Costs	\$ 17,564	\$ 18,112	\$ 18,721	\$ 19,375	\$ 20,036
Required Reserve	50%	50%	50%	50%	50%
Required Operating Reserve	\$ 8,782	\$ 9,056	\$ 9,361	\$ 9,688	\$ 10,018
<b>Average Available Units:</b>					
Independent Living Units	157	169	169	169	169
Assisted Living Units	18	20	20	20	20
Total Available Units	175	189	189	189	189
<b>Average Occupied Units at September 30:</b>					
Independent Living Units	143	160	160	160	160
Assisted Living Units	5	9	9	9	9
Total Occupied Units	148	169	169	169	169
Average Occupancy at September 30:	84.57%	89.42%	89.42%	89.42%	89.42%

	2025	2026	2027	2028	2029
<b>Providence Place - Statutory Operating Reserve Calculation (Expenses in Thousands):</b>					
Total Operating Expenses	\$ 23,014	\$ 24,013	\$ 24,669	\$ 25,225	\$ 25,959
Include:					
Bond Principal Payments	781	605	630	658	686
Exclude:					
Depreciation and Amortization of Intangible Assets and Goodwill	(1,822)	(1,972)	(1,692)	(1,537)	(1,534)
Amortization of Bond Issuance Costs	(37)	(37)	(37)	(37)	(37)
Interest Set Aside in Debt Service Reserve Fund	(1,524)	(1,577)	(1,639)	(1,705)	(1,784)
Principal Set Aside in Debt Service Reserve Fund	(517)	(517)	(517)	(517)	(517)
Total Operating Costs	\$ 19,895	\$ 20,515	\$ 21,414	\$ 22,087	\$ 22,773
Required Reserve	25%	25%	25%	25%	25%
Required Operating Reserve	\$ 4,974	\$ 5,129	\$ 5,354	\$ 5,522	\$ 5,693
<b>Average Available Units:</b>					
Independent Living Units	160	160	160	160	160
Assisted Living Units	80	80	80	80	80
Total Available Units	240	240	240	240	240
<b>Average Occupied Units at October 1, 2024 and September 30, 2025-2028:</b>					
Independent Living Units	155	154	154	154	154
Assisted Living Units	68	70	70	70	70
Total Occupied Units	223	224	224	224	224
Average Occupancy at September 30:	92.92%	93.33%	93.33%	93.33%	93.33%

The total operating reserve is funded with cash and cash equivalents, debt securities and equity investments held by the EveryAge Home Office. These assets are restricted and cannot be used without approval by the North Carolina Department of Insurance.

#### Intercompany Accounts

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

See Independent Accountants' Compilation Report  
(18)

## **Summary of Significant Projection Assumptions and Accounting Policies**

### **MANAGEMENT'S BASIS FOR PROJECTION OF OTHER ITEMS (continued)**

#### **Commitments and Contingencies**

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

#### **Current Assets and Current Liabilities**

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

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

##### **Accounts Receivable, Net**

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

##### **Other Current Assets**

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

##### **Accounts Payable**

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

##### **Accrued Wages and Other Liabilities**

Accounts wages and other liabilities is projected based upon historical levels throughout the Projection Period that approximate the historical days of operating expenses, net of depreciation, for each of the respective Organization.

#### **Derivatives**

To reduce the impact of changes in interest rates on its variable rate bonds payable, the Organization has entered into four interest rate swap agreements for the 2021B-D bonds. Under the agreements, interest is payable at a fixed rate of 2.39-2.62% based on the outstanding balance of the bank qualified loans payable, which is effective through October 1, 2036. The annual gain or loss on the fair value of the swap agreements is reported as revenue or expense in the combined statements of operations and changes in net assets. The interest rate swap agreements had notional principal amount totaling \$47,790,000.

ges in net assets. The interest rate swap agreements had notional principal amount totaling \$47,790,000.

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

al amount of \$29,800,530 on September 30, 2024.

See Independent Accountants' Compilation Report  
(19)

## **Summary of Significant Projection Assumptions and Accounting Policies**

### **MANAGEMENT'S BASIS FOR PROJECTION OF OTHER ITEMS (continued)**

In September 2024, the Organization entered into an additional interest rate swap agreement for the Series 2024 Bonds. Under the agreement, interest is payable at a fixed rate of 5.45% based on the outstanding balance of the bank qualified loan payable and has a termination date of October 1, 2034. The annual gain or loss on the fair value of the swap agreement is reported as revenue or expense in the combined statements of operations and changes in net assets. The interest rate swap agreement had a notional principal amount of \$18,400,000 on September 30, 2024.  
I principal amount of \$18,400,000 on September 30, 2024.

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

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

#### **Providence Place**

On October 1, 2024, Management financed the acquisition of Providence Place LLC the issuance of debt. Management has based its operating expense assumptions on its anticipated staffing needs, as well as other operating expenses based on their operating experience with their other communities as well as the historical operating experience of Providence Place.

#### **Long Term Debt**

During the Projection Period, the Organization's long-term debt is planned to be comprised of the Series 2021A Bonds, Series 2022B Bonds, Series 2023B Bonds, Series 2024A Bonds, Series 2023A Bonds, Series 2024B Bonds, and Series 2024 Bonds.

Bonds.

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

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

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

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

See Independent Accountants' Compilation Report  
(20)



## Summary of Significant Projection Assumptions and Accounting Policies

### MANAGEMENT'S BASIS FOR PROJECTION OF OTHER ITEMS (continued)

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

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

Series 2024 Bonds: On October 1, 2024, the Organization entered into a taxable loan agreement with a commercial lender. The loan was issued for the purpose of assisting EveryAge in financing the remaining portion of the purchase price and other costs associated with acquiring substantially all of the assets used in the business of owning and operating the independent living portion of a retirement community, a commercial office and retail building, and the vacant auditorium portion of the purchase along with paying certain expenses incurred in connection with the issuance of the 2024 Taxable Loan and incurrence of the 2024B Bonds. The Series 2024B Bonds are due 2034-2054, bearing interest of 5.5%.

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

Management has projected maturity of the outstanding debt as follows, in thousands of dollars for the portion of debt that has been allocated to the following facilities:

Fiscal Year Ending September 30,	Abermethy Laurel	Piedmont Crossing	Abermethy Laurel	Piedmont Crossing	Abermethy Laurel	Piedmont Crossing	Abermethy Laurel	Piedmont Crossing	Providence Place	Providence Place Series 2024 Taxable Loan	Total Principal Payments
	Series 2021A Bonds		Series 2022B Bonds		Series 2023B Bonds		Series 2024A Bonds	Series 2024A Bonds	Series 2024B Bonds		
2025	\$ -	\$ -	\$ 224	\$ 106	\$ 92	\$ 13	\$ 75	\$ 35	\$ 630	\$ 151	\$ 1,328
2026	-	-	221	104	92	13	75	35	430	175	1,145
2027	-	-	214	101	96	14	78	37	445	185	1,170
2028	-	-	269	126	101	14	78	37	465	193	1,283
2029	-	-	303	142	101	14	82	38	480	206	1,366
2030	-	-	439	205	101	14	85	40	500	218	1,603
2031	-	-	10	5	105	15	564	266	520	231	1,716
2032	244	51	78	37	110	16	1,727	813	540	242	3,858
2033	261	54	82	38	110	16	1,771	834	565	258	3,989
2034	273	57	82	38	114	16	1,816	854	565	272	4,107
Thereafter	17,615	3,650	264	126	22,446	3,177	5,743	2,702	20,150	10,271	86,144
Total	\$ 18,393	\$ 3,812	\$ 2,186	\$ 1,029	\$ 23,468	\$ 3,322	\$ 12,094	\$ 5,691	\$ 25,310	\$ 12,402	\$ 107,707

See Independent Accountants' Compilation Report  
(21)



CliftonLarsonAllen LLP  
CLAconnect.com

## INDEPENDENT ACCOUNTANTS' COMPILATION REPORT ON SUPPLEMENTAL INFORMATION

Board of Directors  
EveryAge  
Newton, North Carolina

Our report on our compilation of the basic projected combined financial statements of EveryAge – Abernethy Laurels, EveryAge – Piedmont Crossing, EveryAge – Providence Place LLC and EveryAge – Home Office, as of and for the years ending September 30, 2025 through 2029 appears on Page 1.

The accompanying supplemental information on Pages 23-34 is presented for purposes of additional analysis and is not a required part of the basic projected combined financial statements. Such information is the responsibility of management. Such information has been subjected to the compilation procedures applied in the compilation of the projected combined financial statements. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Charlotte, North Carolina  
February 24, 2025

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAGlobal.com/disclaimer](http://CLAGlobal.com/disclaimer).

(22)

**EVERYAGE – ABERNETHY LAURELS  
PROJECTED BALANCE SHEETS  
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 5  
SEPTEMBER 30, 2025 THROUGH 2029**

	2025	2026	2027	2028	2029
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	2,265	2,344	2,426	2,511	2,599
Allowance for Credit Losses	(299)	(299)	(299)	(299)	(299)
Other Receivables	647	670	693	718	743
Due from Related Parties, Current	31,206	33,779	36,571	39,539	42,677
Other Current Assets	199	206	214	221	229
<b>Total Current Assets</b>	<b>34,018</b>	<b>36,700</b>	<b>39,605</b>	<b>42,690</b>	<b>45,949</b>
Due from Related Parties, Less Current Portion					
Assets Limited as to Use					
Residents' Funds	24	24	24	24	24
<b>Total Assets Limited as to Use</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>
Fair Value of Interest Swap Agreements	3,808	3,808	3,808	3,808	3,808
Property and Equipment, Net					
Property and Equipment	99,084	100,661	102,293	103,982	105,730
Less: Accumulated Depreciation	(54,928)	(58,595)	(62,423)	(66,416)	(70,581)
Property and Equipment, Net	44,156	42,066	39,870	37,566	35,149
<b>Total Assets</b>	<b>\$82,006</b>	<b>\$82,598</b>	<b>\$83,307</b>	<b>\$ 84,088</b>	<b>\$84,930</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Current Portion of Long-Term Debt	\$ 388	\$ 389	\$ 448	\$ 485	\$ 624
Accounts Payable	947	980	1,014	1,050	1,086
Accrued Salaries and Related Benefits	1,895	1,754	1,815	1,878	1,944
Other Current Payables	804	804	804	804	804
<b>Total Current Liabilities</b>	<b>3,834</b>	<b>3,927</b>	<b>4,081</b>	<b>4,217</b>	<b>4,458</b>
<b>LONG-TERM LIABILITIES</b>					
Long-Term Debt, Net of Current Portion	55,392	55,003	54,555	54,070	53,446
Deferred Financing Costs	(767)	(728)	(689)	(650)	(611)
Unamortized Bond Premium	1,969	1,875	1,781	1,687	1,593
Long-Term Debt, Net of Current Portion	56,594	56,150	55,647	55,107	54,428
Refundable Entrance Fees	3,381	3,411	3,519	3,727	3,983
Deferred Revenue from Advance Fees	13,426	13,946	14,472	14,993	15,523
<b>Total Long-Term Liabilities</b>	<b>73,401</b>	<b>73,507</b>	<b>73,638</b>	<b>73,827</b>	<b>73,934</b>
<b>Total Liabilities</b>	<b>\$77,235</b>	<b>\$77,434</b>	<b>\$77,719</b>	<b>\$ 78,044</b>	<b>\$78,392</b>
<b>NET ASSETS</b>					
Net Assets Without Donor Restrictions	4,771	5,164	5,588	6,044	6,538
Net Assets With Donor Restrictions	-	-	-	-	-
<b>Total Net Assets</b>	<b>4,771</b>	<b>5,164</b>	<b>5,588</b>	<b>6,044</b>	<b>6,538</b>
<b>Total Liabilities and Net Assets</b>	<b>\$82,006</b>	<b>\$82,598</b>	<b>\$83,307</b>	<b>\$ 84,088</b>	<b>\$84,930</b>

See Independent Accountants' Compilation Report on Supplemental Information  
(23)

**EVERYAGE – ABERNETHY LAURELS**  
**PROJECTED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS**  
**ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 5**  
**FOR THE YEARS ENDING SEPTEMBER 30, 2025 THROUGH 2029**

	2025	2026	2027	2028	2029
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>					
Health Care	\$20,681	\$21,405	\$22,154	\$ 22,929	\$23,732
Pavilion/Assisted Living	1,124	1,163	1,204	1,246	1,290
Residential Living	6,702	6,937	7,180	7,431	7,691
Amortization of Advance Fees	2,192	2,258	2,326	2,396	2,468
Home Care	809	837	866	896	927
Other Operating Revenue	212	219	227	235	243
<b>Total Revenue, Gains, and Other Support</b>	<b>31,720</b>	<b>32,819</b>	<b>33,957</b>	<b>35,133</b>	<b>36,351</b>
<b>EXPENSES</b>					
Health Services					
Health Care	8,424	8,719	9,024	9,340	9,667
Medical Records	81	84	87	90	93
Personnel and Employee Benefits	4,982	5,156	5,336	5,523	5,716
Laundry	191	198	205	212	219
Social Services	156	161	167	173	179
Activities	320	331	343	355	367
Spiritual Life	67	69	71	73	76
Housekeeping	890	921	953	986	1,021
Plant Maintenance	2,325	2,408	2,490	2,577	2,667
Pavilion/Assisted Living	664	687	711	736	762
Clinic	92	95	98	101	105
Resident Services	57	59	61	63	66
Transportation	104	108	112	116	120
Dietary	2,681	2,775	2,872	2,973	3,077
Wellness Center	164	170	176	182	188
Home Care	655	678	702	727	752
General and Administrative:					
Administrative	849	879	910	942	975
Marketing	386	400	414	428	443
Staff Development	114	118	122	126	130
Management Fees	2,062	2,139	2,214	2,292	2,372
Depreciation	3,421	3,667	3,828	3,993	4,165
Interest Expense	1,721	1,617	1,608	1,600	1,588
Interest - Amortization of Issuance Costs	39	39	39	39	39
Interest - Amortization of Bond Premium					
Insurance	539	558	578	598	619
Credit Loss Expense	117	121	125	129	134
Other Operating Expenses	440	455	471	487	504
<b>Total Operating Expenses</b>	<b>31,541</b>	<b>32,610</b>	<b>33,717</b>	<b>34,861</b>	<b>36,041</b>
<b>Operating Income</b>	<b>179</b>	<b>209</b>	<b>240</b>	<b>272</b>	<b>310</b>
Nonoperating Income					
Contribution Income	125	125	125	125	125
Other Nonoperating Income (Expense)	59	59	59	59	59
<b>Net Nonoperating Income</b>	<b>184</b>	<b>184</b>	<b>184</b>	<b>184</b>	<b>184</b>
<b>Excess of Revenues Over Expenses and Change in Net Assets Without Donor Restrictions</b>	<b>363</b>	<b>393</b>	<b>424</b>	<b>456</b>	<b>494</b>
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>					
Contributions	-	-	-	-	-
<b>Change in Net Assets With Donor Restrictions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Net Assets</b>	<b>363</b>	<b>393</b>	<b>424</b>	<b>456</b>	<b>494</b>
<b>Net Assets, Beginning of Year</b>	<b>4,408</b>	<b>4,771</b>	<b>5,164</b>	<b>5,588</b>	<b>6,044</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 4,771</b>	<b>\$ 5,164</b>	<b>\$ 5,588</b>	<b>\$ 6,044</b>	<b>\$ 6,538</b>

See Independent Accountants' Compilation Report on Supplemental Information  
(24)

**EVERYAGE – ABERNETHY LAURELS**  
**PROJECTED STATEMENTS OF CASH FLOWS**  
**ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 5**  
**FOR THE YEARS ENDING SEPTEMBER 30, 2025 THROUGH 2029**

	2025	2026	2027	2028	2029
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Change in Net Assets	\$ 363	\$ 393	\$ 424	\$ 456	\$ 494
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:					
Depreciation	3,421	3,667	3,828	3,993	4,165
Amortization of Deferred Issue Costs	39	39	39	39	39
Amortization of Bond Premium, Net	-	(94)	(94)	(94)	(94)
Amortization of Advance Fees	(2,192)	(2,258)	(2,326)	(2,396)	(2,468)
Advance Fees Received	1,266	1,310	1,340	1,360	1,394
(Increase) Decrease in Current Assets:					
Accounts Receivable	(241)	(79)	(82)	(85)	(88)
Other Receivables	(68)	(23)	(23)	(25)	(25)
Other Current Assets	(19)	(7)	(8)	(7)	(8)
Increase (Decrease) in Current Liabilities:					
Accounts Payable	147	33	34	36	36
Accrued Salaries and Related Benefits	261	59	61	63	66
<b>Net Cash Provided by Operating Activities</b>	<b>2,977</b>	<b>3,040</b>	<b>3,193</b>	<b>3,340</b>	<b>3,511</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchases of Property and Equipment	(1,674)	(1,577)	(1,632)	(1,689)	(1,748)
Change in Related Party Due From or Due To Accounts	(2,301)	(2,573)	(2,792)	(2,968)	(3,138)
<b>Net Cash Used in Investing Activities</b>	<b>(3,975)</b>	<b>(4,150)</b>	<b>(4,424)</b>	<b>(4,657)</b>	<b>(4,886)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Advanced Fees Refunds	(964)	(935)	(868)	(762)	(729)
Principal Payments on Long-Term Debt and Capital Leases	(391)	(388)	(389)	(448)	(485)
Refundable and First Generation Advance Fees Received	2,351	2,433	2,488	2,527	2,589
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>996</b>	<b>1,110</b>	<b>1,231</b>	<b>1,317</b>	<b>1,375</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Supplemental Disclosure of Cash Flow Information:					
Cash Paid for Interest	\$ 1,721	\$ 1,711	\$ 1,702	\$ 1,694	\$ 1,680

See Independent Accountants' Compilation Report on Supplemental Information  
(25)

**EVERYAGE – PIEDMONT CROSSING  
PROJECTED BALANCE SHEETS  
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 5  
SEPTEMBER 30, 2025 THROUGH 2029**

	2025	2026	2027	2028	2029
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	1,118	1,157	1,197	1,239	1,283
Allowance for Expected Credit Losses	(95)	(95)	(95)	(95)	(95)
Other Receivables	243	251	260	269	279
Due from Related Parties, Current	-	-	1,126	2,610	4,197
Other Current Assets	139	143	148	154	159
<b>Total Current Assets</b>	<b>1,405</b>	<b>1,456</b>	<b>2,636</b>	<b>4,177</b>	<b>5,823</b>
Assets Limited as to Use					
Residents' Funds	10	10	10	10	10
<b>Total Assets Limited as to Use</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
Fair Value of Interest Swap Agreements	1,524	1,524	1,524	1,524	1,524
Property and Equipment, Net	9,902	9,175	8,364	7,487	6,479
<b>Total Assets</b>	<b>\$ 12,841</b>	<b>\$ 12,165</b>	<b>\$ 12,534</b>	<b>\$ 13,178</b>	<b>\$ 13,836</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Current Portion of Long-Term Debt	\$ 152	\$ 151	\$ 177	\$ 195	\$ 261
Accounts Payable	463	478	495	512	530
Accrued Salaries and Related Benefits	926	956	990	1,025	1,060
Other Current Payables	688	688	688	688	688
Due to/from Affiliates	1,835	380	-	-	-
<b>Total Current Liabilities</b>	<b>4,064</b>	<b>2,653</b>	<b>2,350</b>	<b>2,420</b>	<b>2,539</b>
<b>LONG-TERM LIABILITIES</b>					
Long-Term Debt, Net of Current Portion	13,894	13,743	13,566	13,371	13,110
Deferred Financing Costs	(195)	(184)	(173)	(162)	(151)
Unamortized Bond Premium	412	392	372	352	332
Long-Term Debt, Net of Current Portion	14,111	13,951	13,765	13,561	13,291
Refundable Entrance Fees	2,839	2,414	2,204	2,010	1,867
Deferred Revenue from Advance Fees	10,545	11,532	12,516	13,452	14,416
<b>Total Long-Term Liabilities</b>	<b>27,295</b>	<b>27,897</b>	<b>28,485</b>	<b>29,023</b>	<b>29,574</b>
<b>Total Liabilities</b>	<b>\$ 31,359</b>	<b>\$ 30,550</b>	<b>\$ 30,835</b>	<b>\$ 31,443</b>	<b>\$ 32,113</b>
<b>NET ASSETS</b>					
Net Assets Without Donor Restrictions	(18,518)	(18,385)	(18,301)	(18,265)	(18,277)
Net Assets With Donor Restrictions	-	-	-	-	-
<b>Total Net Assets</b>	<b>(18,518)</b>	<b>(18,385)</b>	<b>(18,301)</b>	<b>(18,265)</b>	<b>(18,277)</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 12,841</b>	<b>\$ 12,165</b>	<b>\$ 12,534</b>	<b>\$ 13,178</b>	<b>\$ 13,836</b>

See Independent Accountants' Compilation Report on Supplemental Information  
(26)

**EVERYAGE – PIEDMONT CROSSING**  
**PROJECTED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS**  
**ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 5**  
**FOR THE YEARS ENDING SEPTEMBER 30, 2025 THROUGH 2029**

	2025	2026	2027	2028	2029
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>					
Health Care	\$ 10,980	\$ 11,364	\$ 11,762	\$ 12,174	\$ 12,600
Pavilion/Assisted Living	686	710	735	761	788
Residential Living	5,191	5,373	5,561	5,756	5,957
Amortization of Advance Fees	1,950	2,009	2,069	2,131	2,195
Home Care	772	799	827	856	886
Other Operating Revenue	109	113	117	121	125
<b>Total Revenue, Gains, and Other Support</b>	<b>19,688</b>	<b>20,368</b>	<b>21,071</b>	<b>21,799</b>	<b>22,551</b>
<b>EXPENSES</b>					
Health Services					
Health Care	5,398	5,587	5,783	5,985	6,194
Medical Records	47	49	51	53	55
Personnel and Employee Benefits	3,307	3,423	3,543	3,667	3,795
Laundry	134	139	144	149	154
Social Services	137	142	147	152	157
Activities	128	132	137	142	147
Spiritual Life	71	73	76	79	82
Housekeeping	485	502	520	538	557
Plant Maintenance	1,686	1,745	1,806	1,869	1,934
Pavilion/Assisted Living	243	252	261	270	279
Clinic	22	23	24	25	26
Resident Services	162	168	174	180	186
Transportation	35	36	37	38	39
Dietary	1,874	1,940	2,008	2,078	2,151
Beauty Shop	25	26	27	28	29
Home Care	605	626	648	671	694
General and Administrative:					
Administrative	578	598	619	641	663
Marketing	408	422	437	452	468
Staff Development	30	31	32	33	34
Management Fees	1,280	1,285	1,330	1,377	1,425
Depreciation	1,800	1,985	2,113	2,245	2,383
Interest Expense	394	390	386	383	378
Interest - Amortization of Issuance Costs	11	11	11	11	11
Insurance	380	373	366	400	414
Credit Loss Expense	71	73	76	79	82
Other Operating Expenses	245	254	263	272	282
<b>Total Operating Expenses</b>	<b>19,536</b>	<b>20,285</b>	<b>21,039</b>	<b>21,817</b>	<b>22,619</b>
<b>Operating Income</b>	<b>152</b>	<b>83</b>	<b>32</b>	<b>(18)</b>	<b>(68)</b>
Nonoperating Income (Expense)					
Other Nonoperating Revenue (Expense)	48	50	52	54	56
<b>Net Nonoperating Income (Expense)</b>	<b>48</b>	<b>50</b>	<b>52</b>	<b>54</b>	<b>56</b>
<b>Excess of Revenues Over Expenses and Change in Net Assets Without Donor Restrictions</b>	<b>200</b>	<b>133</b>	<b>84</b>	<b>36</b>	<b>(12)</b>
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>					
Contributions	-	-	-	-	-
<b>Change in Net Assets With Donor Restrictions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Net Assets</b>	<b>200</b>	<b>133</b>	<b>84</b>	<b>36</b>	<b>(12)</b>
<b>Net Assets, Beginning of Year</b>	<b>(18,718)</b>	<b>(18,518)</b>	<b>(18,385)</b>	<b>(18,301)</b>	<b>(18,265)</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ (18,518)</b>	<b>\$ (18,385)</b>	<b>\$ (18,301)</b>	<b>\$ (18,265)</b>	<b>\$ (18,277)</b>

See Independent Accountants' Compilation Report on Supplemental Information  
(27)

**EVERYAGE – PIEDMONT CROSSING  
PROJECTED STATEMENTS OF CASH FLOWS  
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 5  
FOR THE YEARS ENDING SEPTEMBER 30, 2025 THROUGH 2029**

	2025	2026	2027	2028	2029
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Change in Net Assets	\$ 200	\$ 133	\$ 84	\$ 36	\$ (12)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From					
Operating Activities:					
Depreciation	1,800	1,985	2,113	2,245	2,383
Amortization of Deferred Issue Costs	11	11	11	11	11
Amortization of Bond Premium, Net	(20)	(20)	(20)	(20)	(20)
Amortization of Advance Fees	(1,950)	(2,009)	(2,069)	(2,131)	(2,195)
Advance Fees Received	3,710	2,393	2,432	2,428	2,500
(Increase) Decrease in Current Assets:					
Accounts Receivable	(80)	(39)	(40)	(42)	(44)
Other Receivables	3	(8)	(9)	(9)	(10)
Other Current Assets	6	(4)	(5)	(6)	(5)
Increase (Decrease) in Current Liabilities:					
Accounts Payable	21	15	17	17	18
Accrued Salaries and Related Benefits	73	30	34	35	35
<b>Net Cash Provided by Operating Activities</b>	<b>3,774</b>	<b>2,487</b>	<b>2,548</b>	<b>2,564</b>	<b>2,661</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchases of Property and Equipment	(1,216)	(1,258)	(1,302)	(1,348)	(1,395)
Change in Related Party Due From or Due To Accounts	(3,361)	(1,455)	(1,506)	(1,484)	(1,587)
<b>Net Cash Used in Investing Activities</b>	<b>(4,577)</b>	<b>(2,713)</b>	<b>(2,808)</b>	<b>(2,832)</b>	<b>(2,982)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Advanced Fees Refunds	(633)	(647)	(631)	(595)	(556)
Principal Payments on Long-Term Debt and Capital Leases	(154)	(152)	(151)	(177)	(195)
Refundable and First Generation Advance Fees Received	1,590	1,025	1,042	1,040	1,072
<b>Net Cash Provided by Financing Activities</b>	<b>803</b>	<b>226</b>	<b>260</b>	<b>268</b>	<b>321</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Supplemental Disclosure of Cash Flow Information:					
Cash Paid for Interest	\$ 414	\$ 410	\$ 406	\$ 403	\$ 398

See Independent Accountants' Compilation Report on Supplemental Information  
(28)



**EVERYAGE – PROVIDENCE PLACE LLC  
PROJECTED BALANCE SHEETS  
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 5  
SEPTEMBER 30, 2025 THROUGH 2029**

	2025	2026	2027	2028	2029
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Accounts Receivable	1,600	1,600	1,600	1,600	1,600
Due from Related Parties, Current	2,683	3,093	3,403	3,863	4,477
<b>Total Current Assets</b>	<b>4,783</b>	<b>5,193</b>	<b>5,503</b>	<b>5,963</b>	<b>6,577</b>
Due from Related Parties, Less Current Portion					
Assets Limited as to Use					
Trustee Deposit Accounts Required by Debt Agreement	268	268	268	268	268
Residents' Funds	60	60	60	60	60
Debt Service Reserve Fund	2,258	2,258	2,258	2,258	2,258
<b>Total Assets Limited as to Use</b>	<b>2,586</b>	<b>2,586</b>	<b>2,586</b>	<b>2,586</b>	<b>2,586</b>
Equity Investment					
Fair Value of Interest Swap Agreements	(134)	(134)	(134)	(134)	(134)
Property and Equipment, Net					
Property and Equipment	21,567	23,067	24,567	26,067	27,567
Less: Accumulated Depreciation	(861)	(1,872)	(2,603)	(3,179)	(3,752)
Property and Equipment, Net	20,706	21,195	21,964	22,888	23,815
Intangible Assets and Goodwill	\$10,037	\$ 9,076	\$ 8,115	\$ 7,154	\$ 6,193
<b>Total Assets</b>	<b>\$37,978</b>	<b>\$ 37,916</b>	<b>\$ 38,034</b>	<b>\$ 38,457</b>	<b>\$ 39,037</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Current Portion of Long-Term Debt	\$ 605	\$ 630	\$ 658	\$ 686	\$ 718
Accounts Payable	900	900	900	900	900
<b>Total Current Liabilities</b>	<b>1,505</b>	<b>1,530</b>	<b>1,558</b>	<b>1,586</b>	<b>1,618</b>
<b>LONG-TERM LIABILITIES</b>					
Long-Term Debt, Net of Current Portion	36,327	35,697	35,039	34,353	33,635
Deferred Financing Costs	(1,080)	(1,043)	(1,006)	(969)	(932)
Unamortized Bond Premium	650	615	580	545	510
Long-Term Debt, Net of Current Portion	35,897	35,269	34,613	33,929	33,213
<b>Total Long-Term Liabilities</b>	<b>35,897</b>	<b>35,269</b>	<b>34,613</b>	<b>33,929</b>	<b>33,213</b>
<b>Total Liabilities</b>	<b>\$37,402</b>	<b>\$ 36,799</b>	<b>\$ 36,171</b>	<b>\$ 35,515</b>	<b>\$ 34,831</b>
<b>NET ASSETS</b>					
Net Assets Without Donor Restrictions	576	1,117	1,863	2,942	4,206
Net Assets With Donor Restrictions	-	-	-	-	-
<b>Total Net Assets</b>	<b>576</b>	<b>1,117</b>	<b>1,863</b>	<b>2,942</b>	<b>4,206</b>
<b>Total Liabilities and Net Assets</b>	<b>\$37,978</b>	<b>\$ 37,916</b>	<b>\$ 38,034</b>	<b>\$ 38,457</b>	<b>\$ 39,037</b>

See Independent Accountants' Compilation Report on Supplemental Information  
(29)

**EVERYAGE – PROVIDENCE PLACE**  
**PROJECTED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS**  
**ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 5**  
**FOR THE YEARS ENDING SEPTEMBER 30, 2025 THROUGH 2029**

	2025	2026	2027	2028	2029
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>					
Health Care	\$ 16,250	\$ 16,819	\$ 17,408	\$ 18,017	\$ 18,648
Pavilion/Assisted Living	4,888	4,850	5,020	5,198	5,377
Residential Living	2,778	2,875	2,978	3,080	3,187
Other Operating Revenue	10	10	11	11	11
<b>Total Revenue, Gains, and Other Support</b>	<b>23,724</b>	<b>24,554</b>	<b>25,415</b>	<b>26,304</b>	<b>27,223</b>
<b>EXPENSES</b>					
Health Services					
Health Care	6,983	7,228	7,481	7,743	8,014
Medical Records	42	43	45	46	48
Personnel and Employee Benefits	3,398	3,517	3,640	3,767	3,899
Laundry	200	207	215	222	230
Social Services	88	91	94	98	101
Activities	251	259	268	278	288
Spiritual Life	68	70	73	75	78
Housekeeping	698	720	745	771	798
Plant Maintenance	1,701	1,780	1,822	1,888	1,952
Residential Living	10	10	11	11	11
Pavilion/Assisted Living	1,021	1,057	1,094	1,132	1,172
Clinic	53	55	57	59	61
Resident Services	58	60	62	64	67
Transportation	17	18	19	19	20
Dietary	2,134	2,209	2,286	2,366	2,449
Wellness Center	53	55	57	59	61
General and Administrative:					
Administrative	603	624	648	669	692
Marketing	258	265	274	284	294
Staff Development	72	75	77	80	83
Management Fees	949	1,228	1,525	1,578	1,633
Depreciation	1,822	1,972	1,892	1,537	1,534
Interest Expense	1,741	1,826	1,799	1,772	1,741
Interest - Amortization of Issuance Costs	37	37	37	37	37
Insurance	249	258	267	276	286
Bad Debts	250	98	102	105	109
Other Operating Expenses	262	271	281	291	301
<b>Total Operating Expenses</b>	<b>23,014</b>	<b>24,013</b>	<b>24,669</b>	<b>25,225</b>	<b>25,959</b>
<b>Operating Income (Loss)</b>	<b>710</b>	<b>541</b>	<b>746</b>	<b>1,079</b>	<b>1,264</b>
Nonoperating Income (Expense)					
Investment/Interest Income	-	-	-	-	-
<b>Net Nonoperating Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficit) of Revenues Over Expenses and Change in Net Assets Without Donor Restrictions</b>	<b>710</b>	<b>541</b>	<b>746</b>	<b>1,079</b>	<b>1,264</b>
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>					
Contributions	-	-	-	-	-
<b>Change in Net Assets With Donor Restrictions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Net Assets</b>	<b>710</b>	<b>541</b>	<b>746</b>	<b>1,079</b>	<b>1,264</b>
<b>Net Assets, Beginning of Year</b>	<b>(134)</b>	<b>576</b>	<b>1,117</b>	<b>1,863</b>	<b>2,942</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 576</b>	<b>\$ 1,117</b>	<b>\$ 1,863</b>	<b>\$ 2,942</b>	<b>\$ 4,206</b>

See Independent Accountants' Compilation Report on Supplemental Information  
(30)

**EVERYAGE – PROVIDENCE PLACE  
PROJECTED STATEMENTS OF CASH FLOWS  
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 5  
FOR THE YEARS ENDING SEPTEMBER 30, 2025 THROUGH 2029**

	2025	2026	2027	2028	2029
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Change in Net Assets	\$ 710	\$ 541	\$ 746	\$ 1,079	\$ 1,264
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:					
Depreciation	1,822	1,972	1,692	1,537	1,534
Amortization of Deferred Issue Costs	37	37	37	37	37
Amortization of Bond Premium, Net	(32)	(35)	(35)	(35)	(35)
(Increase) Decrease in Current Assets:					
Accounts Receivable	(1,660)	-	-	-	-
Increase (Decrease) in Current Liabilities:					
Accounts Payable	900	-	-	-	-
<b>Net Cash Provided by (Used by) Operating Activities</b>	<b>1,777</b>	<b>2,515</b>	<b>2,440</b>	<b>2,618</b>	<b>2,800</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Change in Assets Limited as to Use	(2,526)	-	-	-	-
Purchases of Property and Equipment	(32,323)	(1,500)	(1,500)	(1,500)	(1,500)
Change in Related Party Due From or Due To Accounts	(2,925)	(410)	(310)	(460)	(614)
<b>Net Cash Used in Investing Activities</b>	<b>(37,774)</b>	<b>(1,910)</b>	<b>(1,810)</b>	<b>(1,960)</b>	<b>(2,114)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Borrowings of Long-Term Debt	37,713	-	-	-	-
Principal Payments on Long-Term Debt	(781)	(605)	(630)	(658)	(686)
Increase in Bond Issuance Costs	(1,117)	-	-	-	-
Premium Received on Bonds Issued	682	-	-	-	-
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>36,497</b>	<b>(605)</b>	<b>(630)</b>	<b>(658)</b>	<b>(686)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>-</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 500</b>	<b>\$ 500</b>	<b>\$ 500</b>	<b>\$ 500</b>	<b>\$ 500</b>
Supplemental Disclosure of Cash Flow Information:					
Cash Paid for Interest	\$ 1,738	\$ 1,861	\$ 1,834	\$ 1,807	\$ 1,776

See Independent Accountants' Compilation Report on Supplemental Information  
(31)

**EVERYAGE – HOME OFFICE  
PROJECTED BALANCE SHEETS  
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 5  
SEPTEMBER 30, 2025 THROUGH 2029**

	2025	2026	2027	2028	2029
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents	\$ 1,776	\$ 1,838	\$ 1,903	\$ 1,969	\$ 2,038
Other Receivables	45	47	48	50	52
Other Current Assets	223	231	239	247	256
<b>Total Current Assets</b>	<b>2,044</b>	<b>2,116</b>	<b>2,190</b>	<b>2,266</b>	<b>2,346</b>
Due from Related Parties, Less Current Portion	228	228	228	228	228
<b>Assets Limited as to Use</b>					
Statutory Operating Reserve	20,494	21,111	21,858	22,592	23,329
Trustee Deposit Accounts Required by Debt Agreement	222	221	227	230	246
Debt Service Reserve Fund	1,454	1,454	1,454	1,454	1,454
<b>Total Assets Limited as to Use</b>	<b>22,398</b>	<b>23,014</b>	<b>23,767</b>	<b>24,504</b>	<b>25,257</b>
Investments	65,174	72,723	80,347	88,339	96,788
Equity Investment	1,441	1,441	1,441	1,441	1,441
Other Noncurrent Assets	1,442	1,442	1,442	1,442	1,442
Property and Equipment, Net	9,180	8,806	8,424	8,035	7,638
<b>Total Assets</b>	<b>\$ 101,679</b>	<b>\$ 109,542</b>	<b>\$ 117,611</b>	<b>\$ 126,027</b>	<b>\$ 134,912</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts Payable	\$ 381	\$ 394	\$ 408	\$ 422	\$ 437
Accrued Salaries and Related Benefits	1,188	1,229	1,272	1,317	1,363
Due to Affiliates	25,407	29,845	34,453	39,365	44,704
<b>Total Current Liabilities</b>	<b>26,976</b>	<b>31,468</b>	<b>36,133</b>	<b>41,104</b>	<b>46,504</b>
<b>LONG-TERM LIABILITIES</b>					
Total Long-Term Liabilities	(227)	(227)	(227)	(227)	(227)
<b>Total Liabilities</b>	<b>\$ 26,749</b>	<b>\$ 31,241</b>	<b>\$ 35,906</b>	<b>\$ 40,877</b>	<b>\$ 46,277</b>
<b>NET ASSETS</b>					
Net Assets Without Donor Restrictions	74,930	78,301	81,705	85,150	88,635
Net Assets With Donor Restrictions	-	-	-	-	-
<b>Total Net Assets</b>	<b>74,930</b>	<b>78,301</b>	<b>81,705</b>	<b>85,150</b>	<b>88,635</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 101,679</b>	<b>\$ 109,542</b>	<b>\$ 117,611</b>	<b>\$ 126,027</b>	<b>\$ 134,912</b>

See Independent Accountants' Compilation Report on Supplemental Information  
(32)

**EVERYAGE – HOME OFFICE**  
**PROJECTED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS**  
**ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 5**  
**FOR THE YEARS ENDING SEPTEMBER 30, 2025 THROUGH 2029**

	2025	2026	2027	2028	2029
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>					
Management Fee Income	\$ 6,796	\$ 7,034	\$ 7,280	\$ 7,535	\$ 7,799
Other Operating Revenue	2,053	2,125	2,199	2,278	2,356
<b>Total Revenue, Gains, and Other Support</b>	<b>8,849</b>	<b>9,159</b>	<b>9,479</b>	<b>9,811</b>	<b>10,155</b>
<b>EXPENSES</b>					
Health Services					
Personnel and Employee Benefits	2,395	2,479	2,566	2,656	2,749
Day Care	322	333	345	357	369
General and Administrative:					
Administrative	5,178	5,359	5,547	5,741	5,942
Depreciation	466	481	493	504	516
Real Estate Taxes	8	8	8	8	8
Insurance	164	170	176	182	188
Other Operating Expenses	45	47	49	51	53
<b>Total Operating Expenses</b>	<b>8,578</b>	<b>8,877</b>	<b>9,184</b>	<b>9,499</b>	<b>9,825</b>
<b>Operating Loss</b>	<b>271</b>	<b>282</b>	<b>295</b>	<b>312</b>	<b>330</b>
Nonoperating Income					
Contribution Expense	(208)	(215)	(223)	(231)	(239)
Other Nonoperating Revenue (Expense)	15	16	17	18	19
Investment/Interest Income	3,230	3,288	3,315	3,346	3,375
<b>Net Nonoperating Income (Expense)</b>	<b>3,037</b>	<b>3,089</b>	<b>3,109</b>	<b>3,133</b>	<b>3,155</b>
<b>Excess of Revenues Over Expenses and Change in Net Assets Without Donor Restrictions</b>					
	<b>3,308</b>	<b>3,371</b>	<b>3,404</b>	<b>3,445</b>	<b>3,485</b>
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>					
Contributions	-	-	-	-	-
<b>Change in Net Assets With Donor Restrictions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Net Assets</b>	<b>3,308</b>	<b>3,371</b>	<b>3,404</b>	<b>3,445</b>	<b>3,485</b>
<b>Net Assets, Beginning of Year</b>	<b>71,622</b>	<b>74,930</b>	<b>78,301</b>	<b>81,705</b>	<b>85,150</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 74,930</b>	<b>\$ 78,301</b>	<b>\$ 81,705</b>	<b>\$ 85,150</b>	<b>\$ 88,635</b>

See Independent Accountants' Compilation Report on Supplemental Information  
(33)

**EVERYAGE – HOME OFFICE  
PROJECTED STATEMENTS OF CASH FLOWS  
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 5  
FOR THE YEARS ENDING SEPTEMBER 30, 2025 THROUGH 2029**

	2025	2026	2027	2028	2029
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Change in Net Assets	\$ 3,308	\$ 3,371	\$ 3,404	\$ 3,445	\$ 3,485
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:					
Depreciation	466	481	493	504	516
(Increase) Decrease in Current Assets:					
Other Receivables	(19)	(2)	(1)	(2)	(2)
Other Current Assets	(159)	(8)	(8)	(8)	(9)
Increase (Decrease) in Current Liabilities:					
Accounts Payable	46	13	14	14	15
Accrued Salaries and Related Benefits	177	41	43	45	46
Other Current Payables	(56)	-	-	-	-
<b>Net Cash Provided by Operating Activities</b>	<b>3,763</b>	<b>3,896</b>	<b>3,945</b>	<b>3,998</b>	<b>4,051</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Change in Assets Limited as to Use	(6,534)	(616)	(753)	(737)	(753)
Purchases of Property and Equipment	(103)	(107)	(111)	(115)	(119)
Change in Due to Affiliates	8,587	4,438	4,608	4,912	5,339
Purchase of Investments	(5,443)	(7,549)	(7,624)	(7,992)	(8,449)
<b>Net Cash Used in Investing Activities</b>	<b>(3,493)</b>	<b>(3,834)</b>	<b>(3,880)</b>	<b>(3,932)</b>	<b>(3,982)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Net Cash Provided by Financing Activities	-	-	-	-	-
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>270</b>	<b>62</b>	<b>65</b>	<b>66</b>	<b>69</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>1,506</b>	<b>1,776</b>	<b>1,838</b>	<b>1,903</b>	<b>1,969</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 1,776</b>	<b>\$ 1,838</b>	<b>\$ 1,903</b>	<b>\$ 1,969</b>	<b>\$ 2,038</b>
Supplemental Disclosure of Cash Flow Information:					
Cash Paid for Interest	\$ -	\$ -	\$ -	\$ -	\$ -

See Independent Accountants' Compilation Report on Supplemental Information  
(34)



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

**Section VII:**  
**Reserves, Escrow and Trusts**

---

The Board of Directors established an operating reserve in an amount equal to twenty-five (25) percent of the budgeted expenses for 2025 for the purpose of preserving the financial stability of the Corporation. In accordance with guidance received by the NC Department of Insurance dated September 26, 2019, and subsequent guidance received December 4, 2020, the calculation of operating reserve is based on the forecasted operating expenses for Fiscal Year 2025 and occupancy as of September 30, 2024. The funds held for the operating reserve are invested and managed by independent money managers and had a balance of \$20,493,977 at December 31, 2024.

N.C.G.S. 58-64-33 requires the Corporation to maintain an operating reserve equal to fifty (50) percent of the total operating costs of the Community forecasted for the twelve-month period following the period covered by the most recent disclosure statement filed with the Department or twenty-five (25) percent, if occupancy is in excess of ninety (90) percent for the year ending September 30, 2024. Based on the Financial Forecasts, the Corporation will possess sufficient reserves to satisfy the Operating Reserve Requirement for EveryAge d/b/a Abernethy Laurels as shown below:

**Total Forecasted 2025 Operating Costs For  
EveryAge**

Total Operating Costs:	\$ 31,539,480
Principal Payment	\$391,180
Less Debt Service Reserve Account	(1,521,218)
Less Amortization Expense	(39,169)
Less Depreciation Expense	<u>(3,421,093)</u>
	<u>\$26,949,180</u>

**OPERATING RESERVE REQUIREMENT**

Total Forecasted Operating Costs for 2025	\$26,949,180
Multiplied by Required Percentage	<u>X 25%</u>
Total Operating Reserve Required for 2025	<u>\$ 6,737,295</u>

**ASSETS AVAILABLE TO FUND OPERATING RESERVE**

Portion of reserve corpus of assets whose use is limited - Board designated	<u>\$20,493,977</u>
Necessary funds available to fund operating reserve	<u>\$ 6,737,295</u>

For all of the above reserves, the Finance Committee of the Board of Directors has developed an investment policy and makes the final decision concerning investment strategies.



## Section VIII: **Community Development and Expansion**

---

### **Abernethy Laurels**

EveryAge, d.b.a. Abernethy Laurels was established in 1971 with the original unit consisting of 68 adult care (assisted living) rooms. Thirty-one skilled nursing beds were constructed in 1977. The Village began construction in 1980 consisting of homes, villas, and apartments, and expansion continues to be developed as units are marketed. The Pavilion was constructed in 1989. The Pavilion is a congregate living building that has forty (36) apartments, twenty-two (22) studio rooms and eighteen (18) licensed Adult Care Home beds for assisted living.

Two additional Health Center wings were constructed during 1991 and early 1992 to bring the total number of nursing beds to 174. A Memorial Garden was constructed on campus in 1991 and dedicated for use by residents and families. There is land available on the campus for future development. Abernethy Laurels completed construction of a community center in 2009, which offers a state-of-the-art wellness area, casual dining, a library, and many additional spaces that create opportunities for social gatherings and small group meetings.

In Fiscal Year 2014, the Corporation began initial planning for Health Center replacement at Abernethy Laurels by engaging an architectural firm. The project began in January 2016 and consisted of the replacement of the Health Center and was completed in phases. The replacement project did not result in a change in bed capacity for the skilled nursing facility; however, the new construction was designed to provide innovative, homelike residential dining spaces and other common areas which improved the quality of life for residents residing in the Health Center.

The first phase included a two story, steel framed building, with each 48-bed floor organized into three households. Each household serves sixteen (16) residents with living and dining spaces, designed to evoke a feeling of “home.” Construction of Phase I was completed in September of 2017, and the corporation moved forward with Phase II of the replacement of the remaining seventy-eight (78) beds, which included companion suites (semiprivate rooms).

The second phase included a two-story, steel framed building, with each 39-bed floor organized into two households. Each household, serving either nineteen (19) or twenty (20) residents, included living, dining and activity spaces in a homelike environment. The Phase II addition linked into Phase I through a double-loaded corridor to the north, with common spaces and administrative offices. To the south, Phase II connected to the original building by a partially loaded corridor which serves staff support functions and a new loading/storage/laundry complex to the west. Phase II was constructed in multiple phases and concluded with demolition of the former Health Center in the fall of 2019.

## **Funding**

Funding for future capital expansion will be provided by Residency Fees, contributions from interested individuals and other donors, entities, organizations, etc., bank financing, sale of tax-exempt bonds, and/or use of available reserves.

## **Section IX:**

### **Other Material Information**

---

Abernethy Laurels has Medicare and Medicaid certified skilled nursing beds.

The Corporation strives to make every effort to reach out into the community and respond with care and services to meet a variety of needs of the growing older population. As opportunities and finances are available, new outreach ministries are undertaken not only to respond to needs, but also to help set standards for quality care and affordable retirement living opportunities. The Corporation is committed to carrying on charitable work in response to community and individual needs as funds are available and as opportunities present themselves.

The Corporation purchases general, professional, and excess automobile liability insurance from Caring Communities, a Reciprocal Risk Retention Group (“CCrRRG”). CCrRRG is a District of Columbia insurer owned by over 60 members, including EveryAge, all of whom are not-for-profit providers of senior services and housing, except one member which is a Vermont insurer owned by its members all of which are also not-for-profit providers of senior services and housing. CCrRRG is registered with the North Carolina Department of Insurance but is not covered by the North Carolina Guarantee Association.

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

Balance Sheet, Profit and Loss, and Cash Flow items with a Material Variance of greater of 10% and \$500,000 are itemized and explained in corresponding footnote in the following pages numbered 26, 27, 28 and 29 (Footnotes).

# Balance Sheet

EveryAge					
Comparison 2024 Forecast to 2024 Actuals					
Balance Sheet (In Thousands of Dollars)					
	2024	2024			
	Forecast	Actual	Variance	% Variance	Footnote
<b>Assets</b>					
Current Assets:					
Cash and cash equivalents	\$ 1,229	\$ 1,560	\$ 331	26.96%	
Accounts receivable, net	2,014	2,769	755	37.51%	(a)
Other receivables	586	1,229	643	109.81%	(b)
Due from affiliates	26,290	28,905	2,615	9.94%	
Other current assets	794	400	(394)	(49.61%)	
<b>Total current assets</b>	<b>30,913</b>	<b>34,864</b>	<b>3,951</b>	<b>12.78%</b>	
Due from Related Parties, Less Current Portion	228	228	(0)	(0.21%)	
Assets limited as to use:					
Statutory Operating Reserve	15,412	15,412	-	0.00%	
Investments	47,877	58,157	10,280	21.47%	(c)
Trustee Deposit Accounts Required by Debt Agreement	7,283	1,799	(5,484)	(75.30%)	(d)
Patient Funds	32	32	(0)	(1.32%)	
Bond Fund	178	-	(178)	(100.00%)	
<b>Total assets limited as to use</b>	<b>71,010</b>	<b>75,628</b>	<b>4,618</b>	<b>6.50%</b>	
Equity Investment	1,326	1,441	115	8.71%	
Fair value of interest rate swap agreements	8,430	4,396	(4,034)	(47.85%)	(e)
Other noncurrent assets	1,203	1,442	239	19.87%	
Property and equipment, net	95,148	88,521	(6,627)	(6.97%)	
<b>Total long-term assets</b>	<b>106,107</b>	<b>95,800</b>	<b>(10,307)</b>	<b>(9.71%)</b>	
<b>Total assets</b>	<b>208,030</b>	<b>206,292</b>	<b>(1,738)</b>	<b>(0.84%)</b>	
<b>Liabilities and Net Assets</b>					
Current Liabilities:					
Current portion of long-term debt	545	545	-	0.00%	
Accounts payable	1,230	4,784	3,554	288.93%	(f)
Accrued salaries and related benefits	3,327	3,474	147	4.40%	
Other current payables	1,343	1,688	345	25.66%	
Due to affiliates	22,437	24,159	1,722	7.67%	
<b>Total current liabilities</b>	<b>28,882</b>	<b>34,649</b>	<b>5,767</b>	<b>326.67%</b>	
Long-Term Liabilities:					
Long-term debt, less current portion	99,359	86,192	(13,167)	(13.25%)	(g)
Deferred financing costs	(1,490)	(1,744)	(254)	(17.08%)	
Unamortized bond premium	2,381	2,410	29	1.22%	
Long-term debt less current portion incl. costs/premiums	100,250	86,857	(13,393)	(13.36%)	(g)
Refundable Entrance Fees	6,878	5,593	(1,285)	(18.68%)	(h)
Deferred revenue from advance fees	21,414	20,964	(450)	(2.10%)	
<b>Total long-term liabilities</b>	<b>128,542</b>	<b>113,414</b>	<b>(15,128)</b>	<b>263.42%</b>	
<b>Total liabilities</b>	<b>157,424</b>	<b>148,063</b>	<b>(9,361)</b>		
Net Assets:					
Without donor restrictions	50,591	58,228	7,637	15.10%	(i)
With donor restrictions	15	-	(15)	(100.00%)	
<b>Total net assets</b>	<b>50,606</b>	<b>58,228</b>	<b>7,622</b>	<b>15.06%</b>	
<b>Total liabilities and net assets</b>	<b>\$ 208,030</b>	<b>\$ 206,292</b>	<b>\$ (1,738)</b>	<b>(0.84%)</b>	
Based on material variance of 10% in main category with floor of \$500K					

- (a) Accounts receivable higher than expected due to delay in private pay payments.  
(b) Other receivables higher than expected due to deferred payment plans on entrance fees.  
(c) Investments higher than expected due to investment returns.  
(d) Trustee held deposits lower than expected due to spend down of Series 2021A construction and projection was too high.  
(e) Change in fair value of interest rate swap due to market value adjustments.  
(f) Accounts payable higher than projected due to outstanding construction project invoices.  
(g) Lower than projected long-term debt, less current portion due to slower than anticipated draws for construction projects.

# Profit and Loss Statement

EveryAge					
Comparison 2024 Forecast to 2024 Actuals					
Profit and Loss Statement (In Thousands of Dollars)					
	2024	2024			
	Forecast	Actual	Variance	% Variance	Footnote
Operating revenues:					
Health care	\$ 30,066	\$ 30,849	\$ 783	2.60%	
Residential living service	11,240	10,997	(243)	(2.16%)	
Pavilion/assisted living	1,991	1,511	(480)	(24.10%)	
Home care	1,102	1,597	495	44.89%	
Outside services	-	(0)	(0)	(100.00%)	
Amortization of advance fees	3,679	3,848	169	4.58%	
Management fee income	3,099	3,108	9	0.30%	
Other operating revenue	1,306	1,121	(185)	(14.15%)	
Total operating revenues	52,483	53,030	547	1.04%	
Operating expenses:					
Health care	13,911	13,575	(336)	(2.42%)	
Medical records	124	136	12	9.29%	
Personnel	9,879	9,117	(762)	(7.72%)	
Laundry	303	301	(2)	(0.74%)	
Social services	250	261	11	4.29%	
Activities	400	354	(46)	(11.47%)	
Spiritual life	149	144	(5)	(3.28%)	
Housekeeping	1,269	1,213	(56)	(4.38%)	
Plant maintenance	3,952	4,499	547	13.85%	(j)
Pavilion/assisted living	851	923	72	8.43%	
Home care	955	1,335	380	39.79%	
Clinic	112	113	1	0.85%	
Resident services	215	193	(22)	(10.02%)	
Transportation	140	173	33	23.87%	
Dietary	4,164	4,382	218	5.25%	
Wellness center	158	164	6	3.94%	
Beauty shop	25	22	(3)	(13.94%)	
Day care	324	274	(50)	(15.36%)	
General and administrative:					
Administrative	5,583	5,213	(370)	(6.62%)	
Marketing	757	703	(54)	(7.09%)	
Staff development	142	130	(12)	(8.80%)	
Depreciation	5,281	5,034	(247)	(4.67%)	
Real estate taxes	15	20	5	31.76%	
Interest expense	2,146	2,131	(15)	(0.71%)	
Amortization of issuance costs	67	68	1	1.60%	
Amortization of bond premium	(114)	(114)	(0)	(0.28%)	
Insurance	1,013	991	(22)	(2.17%)	
Credit loss expense	178	506	328	184.28%	
Other operating expenses	557	458	(99)	(17.81%)	
Total operating expenses	52,806	52,319	(487)	(0.92%)	
Operating loss	(323)	711	1,034	320.23%	
Nonoperating income (loss):					
Contribution income/expense	(38)	239	277	729.89%	
Change in Fair Value of Interest Rate Swap	-	(4,034)	(4,034)	(100.00%)	(e)
Other nonoperating expense	49	235	186	380.56%	
Investment/interest income	3,198	13,372	10,174	318.13%	(c)
Net nonoperating income	3,209	9,813	6,604	205.78%	
Changes in net assets	\$ 2,886	\$ 10,524	\$ 7,638	264.65%	
Based on material variance of 10% in main category with floor of \$500K					

- (j) Higher than expected maintenance costs mainly due to refurbishments and renovations to current units along with higher products costs.  
(e) Change in fair value of interest rate swap due to market value adjustments.  
(c) Investments higher than expected due to investment returns.

# Cash Flow Statement

EveryAge					
Comparison 2024 Forecast to 2024 Actuals					
Cash Flow (In Thousands of Dollars)					
	2024	2024			
	Forecast	Actual	Variance	% Variance	Footnote
<b>Cash flows from operating activities:</b>					
Changes in net assets	2,886	10,524	7,638	264.65%	
Adjustments to reconcile changes in net assets to net cash provided by operating activities:					
Depreciation	5,281	5,034	(247)	(4.67%)	
Change in Fair Value of Interest Rate Swap	-	4,034			
Amortization of issuance costs	67	68	1	1.60%	
Amortization of bond premium	(114)	(114)	-	0.00%	
Amortization of advance fees	(3,679)	(3,848)	(169)	(4.58%)	
(Increase) decrease in current assets:					
Advance fees received (non-refundable)	2,522	4,426	1,904	75.50%	(j)
Accounts receivable	500	(10)	(510)	(101.92%)	(a)
Other receivables	(55)	(432)	(377)	(684.64%)	
Other current assets	(165)	-	165	100.00%	
Increase (decrease) in current liabilities					
Accounts payable	(656)	2,873	3,529	537.97%	(f)
Accrued salaries and related benefits	392	521	129	32.84%	
Other current payables	(70)	47	117	166.91%	
Net cash provided by operating activities	6,909	23,124	12,181	234.70%	
<b>Cash flows from investing activities:</b>					
Changes in assets limited as to use	724	2,723	1,999	276.10%	(k)
Purchases of property and equipment	(29,228)	(22,726)	6,502	22.25%	(l)
Capitalized interest	(925)	(586)	339	36.62%	
Change in Due to Affiliates	-	(891)	(891)	(100.00%)	(m)
Investment/interest income	(6,403)	(13,374)	(6,971)	(108.87%)	(c)
Net cash used in investing activities	(35,832)	(34,855)	977	2.73%	
<b>Cash flows used in financing activities:</b>					
Advance fee refunds	(1,522)	(910)	612	40.19%	
Borrowings of long-term debt	27,554	14,387	(13,167)	(47.79%)	(g)
Principal payments of long-term debt	(1,960)	(1,960)	-	0.00%	
Issuance costs paid / bond premiums received		(225)	(225)	(100.00%)	(n)
Refundable and First Generation Advance Fees Received	4,686	604	(4,082)	(87.11%)	(j)
Net cash used in financing activities	28,758	11,896	(16,862)	(234.90%)	
Net increase (decrease) in cash and cash equivalents	(165)	166	331	200.44%	
Cash and cash equivalents, beginning	1,394	1,394	-	0.00%	
Cash and cash equivalents, ending	1,229	1,560	331	26.91%	

Based on material variance of 10% in main category with floor of \$500K

- (a) Accounts receivable higher than expected due to delay in private pay payments.
- (c) Investments higher than expected due to investment returns.
- (f) Accounts payable higher than projected due to outstanding construction project invoices.
- (g) Lower than projected long-term debt, less current portion due to slower than anticipated draws for construction projects.
- (j) Higher non-refundable advance fees received and lower than expected refundable and first generation fees received due to an error in the projection. Total advance fees received (non-refundable and refundable) projected was \$7.2MM vs actual of \$5MM. This was due to lower than anticipated move-ins.
- (k) Change in assets limited as to use higher than projected due to movements of excess cash to investment accounts.
- (l) Lower than expected purchases of property and equipment due to delays in payments of construction invoices.
- (m) Change in due to affiliates due to net cash inflows and outflows to related organizations.
- (n) Issuance costs paid related to future debt for Providence Place (acquisition 10/1/2024)

## Footnotes

EveryAge
Comparison 2024 Forecast to 2024 Actuals
Footnotes
Based on material variance of 10% in main category with floor of \$500K

- (a) Accounts receivable higher than expected due to delay in private pay payments.
- (b) Other receivables higher than expected due to deferred payment plans on entrance fees.
- (c) Investments higher than expected due to investment returns.
- (d) Trustee held deposits lower than expected due to spend down of Series 2021A construction and projection was too high.
- (e) Change in fair value of interest rate swap due to market value adjustments.
- (f) Accounts payable higher than projected due to outstanding construction project invoices.
- (g) Lower than projected long-term debt, less current portion due to slower than anticipated draws for construction projects.
- (h) Refundable entrance fees lower than expected due to lower than projected move-ins.
- (i) Higher than projected net assets due to better than projected FY2024 net profit.
- (j) Higher non-refundable advance fees received and lower than expected refundable and first generation fees received due to an error in the projection. Total advance fees received (non-refundable and refundable) projected was \$7.2MM vs actual of \$5MM. This was due to lower than anticipated move-ins.
- (k) Change in assets limited as to use higher than projected due to movements of excess cash to investment accounts.
- (l) Lower than expected purchases of property and equipment due to delays in payments of construction invoices.
- (m) Change in due to affiliates due to net cash inflows and outflows to related organizations.
- (n) Issuance costs paid related to future debt for Providence Place (acquisition 10/1/2024)

## **Exhibit 1: Fee Schedules**

---

Each of the following **Fee Schedules** provide an itemized list of services, not included in the Monthly Fee, which may be available on a fee-for-service basis.

EveryAge d/b/a Abernethy Laurels  
**The Health Center**  
 North and South Manor  
 Fee Schedule as of October 1, 2024

**Activities**

Fees for workshops, trips, programs, and classes will be established according to costs related to the activity.

**Supportive Services**

Personal Laundry Service (*per month*) ..... \$ 100.00

**Clerical Services**

Administrative Services (*Per ½ hour, plus supplies*) \$ 25.00  
 NSF Check Charge ..... 50.00  
 Late Payment Fee ..... 50.00  
 Duplication beyond 5 pages (*per copy*) ..... .30  
 Facsimile Fee (*per page/\$20 max/trans*) ..... 7.00

**Salon Services**

Shampoo and set ..... \$ 25.00  
 Color ..... 70.00  
 Permanent ..... 80.00  
 Haircuts ..... 25.00  
 (*Other services available at posted prices*)

**Key Duplication** (*each*) ..... \$ 5.00

**Meals**

Guest Breakfast ..... \$ 8.00  
 Guest Lunch or Dinner ..... 12.00  
 Child's Plate (*under 10 years*) ..... 5.00  
 Catering Services ..... *Quote Upon Request*  
 Village Bistro ..... *Posted Prices*

**Medical**

Oxygen (*Monthly*) ..... \$ 150.00  
 Air Mattress (*Monthly*) ..... 350.00  
 Bariatric Mattress (*Monthly*) ..... 450.00  
 C-PAP (*Monthly*) ..... 150.00  
 Bi-PAP (*Monthly*) ..... 300.00  
 (*Other services available at posted prices*)

**Nursing Services** (*Incontinence Program Per Day*)

Small ..... \$ 13.50  
 Medium ..... 15.50  
 Large ..... 16.50  
 X-Large ..... 18.50  
 XX-Large ..... 20.50  
 Bariatric ..... 24.00  
 (*Non-routine nursing supplies, charged per unit*)

**Telephone**

Installation Fee ..... \$ 60.00

Monthly Fee ..... \$ 25.00

**Transportation**

(*Scheduled round trip, per person [medical]*)

Catawba/Maiden ..... 40.00  
 Newton/Conover ..... 35.00  
 RTP/AVL/Durham ..... 200.00  
 Hickory Metro/Denver/Lincolnton ..... 55.00  
 Statesville/Huntersville/Gastonia/Morganton ..... 75.00  
 Charlotte Metro/Winston-Salem/GSO ..... 150.00  
*Negotiated trips beyond above are charged a mileage fee, plus driver fee*

Weekdays (*per ½ Hour*) ..... 25.00  
 Weekends/Holidays (*per ½ Hour*) ..... 31.00  
 Mileage fee per mile Car ..... 1.50  
 Mileage fee per mile Bus ..... 2.50

**Guest Rooms** (*per night/per room*)

Twin Oaks Studio ..... \$ 100.00  
 Dogwood One-Bedroom ..... 115.00

**Use Of Common Space**

Residents may use common spaces for private gatherings by making reservations with administration. There is a fee for larger spaces.

Set up and clean up  
 Per staff person, per ½ hour ..... \$ 35.00

**Private Care Services**

See Laurels At Home Fee Schedule

**Daily Room Fee**

Noble/Peace Courts (*Private Suite*) ..... 360.00  
 Noble/Peace Courts (*Companion Suite*) ..... 324.00  
 Friendship/Faith/Hope Courts (*Private Suite*) ..... 366.00  
 Grace Court (*Private Suite*) ..... 452.00  
 Harmony and Unity Courts (*Private Suite*) ..... 360.00

**Note:** Arrangements for special services not listed may be made by contacting administration. Fees subject to change with an advance notice.

\*A 3% fee will be applied for credit card charges for approved services.



EveryAge d/b/a Abernethy Laurels  
**Adult Care Home**  
 Fee Schedule as of October 1, 2024

**Activities**

Fees for workshops, trips, programs, and classes will be established according to costs related to the activity.

**Clerical** (per ½ hour, plus supplies)

Administrative Services .....	\$ 26.00
NSF Check Charge.....	50.00
Late Payment Fee.....	50.00
Duplication beyond 5 pages (per copy).....	0.30
Fax Fee (per page, \$20 max per transmission) .....	7.00
Long-term Care Insurance	
Initial set up fee .....	100.00
Monthly filing fee.....	42.00

**Salon Services**

Shampoo and set .....	\$ 25.00
Color .....	70.00
Permanent .....	80.00
Haircut .....	25.00
Pedicure .....	45.00
Manicure .....	25.00

(Other services available at posted prices)

**Key Duplication** (each)..... \$ 5.00

**Dining Services**

Promenade Dining Room	
Guest Breakfast .....	\$ 8.00
Guest Lunch or Dinner .....	12.00
Child's Plate (under 10 years) .....	5.00
Special Event Meals .....	Posted Price
Catering Services .....	Quote upon request
Village Bistro (a la cart) .....	Posted Price

**Telephone**

Installation .....	\$ 60.00
Monthly fee.....	25.00

**Guest Rooms** (per Night)

Twin Oaks Studio .....	\$ 100.00
Dogwood One Bedroom .....	115.00

**Use Of Common Space**

Residents may use common spaces for private gatherings by making reservations with administration. There is a fee for larger spaces.

Set-up and Clean-up .....	\$ 35.00
---------------------------	----------

(Per staff person, per ½ hour)

**Replacement Pendant Fee**..... \$135.00

**Medical** (plus cost of supplies)

Air Mattress (per mo.).....	\$ 350.00
Bariatric Mattress (per mo.) .....	\$450.00
Bladder Scan .....	26.00

Blood Draws .....	28.00
C-PAP (Monthly) .....	150.00
Bi-PAP (Monthly) .....	300.00
Injections (Other than Flu / Pneumonia) .....	23.00
Catheter Care .....	25.00
Dressing Change (Simple) .....	25.00
Dressing Change (Complex).....	35.00
Ear Irrigation .....	33.00
Oxygen (Monthly) .....	150.00
Urinalysis Specimen Collection .....	17.00

**Incontinence Program** (Per Day)

Small .....	\$ 13.50
Medium .....	15.50
Large .....	16.50
X-Large .....	18.50
XX-Large .....	20.50
Bariatric.....	24.00

(Non-routine nursing supplies, charged per unit)

**Transportation** (Round-Trip, per person)

Newton/Conover .....	\$ 35.00
Catawba/Maiden.....	40.00
Hickory Metro/Denver/Lincolnton .....	55.00
Statesville/Huntersville/Gastonia/Morganton .....	75.00
Charlotte Metro/Winston-Salem/GSO .....	150.00
RTP/ASV/Durham .....	200.00

**Shuttles**

Charlotte (CLT) Airport (one way) .....	\$ 75.00
Greensboro (GSO) Airport (one way) .....	150.00
Concord (JQF) Executive Airport (one way) .....	75.00

Negotiated trips beyond above are charged a mileage fee, plus driver fee

Weekdays (per ½ Hour).....	\$ 25.00
Weekends/Holidays (per ½ Hour) .....	31.00
Mileage fee per mile Car.....	1.50
Mileage fee per mile Bus .....	2.50
Leisure Trips .....	Posted Price

**Daily Respite Rate**..... \$220.00

**Daily Room Fee**

Adult Care Home Private Suite .....	\$ 208.00
-------------------------------------	-----------

**Note:** Arrangements for special services not listed may be made by contacting administration. Fees subject to change with an advance notice.

\*A 3% fee will be applied for credit card charges for approved services

EveryAge d/b/a Abernethy Laurels  
**The Pavilion**  
 Fee Schedule as of October 1, 2024

**Activities**

Fees for workshops, trips, programs, and classes will be established according to costs related to the activity.

**Catered Services**

*(per 1/2 Hour / per staff person, with 1/2 Hour minimum)*

Housekeeping .....	\$ 23.00
Maintenance .....	35.00
Personal Laundry Service (per month) .....	100.00
Escort to Dining (per month) .....	225.00

**Clerical** *(per 1/2 hour, plus supplies)*

Administrative Services .....	\$ 26.00
NSF Check Charge .....	50.00
Late Payment Fee .....	50.00
Duplication beyond 5 pages <i>(per copy)</i> .....	0.30
Fax <i>(per page, \$20 max per transmission)</i> .....	7.00

**Salon Services**

Shampoo and set .....	\$ 25.00
Color .....	70.00
Permanent .....	80.00
Haircuts .....	25.00
Pedicure .....	45.00
Manicure .....	25.00

*(Other services Available at Posted Prices)*

**Key Duplication** *(each)* ..... \$ 5.00

**P.O.S. Card Replacement** *(each)* ..... \$15.00

**Dining Services** *(Promenade Dining Room)*

Guest Breakfast .....	\$ 8.00
Guest Lunch or Dinner .....	12.00
Child's Plate (under 10 years) .....	5.00
Special Event Meals .....	<i>Posted Price</i>
Catering Services .....	<i>Quote Upon Request</i>
Village Bistro <i>(a la cart)</i> .....	<i>Posted Price</i>

**Guest Rooms** *(per night)*

Twin Oaks Studio .....	\$ 100.00
Dogwood One Bedroom .....	115.00

**Telephone**

Installation .....	60.00
Monthly Fee (Studio A and B Units) .....	25.00

**Pendant Replacement Fee** ..... \$135.00

**ALEXA**

Purchase and Installation (one-time fee) .....	40.00
Monthly Fee .....	10.00

**Core Fitness and Spa**

Membership included in Monthly Fees.

Massage ..... *Posted Price*

**Medical** *(see "Laurels At Home" Fee Schedule)*

Infirmary.....200.00

**Transportation** *(Schedule round trips, medical)*

On Campus *\*subject to availability/ (per household/R/T)*  
 \$5.00

Newton/Conover .....	35.00
Catawba/Maiden .....	40.00
Hickory Metro/Denver/Lincolnton .....	55.00
Statesville/Huntersville/Gastonia/Morganton.....	75.00
Charlotte Metro/Winston-Salem/GSO .....	150.00
RTP/ASV/Durham.....	200.00

**Shuttles**

Charlotte (CLT) Airport (one way) .....	\$ 75.00
Greensboro (GSO) Airport (one way) .....	150.00
Concord (JQF) Executive Airport (one way).....	75.00
Grocery Shopping (per person/round trip).....	23.00
Grocery Pickup (online order) .....	10.00

*Negotiated trips beyond above are charged a  
 mileage fee, plus driver fee*

Weekdays (per 1/2 Hour).....	25.00
Weekends/Holidays (per 1/2 Hour) .....	31.00
Mileage fee per mile Car .....	1.50
Mileage fee per mile Bus .....	2.50
Leisure Trips.....	<i>Posted Price</i>
Annual Bus Pass/Per Person/Local Travel .....	\$175.00

**Use Of Common Space**

Residents may use common spaces for private gatherings by making reservations with administration. There is a fee for larger spaces.

Set up and clean up

Per staff person, per 1/2 hour..... \$ 35.00

Note: Arrangement for special services not listed may be made by contacting administration. Fees subject to change will an advance notice.

\*a 3% fee will be applied for credit card charges for approved services

EveryAge d/b/a Abernethy Laurels  
**The Village**  
 Fee Schedule as of October 1, 2024

**Activities:** Fees for workshops, trips, programs, and classes will be established according to costs related to the activity.

**Maintenance**

*(per 1/2 Hour / per staff person, with 1/2 Hour minimum)*

Maintenance Services .....\$35.00

**Housekeeping**

*(per 1/2 Hour / per staff person, with 1/2 Hour minimum)*

Housekeeping Services .....\$23.00

**Landscaping**

*(per 1/2 Hour / per staff person, with 1/2 Hour minimum)*

Landscaping Services.....\$27.00

**Clerical** *(per 1/2 hour)*

Administrative services.....\$26.00

NSF Check Fee .....50.00

Late Payment Fee.....50.00

Duplication beyond 5 pages *(per page)* .....0.30

Fax Fee *(per page, \$20 max per transmission)*.....7.00

**Salon Services**

Shampoo and set .....\$25.00

Color .....70.00

Permanent .....80.00

Haircuts .....25.00

Pedicure .....45.00

Manicure .....25.00

*(Other services Available at Posted Prices)*

**Key Duplication** *(each)* .....\$5.00

**P.O.S. Card Replacement** *(each)*.....\$15.00

**Dining Services** *(Promenade Dining Room)*

Breakfast .....\$8.00

Lunch or Dinner .....12.00

Child's Plate *(under 10 years)*.....5.00

Special Event Meals.....Posted Price

Catering Services .....Quote Upon Request

Meal Delivery *(on Campus)*..... Included

**Laurel Woods' Meal Packages\***

*(Noncumulative and \*Excludes Special Event Meals):*

10 Meals per Month ..... \$ 108.00

20 Meals per Month .....216.00

30 Meals per Month .....270.00

*[Meal Delivery (per delivery)] on campus* ..... Included

Village Bistro *(a la cart)*..... Posted Price

Special Event Meals/Bufetts:.....Posted Price

Catering Services ..... Quote Upon Request

**Medical** *(see "Laurels At Home" Fee Schedule)*

Infirmery Room Charge *(per day)* .....200.00

**Guest Rooms** *(per night)*

Twin Oaks Studio ..... \$ 100.00

Dogwood One Bedroom ..... 115.00

**Transportation** *(Schedule round trips, per person/medical)*

On Campus Transport ..... \$ 5.00

Newton/Conover ..... 35.00

Catawba/Maiden ..... 40.00

Hickory Metro/Denver/Lincolnton ..... 55.00

Statesville/Huntersville/Gastonia/Morganton ... 75.00

Charlotte Metro/Winston-Salem/GSO ..... 150.00

RTP/ASV/Durham ..... 200.00

**Shuttles**

Charlotte (CLT) Airport *(one way)* ..... \$ 75.00

Greensboro (GSO) Airport *(one way)* ..... 150.00

Concord (JQF) Executive Airport *(one way)*.... 75.00

Grocery Shopping *(per person, round trip)*..... 23.00

Grocery Pickup *(online order)* ..... 10.00

*Negotiated trips beyond above are charged a mileage fee, plus driver fee*

Weekdays *(per 1/2 Hour)*..... \$ 25.00

Weekends/Holidays *(per 1/2 Hour)* ..... 31.00

Mileage fee per mile Car..... 1.50

Mileage fee per mile Bus ..... 2.50

Annual Bus Pass *(per person, local travel)*..... 175.00

Leisure Trips .....Posted Price

**Core Fitness and Spa**

Membership included in Monthly Fees.

Massage.....Posted Price

**Pendant Replacement Charge**..... \$ 135.00

**ALEXA**

Purchase and Installation *(one-time fee)*..... \$ 40.00

Monthly Fee ..... 10.00

**Use of Common Space**

Residents may use common spaces for private gatherings by making reservations with administration. There is a fee for larger spaces.

Set up and clean up

Per staff person, per 1/2 hour ..... \$ 35.00

**Note:** Arrangements for special services not listed may be made by contacting administration. Fees subject to change with an advance notice.

\*A 3% fee will be applied for credit card charges for approved services

EveryAge d/b/a Abernethy Laurels  
**Laurels At Home**  
 (Licensed Home Care Agency)  
 Fee Schedule as of October 1, 2024

**Home Care**

Home Care Aide:  
 (per Hour, 1 Hour minimum) ..... \$31.00  
 Weekends/Holidays (per Hour, 1 Hour minimum) ..... 34.00  
 Companion/Personal Assistant:  
 (per Hour, 2 Hour minimum) ..... 28.00  
 Weekends/Holidays (per Hour, 2 Hour minimum) ..... 32.00  
 Licensed Nurse Visit (per ½ hour, ½ Hour min.).. 45.00  
 Weekends/Holidays (per Hour, ½ Hour minimum)..... 50.00  
 Home Care Enrollment Fee ..... 100.00  
 Dietician Consultant (per Hour) ..... 65.00  
 Premium Charge for \*Short Notice..... Daily Fee x 2  
 Premium Charge for Over Scheduled Time..... Daily Fee x 2  
 \*Less than 24 Hrs. advance notice of service request

Medication Assistance/Reminders (per Month)  
 1 time per day..... \$ 106.00  
 2 times per day ..... 142.00  
 3 times per day ..... 193.00  
 4 times per day ..... 240.00  
 Medication Box Pre-Pour (per Week)..... 55.00

**Medical** (plus cost of supplies)

Bladder scan..... \$ 26.00  
 Blood Draws ..... 28.00  
 Blood Pressure ..... 9.00  
 Catheter Insertion or Removal ..... 40.00  
 Dressing Change (Simple) ..... 25.00  
 Dressing Change (Complex) ..... 35.00  
 Ear Irrigation..... 33.00  
 EKG ..... 60.00  
 Glucose Test..... 9.50  
 Injections (Other than Flu/Pneumonia) ..... 23.00  
 Pacemaker Check..... 40.00  
 Pulse Ox ..... 25.00  
 Trim Toenails..... 25.00  
 Urinalysis Specimen Collection..... 17.00  
 Weights ..... 5.00

(Other services available at negotiated fees)

**Long-term Care Insurance**

Initial Processing Fee ..... \$ 100.00  
 Monthly filing fee ..... 42.00  
 Late Payment fee..... 50.00

**Other Services**

Bathing ..... \$ 30.00  
 Specialty Equipment Assistance ..... 20.00  
 Pet Walk/Sitting (per ½ Hour, ½ Hour minimum) .. 16.50

Non-resident Respite Care available on the campus; charge per day based upon level of living. See Admissions Counselor for more details.

Respite care in-home available based on services provided.

Services based on availability. Some services not available off campus.

Services off-campus will include an additional charge per visit for mileage at an EveryAge approved mileage rate accrued from Abernethy Laurels to participant location, roundtrip.

**Note:** Minimum Enrollment of Four weeks required – unless otherwise approved by administrative management.

**Note:** Arrangements for special services not listed may be made by contacting administration. Fees subject to change with an advance notice.

\*A 3% fee will be applied for credit card charges for approved services

## **Exhibit 2: Residential Living Unit: 50% Refund**

---

**Residential Living Unit: 50% Refund**

Residential Living Residency Agreement  
**Between**

---

*(Resident)*

And

EveryAge, d.b.a., Abernethy Laurels  
100 Leonard Avenue, Newton, NC 28658

**Dated: March 1, 2025**

**ABERNETHY LAURELS**  
**EveryAge**  
100 Leonard Avenue, Newton, NC 28658

Residential Living Residency Agreement

**1. Basic Requirements and Terms for Cancellation**

(a) This Residency Agreement is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between \_\_\_\_\_ hereinafter referred to as the “*Resident*” and EveryAge, a not-for-profit Corporation chartered by the State of North Carolina, hereinafter referred to as the “*Corporation.*” The Corporation is chartered to carry on ministry among aging persons within the bounds of the Southern Conference of the United Church of Christ. This Residency Agreement is made between the Corporation and the Resident for occupancy of a \_\_\_\_\_ numbered \_\_\_\_\_, hereinafter referred to as the “*Residential Living Unit,*” located at Abernethy Laurels, hereinafter referred to as the “*Community.*” This Residency Agreement is made binding with payment by the Resident a Residency Fee in the amount of \$ \_\_\_\_\_, and a Monthly Fee.

(b) Cancellation Prior to Occupancy Due to Death, Illness, or Incapacity.

If this Residency Agreement is entered into prior to occupancy of the Residential Living Unit and the Resident dies before occupying the Residential Living Unit, or if, on account of illness, injury, or incapacity, the Resident would be precluded from occupying the Residential Living Unit, this Residency Agreement is automatically cancelled, and the Resident or legal representative of the Resident shall receive a refund of all money or property transferred to the Corporation:

- (i) less any nonstandard costs specifically incurred by the Corporation at the request of the Resident, and
- (ii) any refund due the Resident for cancellation of this Residency Agreement under these circumstances will be made within forty-five (45) days after receipt by the Corporation of a written notice of the Resident’s death, illness, or incapacity.

(c) Cancellation by the Resident Within Thirty (30) Days of Contract Execution.

Notwithstanding any other provision of this Residency Agreement, the Resident may rescind this Residency Agreement within thirty (30) days following the execution of this Residency Agreement (or the receipt of a disclosure statement, if later) in which event any money paid will be refunded in full, other than:

- (i) the Monthly Fee applicable to the period a Residential Living Unit was occupied by the Resident;
- (ii) any damage caused to the Residential Living Unit during occupancy or in moving;
- (iii) any nonstandard costs specifically incurred by the Corporation at the request of the Resident; and

Resident Initials: \_\_\_\_\_

(iv) any refund due the Resident under this thirty (30) day provision will be made within forty-five (45) days after receipt by the Corporation of a written notice of cancellation from the Resident. The Resident is not required to move into the Residential Living Unit before the expiration of this thirty (30) day period.

(d) Cancellation by the Resident Between the Thirtieth (30th) and Ninetieth (90th) Day of Occupancy.

During the first ninety (90) days of occupancy, the Resident will have the right to terminate this Residency Agreement by serving the Corporation with written notice of such termination. During the ninety (90) day period, the Corporation also has the right to terminate this Residency Agreement based on its judgment regarding the Resident's ability to adjust to this lifestyle. Any money paid will be refunded in full, other than:

- (i) the Monthly Fee applicable to the period the Residential Living Unit was occupied by the Resident;
- (ii) a ten percent (10%) reduction in the initial Residency Fee paid;
- (iii) cost for repair of any damage caused to the Residential Living Unit during occupancy or in moving;
- (iv) any nonstandard costs specifically incurred by the Corporation at the request of the Resident; and
- (v) any refund due the Resident for termination during this period will be made within thirty (30) days after the date that the last Residential Living Unit to have been occupied by the Resident has been vacated and made available for marketing.

(e) Cancellation by the Resident After Ninety (90) Days of Occupancy.

After the ninety (90) day period, this Residency Agreement may be terminated by the Resident at any time by serving the Corporation a sixty (60) day advance written notice of such termination. For termination by the Resident under this paragraph (e), the Resident's rights to a refund and the account of any such refund, will be described in Section 3 of this Residency Agreement, below.

(f) Terminations by the Corporation

The Corporation may terminate this Residency Agreement at any time if:

- (i) there has been any material misrepresentation or omission made by the Resident on the Application Form;
- (ii) there is conduct on the part of the Resident that threatens the safety or well-being of the Resident, that of the Resident's neighbors, or employees of the Corporation.

(g) Responsibilities of the Resident Upon Cancellation or Termination

At the effective date of termination of this Residency Agreement, the Resident shall vacate the Residential Living Unit and shall leave it in good condition except for reasonable wear and tear. Damage due to smoking or having household pets, if approved, will not be considered as reasonable wear and tear. The Resident shall be responsible to the Corporation for any costs incurred in restoring the Residential Living Unit to good condition and repair any damage beyond reasonable wear and tear.



(h) Joint Occupancy of Residential Living Unit

If another individual (“Other Resident”) signs a separate Residency Agreement to share occupancy of the same Residential Living Unit with the Resident, in the event of the death of the Other Resident, or the removal of the Other Resident from the Residential Living Unit on a permanent basis for any reason, the remaining Resident will continue to enjoy all rights, privileges, and obligations of this Residency Agreement. Any refund of the Residency Fee due under either of said Residency Agreements will not be computed until the termination of both Residency Agreements due to death or otherwise, and any refund due under either Residency Agreement will be paid to the Resident or Other Resident who is the last to terminate his or her Residency Agreement, within the time period described in paragraph 3(g) of this Residency Agreement.

(i) Effect of Termination

Upon termination of this Residency Agreement and upon complying with the provisions of this Residency Agreement, the Corporation shall have no further obligation to the Resident or their heirs, executors, administrators, or assigns.

**2. Changes In Occupancy**

- (a) Should the Resident choose to marry, and the new spouse is not a resident of the Community, the spouse will be required to submit an application for admission. The spouse would complete the regular admission process including the payment of all fees, which may include but not be limited to the upgraded and readjusted Residency Fee and the Monthly Fee. If denied, the couple will then have sixty (60) days to make other living arrangements. If the couple must make other living arrangements, any monies to be returned will be paid to the individual who was a contracted resident of the Community. This refund will be paid within thirty (30) days after the date that the last Residential Living Unit to have been occupied by the Resident has been vacated and made available for remarketing.
- (b) Should the Resident choose to marry another resident and the two choose to occupy a single Residential Living Unit, any fees to be returned to the person vacating their Residential Living Unit will be set aside and held by the Corporation for use by that Resident to pay for necessary healthcare expenses should that Resident need nursing care.
- (c) After the Resident has occupied a Residential Living Unit, should the Resident desire to have another individual move in with them (including a new spouse), the new individual shall complete the normal admission process including the payment of all fees. If the application for admission is approved, either the original Residency Agreement shall be amended, or new Residency Agreements shall be executed which specify the new fees and terms established by the Corporation.

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

### **3. Residency**

- (a) The Corporation agrees the Resident may occupy the Residential Living Unit described above, subject to the conditions of this Residency Agreement.
- (b) Upon termination of this Residency Agreement by either party, or upon the death of the Resident, after a new Residency Agreement has been executed by another party for the last Residential Living Unit to have been occupied by the Resident, and all fees due have been paid in full, the Resident or the Resident's estate will be entitled to a refund of the Residency Fee as described in this Section 3. The amount of the refund shall be based upon the length of time that has elapsed from the date the Residency Agreement was signed to the effective date of termination as follows:
- (i) Refunds of Residency Fee for termination of this Residency Agreement within the first thirty (30) days of occupancy are covered by Section 1(c) of this Residency Agreement.
  - (ii) Refunds of the Residency Fee for termination of this Residency Agreement between the thirtieth (30<sup>th</sup>) and ninetieth (90<sup>th</sup>) day of occupancy are covered by Section 1(d) of this Residency Agreement.
  - (iii) In cases of termination of this Residency Agreement occurring on or after day 91, the total portion of the residency fee which remains refundable is reduced to 90% of the original fee. From Day 91 through the end of the 36<sup>th</sup> month of occupancy, the refundable portion of the original residency fee will be reduced by 1.21% per month for each month of occupancy through month thirty-six (36).
  - (iv) In cases of termination of this Residency Agreement occurring after the thirty-sixth (36<sup>th</sup>) month of occupancy, the Resident will be entitled to a refund of fifty percent (50%) of the Residency Fee.
  - (v) During the life of the Resident at the Community, the refund shall not be assigned to another party, without an amendment to the Residency Agreement executed by the Resident and the Corporation.
- (c) If the Resident, because of changes in circumstances, chooses to move into a different Residential Living Unit where a lesser Residency Fee is required, the Resident may do so but without a refund. If the Resident should choose to move into a different Residential Living Unit where a larger Residency Fee is required, the Resident will pay the difference between

the Residency Fee and additional fees based on the amount the Resident paid upon admission and the current Residency Fee for the new Residential Living Unit to be occupied.

- (d) When the Resident in a single-occupant unit makes a permanent transfer to a licensed health care or adult care room (“licensed room”), the Residency Fee stops amortizing. The amortization date is determined by calculating the length of time that has elapsed from the date the Residency Agreement was signed to the effective date the unit was made available for remarketing and the keys were turned into the marketing office.
  - (i) If the Resident occupies the Residential Living Unit for less than ninety (90) days and then moves permanently into a licensed room, the Corporation will retain ten percent (10%) of the Residency Fee. The remainder of the Residency Fee will be set aside for use by the Resident for healthcare expenses.
  - (ii) If the Resident moves into a licensed room after ninety (90) days, but before the Residency Fee amortizes to zero, the amount of the refund shall be based upon the amortization schedule defined in Section 3 of the Residency Agreement.
- (e) If the Resident should move into a licensed room and vacate the Residential Living Unit, regardless of the length of residence in the Residential Living Unit, this Residency Agreement will remain in effect.
- (f) If two persons sign a Residency Agreement for the same Residential Living Unit and one of them should need to move into a licensed room on a permanent basis, the Resident remaining in the Residential Living Unit will continue to enjoy all the rights, privileges, and obligations of this Residency Agreement. The prevailing cost of the room, board and other necessary or requested services for the person moving into the licensed unit shall be paid from that person's available assets including assets transferred by the Resident to a revocable trust or to any trust in which the Resident is a beneficiary. The person remaining in the Residential Living Unit becomes solely entitled to any refund of the Residency Fee that may later be due under this Residency Agreement.
- (g) After the first ninety (90) days of occupancy of the Residential Living Unit, any refund due the Resident under this Residency Agreement will be made only when the last Residential Living Unit to have been occupied by the Resident is covered by a new Residency Agreement with another person or persons and all new fees have been paid in full.

#### **4. Monthly Fee**

- (a) There is a monthly fee to be paid by the Resident at the beginning of each month that helps underwrite administrative/programmatic costs and a variety of support services. This fee is referred to as a Monthly Fee. This fee provides the Resident with services including the following:
  - (i) Outside maintenance and inside routine maintenance of the Residential Living Unit as described in the Resident Handbook.

Resident Initials: \_\_\_\_\_

- (ii) Twelve (12) noncumulative nurse visits per year, if needed. (See Paragraph 7(e) for clarification.)
  - (iii) Emergency call system to Nursing Station on 24-hour basis plus night security services.
  - (iv) The option to purchase meals singly or through a monthly fee.
  - (v) Access to programs and transportation of the Community. A minimum charge will be made for certain activities and items. The Resident will be informed of all charges.
  - (vi) Access to a variety of types of support services. A minimum charge will be made for these services. The Resident will be informed of all charges.
  - (vii) Other as herein listed: \_\_\_\_\_
- (b) Additional services may be purchased by the Resident. The list of additional services, which may be purchased, and the applicable cost of each to the Resident, are provided on the Fee Schedule that is published annually and attached as an addendum to this agreement.
  - (c) The current Monthly Fee is as follows: \$\_\_\_\_\_. It is understood, given a thirty (30) day advance notice, this fee will be adjusted from time-to-time by the Corporation to reflect changes in costs.
  - (d) The Corporation will furnish a monthly statement to the Resident for the Monthly Fee and all chargeable items incurred by the Resident.
  - (e) The Resident's Monthly Fee and charges for additional services shall be paid on or before the tenth (10<sup>th</sup>) day of each month, except that the first Monthly Fee is due on the occupancy date. Payments not received by the due date will result in an assessment of the late fee listed in the Fee Schedule that is published annually and attached as an addendum to this agreement.
  - (f) If, after a period of sixty (60) days, the Resident has not paid applicable fees and charges, the Corporation may terminate this Residency Agreement.
  - (g) If the Resident plans to be absent from the Residential Living Unit for an extended period, the Resident may apply for a meal credit based on the meal plan for which the Resident is entitled.
  - (h) The Monthly Fee is charged as long as the Resident and/or the Resident's possessions are occupying the unit.

**5. Financial Requirements**

- (a) The Resident must have assets and income which will be sufficient under foreseeable circumstances to pay the financial obligations under this Agreement and to meet their ordinary living expenses. The Resident shall be required at specific times to present the Corporation with an updated confidential financial statement.
- (b) The Resident or Resident's current and/or future representatives (i.e., power of attorney, executor, etc.,) will abide by any and all financial arrangements made with the Corporation for the purpose of securing the Resident's ability to pay any and all charges for residing at the Community. The Resident agrees not to make any gift or other transfer of assets for the purpose of evading the Resident's obligations under this Agreement if such gift or transfer would render the Resident unable to meet their financial obligations under this Agreement. Gifts or transfers of assets in this manner, which result in the Resident's inability to meet the

Resident's financial obligations in accordance with this Agreement, would entitle the Corporation to terminate this Agreement, and the Resident or Resident's representative, as applicable, would be liable for any unpaid amounts to the Corporation.

- (c) If requested by the Corporation, the Resident will apply for any or all federal, state, and local benefits for which the Resident may be eligible or entitled; and if requested by the Corporation, the Resident will apply any or all such benefits toward the cost of the Resident's care at the Community. These benefits may include, but would not be limited to: Medicare, prescription, and Veteran benefits.
- (d) The Corporation will carry fire and extended coverage insurance on the Residential Living Unit. The Resident will be responsible for insurance on contents and personal liability.
- (e) The Corporation will make a copy of its North Carolina Disclosure Statement available to the Resident that includes information regarding the financial status of the Corporation.
- (f) In the event it is necessary for the Corporation to take action for the purpose of enforcing this Residency Agreement or the collecting of any sums of money due under this Residency Agreement, the Corporation shall be entitled to recover routine attorney's fees, out-of-pocket expenses, and court costs.
- (g) In the event that the Corporation is assessed sales or use tax on Monthly and/or Daily Fees and/or fees for other services, the Resident will be responsible for all such taxes.

## **6. Health Insurance**

- (a) The Resident will maintain eligible Medicare Coverage and one supplemental insurance policy or equivalent insurance coverage, which adequately covers hospital, medical and skilled nursing deductibles and copayments required of the primary insurance plan.
- (b) If the Resident has chosen to participate in a managed care insurance program as an alternative to Medicare Part A, Medicare Part B, or other healthcare programs, and supplemental insurance coverage, when healthcare services are provided at the Community, the following restrictions apply:
  - (i) If the Corporation is an approved participating provider with the Resident's managed care program, the Corporation agrees to be reimbursed at the fee negotiated with the Resident's managed care program.
  - (ii) If the Corporation is not an approved participating provider with the Resident's managed care program and the Resident chooses to receive healthcare services at a managed care participating provider, then the Resident agrees that the Resident must relocate for as long as necessary for those services to be provided and be responsible for all costs. In addition, while receiving healthcare services at the managed care participating provider, the Resident agrees that unless this Agreement is terminated, the Resident will continue to pay all fees for the Resident's living accommodation at the Community, unless the Resident's living accommodation has been surrendered to the Community.

- (iii) If the Corporation is not a participating provider in the Resident's managed care program and a negotiated fee is not agreed upon by the Corporation, and the Resident would still like to receive healthcare services at the Community, then the Resident will be responsible for the full amount of applicable fees and any charges not paid by the Resident's insurance carrier.
- (c) Both the primary and supplemental health insurance policies must recognize the Corporation as a healthcare provider; or the Resident will assume the financial responsibility for services provided that otherwise would not be covered.
- (d) The Resident will be responsible for ensuring that the health insurance coverage does not lapse and, upon request, will provide the Corporation with evidence of such coverage. Should the health insurance coverage lapse, the Corporation may require the Resident to reapply for suitable coverage.
- (e) If the Resident is unable to obtain adequate new coverage, the Corporation will bill the Resident for any costs related to medical or other healthcare services that would have otherwise been covered by the health insurance coverage policy.
- (f) The Corporation reserves the right and sole discretion to eliminate and/or change its participation in all insurance plans.

## **7. Health Needs**

- (a) The Resident will provide the Community with appropriate medical records thirty (30) days prior to occupancy and will, within sixty (60) days after taking occupancy, have a medical examination by a private physician or the Community's Medical Director. In matters of health, the Community's Medical Director will recommend to the administrative staff continued occupancy of a suitable Residential Living Unit. The administrative staff would make a final decision on occupancy of said Residential Living Unit after consultation with the Resident, the Resident's physician, and/or the Resident's Power-of-Attorney/Resident Representative.
- (b) When the Resident's health condition changes, an assessment team is assigned to evaluate the Resident utilizing the Corporation's Level of Living Guidelines, a copy of which is available to all residents. A formal appeal process is available to the Resident if the assessment team recommends changes to the Resident's living accommodations and/or level of living status with which the Resident disagrees.
- (c) If at any time the Medical Director, in consultation with the administrative staff, determines the Resident is no longer able to function in a Residential Living Unit or needs care beyond the scope of the Corporation, the Resident will abide by that decision.
- (d) If the Resident becomes unable to care for their business and financial affairs, the Corporation reserves the right, because of its financial and moral involvement, to institute action for the determination of the Resident's competence and, if necessary, facilitate the appointment of a guardian to fulfill the terms of this Residency Agreement; unless such needed arrangements have already been made.

Resident Initials: \_\_\_\_\_

- (e) The Resident is provided with twelve (12) nurse visits per year as part of the Monthly Fee. Nurse visits are noncumulative. The administrative staff, in consultation with the Resident's physician, shall determine the need for such routine services. A routine charge will be made to the Resident for nurse visits in excess of twelve (12) visits per year.
- (f) If the Resident should need Adult Care Services or Nursing Services such services will be made available by the Corporation at fees current at such time as said services are needed and according to available space.

## **8. Resident Obligations**

- (a) The Resident will make provisions in a Last Will and Testament thirty (30) days prior to occupancy for the final disposition of all furniture and possessions located at the Community, for burial and payment of funeral expenses, and for the appointment of an executor, provided the Resident does not already have a Will that would accomplish these purposes. The Resident agrees to complete an instruction form that will contain pertinent data related to the above matters and will keep this recorded information current while in residency. It is the responsibility of the Resident to deliver this up-to-date information to the Administrative Office.
- (b) The Resident shall, within thirty (30) days prior to occupancy, legally designate a person as Power-of-Attorney/Resident Representative. The name, address, and telephone number of this person, along with a copy of the documentation of this designation, will be filed with the Corporation.
- (c) The rights and privileges of the Resident under this Residency Agreement to living accommodations, facilities, and services are personal to the Resident and cannot be transferred or assigned by act of the Resident, or by any proceedings at law, or otherwise.
- (d) The Resident agrees to reimburse the Corporation for any loss or damage suffered by the Corporation resulting from their misconduct, negligence or any damage beyond normal wear and tear.
- (e) The Resident will maintain their living accommodations in a clean, safe, and orderly condition.
- (f) The Resident shall assist the Corporation in application for and utilization of all appropriate support funds to which the Resident may be entitled and agrees to execute reasonable and necessary documents for this purpose.
- (g) The Resident agrees to follow and abide by administrative policies that are designed for the comfort, safety, and security of all Residents. The Resident will be furnished a copy of the current Resident Handbook. The Resident Handbook includes administrative policies and procedures that are part of this Residency Agreement by reference and will be amended by the Corporation from time to time.
- (h) Rights of the Resident under this Residency Agreement are the rights and privileges herein expressly granted and do not include any proprietary interest in the properties or assets of the Corporation or any membership in the Corporation.
- (i) The Corporation shall not be responsible for the loss of any property belonging to the Resident due to theft, mysterious disappearance, fire, or any other cause, it being understood that the

Resident will have the responsibility of providing any desired insurance protection covering any such loss. Ten (10) days after the death of the Resident or termination of this Residency Agreement, the Corporation shall have the right to remove all property from the Resident's Residential Living Unit and to store and charge for the storage of such property if the Resident or the Resident's estate has not disposed of same. With prior written approval from the Executive Director, additional time may be provided to remove personal property due to extenuating circumstances.

- (j) The Corporation assumes no responsibility for any injury or illness resulting from misconduct or negligence of or by the Resident.
- (k) The Corporation shall not be liable or responsible for any expenses incurred or obligations of any nature contracted by the Resident.

## 9. Financial Assistance

- (a) In connection with its charitable mission, the EveryAge Foundation, hereinafter referred to as the "*Foundation*" was established to help fulfill the Corporation's desire that a Resident would not need to leave the Community solely due to the lack of funds. Any disposition of the Resident's assets in any way other than for care and services at the Community or related living/medical expenses to the extent that Resident cannot adequately provide for the Resident's expenses or care, will disqualify the Resident for financial assistance from the Foundation and entitle the Corporation to terminate the Resident's right to reside at the Community.

In the event that a Resident presents facts which in the opinion of the Foundation justify special financial consideration, the Foundation will give careful consideration to subsidizing in whole or in part the fees and charges payable by the Resident hereunder so long as such subsidy can be made without impairing the ability of the Foundation to attain its objectives while operating on a sound financial basis.

In the event that the Foundation may subsidize in whole or in part the fees and charges payable by the Resident hereunder, the Resident will be required to execute a separate Financial (Benevolence) Assistance Agreement with the Foundation.

In the event that the Foundation continues to provide the services to the Resident under the terms of said Financial (Benevolence) Assistance Agreement despite the Resident's financial inability to continue to pay the fees or charges payable under the terms of this Agreement, the Corporation shall be entitled to require the Resident to move to a smaller or less costly living accommodation.

Any determination by the Foundation with regard to the granting or continuation of financial assistance shall be within the sole discretion of the Foundation, under a separate agreement.

- (b) When a Resident leaves the Community either through death or relocation, if said Resident's fees have been subsidized wholly or partly by the Foundation, the Resident or Resident's estate, if any, will be liable to the Foundation for the full amount of the subsidy the Resident



received for the entire time of residency. This provision will apply whether or not the Resident is residing at the Community at the time of death. This Agreement will operate as a lifetime assignment, transfer, and conveyance to the Foundation of the amount of the Resident's property that is necessary to cover such liability. Any amount due the Foundation under this provision may be deducted from any refund payable by the Corporation to the Resident or to the Resident's estate, with said funds to be used to reimburse the Foundation.

- (c) The Foundation has established funds which will be used to assist Residents who would otherwise not be able to live at the Community. These funds may be used for the purpose of providing financial assistance, but no Resident shall have any claim to or expectation of receiving or continuing to receive any such assistance.
- (d) The resources of the Foundation to provide financial assistance are limited, and the Corporation reserves the right to terminate the residency of any Resident who cannot pay the full cost of Corporation's fees and charges, and other costs in connection with such Resident's stay at the Community.

**10. Residency Agreement Concerns**

- (a) This Residency Agreement constitutes the entire Contract by and between the Corporation and the Resident. The Corporation is not liable in any manner by any statements, representations, or promises made by persons representing or purporting to represent the Corporation, unless such statements, representations, or promises are set forth in this Residency Agreement or in a subsequent Residency Agreement signed by the parties.
- (b) Notwithstanding any other provisions of this Residency Agreement, the Corporation shall have the right to alter the living accommodations of the Resident to meet the requirement of law, or regulation of the Fire Department, Department of Public Health, or other duly constituted authorities or agencies.
- (c) Except as set forth herein, this Residency Agreement shall bind and inure to the benefit of the successors and assigns of the Corporation and the heirs, executors, and administrators, and assigns of the Resident.
- (d) No breach of the Corporation's obligations under this Agreement and no liability of injury to the Resident or Resident's property shall result from an interruption of, or failure to provide, contracted services due to an act of God or other cause beyond the control of the Corporation, specifically including (without limitation) strikes or other forms of labor disturbances, government regulations and/or embargoes, shortages of labor or materials, fire, flood, earthquakes, inclement weather or acts of the Resident. The Corporation shall make reasonable efforts to continue to provide the usual services in such event.
- (e) The Corporation shall not cancel this Agreement with the Resident without good cause. Good cause shall be limited to: proof that the Resident is a danger to himself/herself or others; nonpayment of the Monthly Fee; repeated conduct by the Resident that interferes with other residents' enjoyment of the Community; persistent refusal to comply with the Corporation's

written policies and procedures; a material misrepresentation made intentionally or recklessly by the Resident in their application for residency, or related materials, regarding information which if accurately provided, would have resulted in either a failure of the Resident to qualify for residency or a material increase in the cost of providing to the Resident the care and services provided under this Agreement, or a material breach of the terms and conditions of this Agreement by the Resident. A written notice of intent to cancel this Agreement by the Corporation will be provided to the Resident. Where applicable, an opportunity will be given to cure, within a thirty (30) day period, whatever conduct is alleged to warrant the cancellation of this Agreement.

**11. Other Considerations**

- (a) This Residency Agreement supersedes any previous agreements between said parties.
- (b) The Resident has been given, as an Addendum to this Residency Agreement, a current copy of the Resident Handbook. The Resident understands that these documents will change from time to time but that they are the procedural documents for those occupying Residential Living Units at the Community.
- (c) The Resident shall not transfer or voluntarily reduce substantially their assets, as related on their application for occupancy of a Residential Living Unit at EveryAge, without notification to the Corporation.
- (d) Should the Resident become financially unable to pay the Monthly Fee, the per diem Health Center Fee, or any other fees charged by the Community, the administrative staff of the Corporation will assist the Resident in applying for funds needed to meet the charges for care.
- (e) The Resident shall apply for any and all federal, state, and local grants and benefits for which the Resident may be entitled or eligible, and to apply any and all such grants and benefits toward the cost of the Resident's care at the Community. The Resident's failure to do so will result in termination of this Residency Agreement by the Corporation and release of its obligations hereunder.
- (f) All items in the aforementioned Residency Agreement are binding as of the date signed.

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]*

Resident Initials: \_\_\_\_\_

The undersigned representative of EveryAge and the undersigned Resident do hereby certify that on this date a current Disclosure Statement dated \_\_\_\_\_ and a current copy of the Resident Handbook have been presented to the Resident(s) and that the Monthly Fee has been explained to the Resident(s). Prior to execution of this Residency Agreement, the Resident(s) had the opportunity to obtain the assistance of counsel in reviewing its terms.

The parties hereby execute this Residency Agreement:

**EveryAge**

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Authorized Community Representative/Title

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Resident

## **Exhibit 3: Residential Living Unit: Fully Declining**

---

**Residential Living Unit: Fully Declining**

Residential Living Residency Agreement  
**Between**

---

*(Resident)*

And

EveryAge, d.b.a., Abernethy Laurels  
100 Leonard Avenue, Newton, NC 28658

Dated: March 1, 2025

**ABERNETHY LAURELS**

**EveryAge**

100 Leonard Avenue, Newton, NC 28658

Residential Living Residency Agreement

**1. Basic Requirements and Terms for Cancellation**

(a) This Residency Agreement is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between \_\_\_\_\_ hereinafter referred to as the “*Resident*” and EveryAge, a not-for-profit Corporation chartered by the State of North Carolina, hereinafter referred to as the “*Corporation.*” The Corporation is chartered to carry on ministry among aging persons within the bounds of the Southern Conference of the United Church of Christ. This Residency Agreement is made between the Corporation and the Resident for occupancy of a \_\_\_\_\_ numbered \_\_\_\_\_, hereinafter referred to as the “*Residential Living Unit,*” located at Abernethy Laurels, hereinafter referred to as the “*Community.*” This Residency Agreement is made binding with payment by the Resident a Residency Fee in the amount of \$ \_\_\_\_\_, and a Monthly Fee.

(b) Cancellation Prior to Occupancy Due to Death, Illness, or Incapacity.

If this Residency Agreement is entered into prior to occupancy of the Residential Living Unit and the Resident dies before occupying the Residential Living Unit, or if, on account of illness, injury, or incapacity, the Resident would be precluded from occupying the Residential Living Unit, this Residency Agreement is automatically cancelled, and the Resident or legal representative of the Resident shall receive a refund of all money or property transferred to the Corporation:

- (i) less any nonstandard costs specifically incurred by the Corporation at the request of the Resident, and
- (ii) any refund due the Resident for cancellation of this Residency Agreement under these circumstances will be made within forty-five (45) days after receipt by the Corporation of a written notice of the Resident’s death, illness, or incapacity.

(c) Cancellation by the Resident Within Thirty (30) Days of Contract Execution.

Notwithstanding any other provision of this Residency Agreement, the Resident may rescind this Residency Agreement within thirty (30) days following the execution of this Residency Agreement (or the receipt of a disclosure statement, if later) in which event any money paid will be refunded in full, other than:

- (i) the Monthly Fee applicable to the period a Residential Living Unit was occupied by the Resident;
- (ii) any damage caused to the Residential Living Unit during occupancy or in moving;
- (iii) any nonstandard costs specifically incurred by the Corporation at the request of the Resident; and

Resident Initials: \_\_\_\_\_

(iv) any refund due the Resident under this thirty (30) day provision will be made within forty-five (45) days after receipt by the Corporation of a written notice of cancellation from the Resident. The Resident is not required to move into the Residential Living Unit before the expiration of this thirty (30) day period.

(d) Cancellation by the Resident Between the Thirtieth (30<sup>th</sup>) and Ninetieth (90<sup>th</sup>) Day of Occupancy.

During the first ninety (90) days of occupancy, the Resident will have the right to terminate this Residency Agreement by serving the Corporation with written notice of such termination. During the ninety (90) day period, the Corporation also has the right to terminate this Residency Agreement based on its judgment regarding the Resident's ability to adjust to this lifestyle. Any money paid will be refunded in full, other than:

- (i) the Monthly Fee applicable to the period the Residential Living Unit was occupied by the Resident;
- (ii) a ten percent (10%) reduction in the initial Residency Fee paid;
- (iii) cost for repair of any damage caused to the Residential Living Unit during occupancy or in moving;
- (iv) any nonstandard costs specifically incurred by the Corporation at the request of the Resident; and
- (v) any refund due the Resident for termination during this period will be made within thirty (30) days after the date that the last Residential Living Unit to have been occupied by the Resident has been vacated and made available for marketing.

(e) Cancellation by the Resident After Ninety (90) Days of Occupancy.

After the ninety (90) day period, this Residency Agreement may be terminated by the Resident at any time by serving the Corporation a sixty (60) day advance written notice of such termination. For termination by the Resident under this paragraph (e), the Resident's rights to a refund and the account of any such refund, will be described in Section 3 of this Residency Agreement, below.

(f) Terminations by the Corporation.

The Corporation may terminate this Residency Agreement at any time if:

- (i) there has been any material misrepresentation or omission made by the Resident on the Application Form;
- (ii) if there is misconduct on the part of the Resident that threatens the well-being of the Resident, that of the Resident's neighbors, or employees of the Corporation.

Resident Initials: \_\_\_\_\_

(g) Responsibilities of the Resident Upon Cancellation or Termination.

At the effective date of termination of this Residency Agreement, the Resident shall vacate the Residential Living Unit, and shall leave it in good condition except for reasonable wear and tear. Damage due to smoking or having household pets, if approved, will not be considered as reasonable wear and tear. The Resident shall be responsible to the Corporation for any costs incurred in restoring the Residential Living Unit to good condition and repair any damage beyond reasonable wear and tear.

(h) Joint Occupancy of Residential Living Unit.

If another individual ("Other Resident") signs a separate Residency Agreement to share occupancy of the same Residential Living Unit with the Resident, in the event of the death of the Other Resident, or the removal of the Other Resident from the Residential Living Unit on a permanent basis for any reason, the remaining Resident will continue to enjoy all rights, privileges, and obligations of this Residency Agreement. Any refund of the Residency Fee due under either of said Residency Agreements will not be computed until the termination of both Residency Agreements due to death or otherwise, and any refund due under either Residency Agreement will be paid to the Resident or Other Resident who is the last to terminate their Residency Agreement within the time period described in paragraph 3(g) of this Residency Agreement.

(i) Effect of Termination.

Upon termination of this Residency Agreement and upon complying with the provisions of this Residency Agreement, the Corporation shall have no further obligation to the Resident or their heirs, executors, administrators, or assigns.

**2. Changes In Occupancy**

(a) Should the Resident choose to marry, and the new spouse is not a resident of the Community, the spouse will be required to submit an application for admission. The spouse would complete the regular admission process including the payment of all fees, which may include but not be limited to the upgraded and readjusted Residency Fee and Monthly Fee. If denied, the couple will then have sixty (60) days to make other living arrangements. If the couple must make other living arrangements, any monies to be returned will be paid to the individual who was a contracted resident of the Community. This refund will be paid within thirty (30) days after the date that the last Residential Living Unit to have been occupied by the Resident has been vacated and made available for remarketing.

(b) Should the Resident choose to marry another resident and the two choose to occupy a single Residential Living Unit, any fees to be returned to the person vacating their Residential Living Unit will be set aside and held by the Corporation for use by that Resident to pay for necessary healthcare expenses should that Resident need nursing care.

Resident Initials: \_\_\_\_\_



- (c) After the Resident has occupied a Residential Living Unit, should the Resident desire to have another individual move in with them (including a new spouse), the new individual shall complete the normal admission process including the payment of all fees. If the application for admission is approved, either the original Residency Agreement shall be amended, or new Residency Agreements shall be executed which specify the new fees and terms established by the Corporation.
- (d) Should a couple occupying a Residential Living Unit choose to no longer share a single living unit, one of the Residents may remain in the occupied unit with that Resident becoming solely entitled to any refund which may be later due under the Residency Agreement, and that Resident will continue to enjoy all rights, privileges, and obligations of said Residency Agreement. A separate and new Residency Agreement must be executed for the Other Resident moving out of the Residential Living Unit and into another Residential Living Unit. Should the Other Resident vacating the Residential Living Unit choose to leave the Community and find other living opportunities, the Other Resident is not entitled to any refund and the Corporation shall have no further obligations to the Other Resident or their heirs, executors, administrators, or assigns.

### 3. Residency

- (a) The Corporation agrees the Resident may occupy the Residential Living Unit described above, subject to the conditions of this Residency Agreement.
- (b) Upon termination of this Residency Agreement by either party, or upon the death of the Resident, after a new Residency Agreement has been executed by another party for the last Residential Living Unit to have been occupied by the Resident, and all fees due have been paid in full, the Resident or the Resident's estate will be entitled to a refund of the Residency Fee as described in this Section 3. The amount of the refund shall be based upon the length of time that has elapsed from the date the Residency Agreement was signed to the effective date of termination as follows:
  - (i) Refunds of Residency Fee for termination of this Residency Agreement within the first thirty (30) days of occupancy are covered by Section 1(c) of this Residency Agreement.
  - (ii) Refunds of the Residency Fee for termination of this Residency Agreement between the thirtieth (30<sup>th</sup>) and ninetieth (90<sup>th</sup>) day of occupancy are covered by Section 1(d) of this Residency Agreement.
  - (iii) In cases of termination of this Residency Agreement occurring on or after day 91, the total portion of the residency fee which remains refundable is reduced to 90% of the original fee. From Day 91 through the end of the 36<sup>th</sup> month of occupancy, the refundable portion of the original residency fee will be reduced by 2.73% per month for each month of occupancy through month thirty-six (36).
  - (iv) In cases of termination of this Residency Agreement occurring after the thirty-sixth (36<sup>th</sup>) month of occupancy, the Resident will not be entitled to any refund of the Residency Fee.
  - (v) During the life of the Resident at the Community, the refund shall not be assigned to another party without an amendment to the Residency Agreement executed by the Resident and the Corporation.

Resident Initials: \_\_\_\_\_

- (c) If the Resident, because of changes in circumstances, chooses to move into a different Residential Living Unit where a lesser Residency Fee is required, the Resident may do so but without a refund. If the Resident should choose to move into a different Residential Living Unit where a larger Residency Fee is required, the Resident will pay the difference between the Residency Fee and additional fees based on the amount the Resident paid upon admission and the current Residency Fee for the new Residential Living Unit to be occupied.
- (d) When the Resident in a single-occupant unit makes a permanent transfer to a licensed health care or adult care room (“licensed room”), the Residency Fee stops amortizing. The amortization date is determined by calculating the length of time that has elapsed from the date the Residency Agreement was signed to the effective date the unit was made available for remarketing and the keys were turned into the marketing office.
  - (i) If the Resident occupies the Residential Living Unit for less than ninety (90) days and then moves permanently into a licensed room, the Corporation will retain ten percent (10%) of the Residency Fee. The remainder of the Residency Fee will be set aside for use by the Resident for healthcare expenses.
  - (ii) If the Resident moves into a licensed room after ninety (90) days, but before the Residency Fee amortizes to zero, the amount of the refund shall be based upon the amortization schedule defined in Section 3 of the Residency Agreement.
- (e) If the Resident should move into a licensed room and vacate the Residential Living Unit, regardless of the length of residence in the Residential Living Unit, this Residency Agreement will remain in effect.
- (f) If two persons sign a Residency Agreement for the same Residential Living Unit and one of them should need to move into a licensed room on a permanent basis, the Resident remaining in the Residential Living Unit will continue to enjoy all the rights, privileges, and obligations of this Residency Agreement. The prevailing cost of the room, board, and other necessary or requested services for the person moving into a licensed room shall be paid from that person's available assets including assets transferred by the Resident to a revocable trust or to any trust in which the Resident is a beneficiary. The person remaining in the Residential Living Unit becomes solely entitled to any refund of the Residency Fee that may later be due under this Residency Agreement.
- (g) After the first ninety (90) days of occupancy of the Residential Living Unit, any refund due the Resident under this Residency Agreement will be made only when the last Residential Living Unit to have been occupied by the Resident is covered by a new Residency Agreement with another person or persons and all new fees have been paid in full.

#### **4. Monthly Fee**

- (a) There is a monthly fee to be paid by the Resident at the beginning of each month that helps underwrite administrative/programmatic costs and a variety of support services. This fee is referred to as a Monthly Fee. This fee provides the Resident with services including the following:

Resident Initials: \_\_\_\_\_

- (i) Outside maintenance and inside routine maintenance of the Residential Living Unit as described in the Resident Handbook.
  - (ii) Twelve (12) noncumulative nurse visits per year, if needed. (See Paragraph 7(e) for clarification.)
  - (iii) Emergency call system to Nursing Station on 24-hour basis plus night security services.
  - (iv) The option to purchase meals singly or through a monthly fee.
  - (v) Access to programs and transportation of the Community. A minimum charge will be made for certain activities and items. The Resident will be informed of all charges.
  - (vi) Access to a variety of types of support services. A minimum charge will be made for these services. The Resident will be informed of all charges.
  - (vii) Other as herein listed: \_\_\_\_\_
- (b) Additional services may be purchased by the Resident. The list of additional services, which may be purchased, and the applicable cost of each to the Resident, are provided on the Fee Schedule that is published annually and attached as an addendum to this agreement.
- (c) The current Monthly Fee is as follows: \$\_\_\_\_\_. It is understood, given a thirty (30) day advance notice, this fee will be adjusted from time-to-time by the Corporation to reflect changes in costs.
- (d) The Corporation will furnish a monthly statement to the Resident for the Monthly Fee and all chargeable items incurred by the Resident.
- (e) The Resident's Monthly Fee and charges for additional services shall be paid on or before the tenth (10th) day of each month, except that the first Monthly Fee is due on the occupancy date. Payments not received by the due date will result in an assessment of the late fee listed in the Fee Schedule that is published annually and attached as an addendum to this agreement.
- (f) If, after a period of sixty (60) days, the Resident has not paid applicable fees and charges, the Corporation may terminate this Residency Agreement.
- (g) If the Resident plans to be absent from the Residential Living Unit for an extended period, the Resident may apply for a meal credit based on the meal plan for which the Resident is entitled.
- (h) The Monthly Fee is charged as long as the Resident and/or the Resident's possessions are occupying the unit.

## 5. Financial Requirements

- (a) The Resident must have assets and income which will be sufficient under foreseeable circumstances to pay the financial obligations under this Agreement and to meet their ordinary living expenses. The Resident shall be required at specific times to present the Corporation with an updated confidential financial statement.
- (b) The Resident or Resident's current and/or future representatives (i.e., power of attorney, executor, etc.,) will abide by any and all financial arrangements made with the Corporation for the purpose of securing the Resident's ability to pay any and all charges for residing at the Community. The Resident agrees not to make any gift or other transfer of assets for the

purpose of evading the Resident's obligations under this Agreement if such gift or transfer would render the Resident unable to meet their financial obligations under this Agreement. Gifts or transfers of assets in this manner, which result in the Resident's inability to meet the Resident's financial obligations in accordance with this Agreement, would entitle the Corporation to terminate this Agreement, and the Resident or Resident's representative, as applicable, would be liable for any unpaid amounts to the Corporation.

- (c) If requested by the Corporation, the Resident will apply for any or all federal, state, and local benefits for which the Resident may be eligible or entitled; and if requested by the Corporation, the Resident will apply any or all such benefits toward the cost of the Resident's care at the Community. These benefits may include, but would not be limited to: Medicare, prescription, and Veteran benefits.
- (d) The Corporation will carry fire and extended coverage insurance on the Residential Living Unit. The Resident will be responsible for insurance on contents and personal liability.
- (e) The Corporation will make a copy of its North Carolina Disclosure Statement available to the Resident that includes information regarding the financial status of the Corporation.
- (f) In the event it is necessary for the Corporation to take action for the purpose of enforcing this Residency Agreement or the collecting of any sums of money due under this Residency Agreement, the Corporation shall be entitled to recover routine attorney's fees, out-of-pocket expenses, and court costs.
- (g) In the event that the Corporation is assessed sales or use tax on Monthly and/or Daily Fees and/or fees for other services, the Resident will be responsible for all such taxes.

## **6. Health Insurance**

- (a) The Resident will maintain eligible Medicare Coverage and one supplemental insurance policy or equivalent insurance coverage, which adequately covers hospital, medical and skilled nursing deductibles and copayments required of the primary insurance plan.
- (b) If the Resident has chosen to participate in a managed care insurance program as an alternative to Medicare Part A, Medicare Part B, or other healthcare programs, and supplemental insurance coverage, when healthcare services are provided at the Community, the following restrictions apply:
  - (i) If the Corporation is an approved participating provider with the Resident's managed care program, the Corporation agrees to be reimbursed at the rate negotiated with the Resident's managed care program.
  - (ii) If the Corporation is not an approved participating provider with the Resident's managed care program and the Resident chooses to receive healthcare services at a managed care participating provider, then the Resident agrees that the Resident must relocate for as long as necessary for those services to be provided and be responsible for all costs. In addition, while receiving healthcare services at the managed care participating provider, the Resident agrees that unless this Agreement is terminated, the Resident will continue to pay all fees for the Resident's living accommodation at the

Community, unless the Resident's living accommodation has been surrendered to the Community.

- (iii) If the Corporation is not a participating provider in the Resident's managed care program and a negotiated rate is not agreed upon by the Corporation, and the Resident would still like to receive healthcare services at the Community, then the Resident will be responsible for the full amount of applicable fees and any charges not paid by the Resident's insurance carrier.
- (c) Both the primary and supplemental health insurance policies must recognize the Corporation as a healthcare provider; or the Resident will assume the financial responsibility for services provided that otherwise would not be covered.
- (d) The Resident will be responsible for ensuring that the health insurance coverage does not lapse and, upon request, will provide the Corporation with evidence of such coverage. Should the health insurance coverage lapse, the Corporation may require the Resident to reapply for suitable coverage.
- (e) If the Resident is unable to obtain adequate new coverage, the Corporation will bill the Resident for any costs related to medical or other healthcare services that would have otherwise been covered by the health insurance coverage policy.
- (f) The Corporation reserves the right and sole discretion to eliminate and/or change its participation in all insurance plans.

## **7. Health Needs**

- (a) The Resident will provide the Community with appropriate medical records thirty (30) days prior to occupancy and will, within sixty (60) days after taking occupancy, have a medical examination by a private physician or the Community's Medical Director. In matters of health, the Community's Medical Director will recommend to the administrative staff continued occupancy of a suitable Residential Living Unit. The administrative staff would make a final decision on occupancy of said Residential Living Unit after consultation with the Resident, the Resident's physician, and/or the Resident's Power-of-Attorney/Resident Representative.
- (b) When the Resident's health condition changes, an assessment team is assigned to evaluate the Resident utilizing the Corporation's Level of Living Guidelines, a copy of which is available to all residents. A formal appeal process is available to the Resident if the assessment team recommends changes to the Resident's living accommodations and/or level of living status with which the Resident disagrees.
- (c) If at any time the Medical Director, in consultation with the administrative staff, determines the Resident is no longer able to function in a Residential Living Unit or needs care beyond the scope of the Corporation, the Resident will abide by that decision.
- (d) If the Resident becomes unable to care for their business and financial affairs, the Corporation reserves the right, because of its financial and moral involvement, to institute action for the determination of the Resident's competence and, if necessary, facilitate the appointment of a

guardian to fulfill the terms of this Residency Agreement, unless such needed arrangements have already been made.

- (e) The Resident is provided with twelve (12) nurse visits per year as part of the Monthly Fee. Nurse visits are noncumulative. The administrative staff, in consultation with the Resident's physician, shall determine the need for such routine services. A routine charge will be made to the Resident for nurse visits in excess of twelve (12) visits per year.
- (f) If the Resident should need Adult Care Services or Nursing Services, such services will be made available by the Corporation at fees current at such time as said services are needed and according to available space.

## **8. Resident Obligations**

- (a) The Resident will make provisions in a Last Will and Testament thirty (30) days prior to occupancy for the final disposition of all furniture and possessions located at the Community, for burial and payment of funeral expenses, and for the appointment of an executor, provided the Resident does not already have a Will that would accomplish these purposes. The Resident agrees to complete an instruction form that will contain pertinent data related to the above matters and will keep this recorded information current while in residency. It is the responsibility of the Resident to deliver this up-to-date information to the Administrative Office.
- (b) The Resident shall, within thirty (30) days prior to occupancy, legally designate a person as Power-of-Attorney/Resident Representative. The name, address, and telephone number of this person, along with a copy of the documentation of this designation, will be filed with the Corporation.
- (c) The rights and privileges of the Resident under this Residency Agreement to living accommodations, facilities, and services are personal to the Resident and cannot be transferred or assigned by act of the Resident, or by any proceedings at law, or otherwise.
- (d) The Resident agrees to reimburse the Corporation for any loss or damage suffered by the Corporation resulting from their misconduct, negligence or any damage beyond normal wear and tear.
- (e) The Resident will maintain their living accommodations in a clean, safe, and orderly condition.
- (f) The Resident shall assist the Corporation in application for and utilization of all appropriate support funds to which the Resident may be entitled and agrees to execute reasonable and necessary documents for this purpose.
- (g) The Resident agrees to follow and abide by administrative policies that are designed for the comfort, safety, and security of all Residents. The Resident will be furnished a copy of the current Resident Handbook. The Resident Handbook includes administrative policies and procedures that are part of this Residency Agreement by reference and will be amended by the Corporation from time to time.

Resident Initials: \_\_\_\_\_

- (h) Rights of the Resident under this Residency Agreement are the rights and privileges herein expressly granted and do not include any proprietary interest in the properties or assets of the Corporation or any membership in the Corporation.
- (i) The Corporation shall not be responsible for the loss of any property belonging to the Resident due to theft, mysterious disappearance, fire, or any other cause, it being understood that the Resident will have the responsibility of providing any desired insurance protection covering any such loss. Ten (10) days after the death of the Resident or termination of this Residency Agreement, the Corporation shall have the right to remove all property from the Resident's Residential Living Unit and to store and charge for the storage of such property if the Resident or the Resident's estate has not disposed of same. With prior written approval from the Executive Director, additional time may be provided to remove property due to extenuating circumstances.
- (j) The Corporation assumes no responsibility for any injury or illness resulting from misconduct or negligence of or by the Resident.
- (k) The Corporation shall not be liable or responsible for any expenses incurred or obligations of any nature contracted by the Resident.

## **9. Financial Assistance**

- (a) In connection with its charitable mission, the EveryAge Foundation, hereinafter referred to as the "*Foundation*" was established to help fulfill the Corporation's desire that a Resident would not need to leave the Community solely due to the lack of funds. Any disposition of the Resident's assets in any way other than for care and services at the Community or related living/medical expenses to the extent that Resident cannot adequately provide for the Resident's expenses or care, will disqualify the Resident for financial assistance from the Foundation and entitle the Corporation to terminate the Resident's right to reside at the Community.

In the event that a Resident presents facts which in the opinion of the Foundation justify special financial consideration, the Foundation will give careful consideration to subsidizing in whole or in part the fees and charges payable by the Resident hereunder so long as such subsidy can be made without impairing the ability of the Foundation to attain its objectives while operating on a sound financial basis.

In the event that the Foundation may subsidize in whole or in part the fees and charges payable by the Resident hereunder, the Resident will be required to execute a separate Financial (Benevolence) Assistance Agreement with the Foundation.

In the event that the Foundation continues to provide the services to the Resident under the terms of said Financial (Benevolence) Assistance Agreement despite the Resident's financial inability to continue to pay the fees or charges payable under the terms of this Agreement, the Corporation shall be entitled to require the Resident to move to a smaller or less costly living accommodation.

Resident Initials: \_\_\_\_\_

Any determination by the Foundation with regard to the granting or continuation of financial assistance shall be within the sole discretion of the Foundation, under a separate agreement.

- (b) When a Resident leaves the Community either through death or relocation, if said Resident's fees have been subsidized wholly or partly by the Foundation, the Resident or Resident's estate, if any, will be liable to the Foundation for the full amount of the subsidy the Resident received for the entire time of residency. This provision will apply whether or not the Resident is residing at the Community at the time of death. This Agreement will operate as a lifetime assignment, transfer, and conveyance to the Foundation of the amount of the Resident's property that is necessary to cover such liability. Any amount due the Foundation under this provision may be deducted from any refund payable by the Corporation to the Resident or to the Resident's estate, with said funds to be used to reimburse the Foundation.
- (c) The Foundation has established funds which will be used to assist Residents who would otherwise not be able to live at the Community. These funds may be used for the purpose of providing financial assistance, but no Resident shall have any claim to or expectation of receiving or continuing to receive any such assistance.
- (d) The resources of the Foundation to provide financial assistance are limited, and the Corporation reserves the right to terminate the residency of any Resident who cannot pay the full cost of Corporation's fees and charges, and other costs in connection with such Resident's stay at the Community.

#### **10. Residency Agreement Concerns**

- (a) This Residency Agreement constitutes the entire Contract by and between the Corporation and the Resident. The Corporation is not liable in any manner by any statements, representations, or promises made by persons representing or purporting to represent the Corporation, unless such statements, representations, or promises are set forth in this Residency Agreement or in a subsequent Residency Agreement signed by the parties.
- (b) Notwithstanding any other provisions of this Residency Agreement, the Corporation shall have the right to alter the living accommodations of the Resident to meet the requirement of law, or regulation of the Fire Department, Department of Public Health, or other duly constituted authorities or agencies.
- (c) Except as set forth herein, this Residency Agreement shall bind and inure to the benefit of the successors and assigns of the Corporation and the heirs, executors, and administrators, and assigns of the Resident.
- (d) No breach of the Corporation's obligations under this Agreement and no liability of injury to the Resident or Resident's property shall result from an interruption of, or failure to provide, contracted services due to an act of God or other cause beyond the control of the Corporation, specifically including (without limitation) strikes or other forms of labor disturbances, government regulations and/or embargoes, shortages of labor or materials, fire, flood, earthquakes, inclement weather or acts of the Resident. The Corporation shall make reasonable efforts to continue to provide the usual services in such event.

Resident Initials: \_\_\_\_\_



- (e) The Corporation shall not cancel this Agreement with the Resident without good cause. Good cause shall be limited to: proof that the Resident is a danger to himself/herself or others; nonpayment of the Monthly Fee; repeated conduct by the Resident that interferes with other residents' enjoyment of the Community; persistent refusal to comply with the Corporation's written policies and procedures; a material misrepresentation made intentionally or recklessly by the Resident in their application for residency, or related materials, regarding information which if accurately provided, would have resulted in either a failure of the Resident to qualify for residency or a material increase in the cost of providing to the Resident the care and services provided under this Agreement; or a material breach of the terms and conditions of this Agreement by the Resident. A written notice of intent to cancel this Agreement by the Corporation will be provided to the Resident. Where applicable, an opportunity will be given to cure, within a thirty (30) day period, whatever conduct is alleged to warrant the cancellation of this Agreement.

**11. Other Considerations**

- (a) This Residency Agreement supersedes any previous agreements between said parties.
- (b) The Resident has been given, as an Addendum to this Residency Agreement, a current copy of the Resident Handbook. The Resident understands that these documents will change from time to time but that they are the procedural documents for those occupying Residential Living Units at the Community.
- (c) The Resident shall not transfer or voluntarily reduce substantially their assets, as related on their application for occupancy of a Residential Living Unit at EveryAge, without notification to the Corporation.
- (d) Should the Resident become financially unable to pay the Monthly Fee, the per diem Health Center Fee, or any other fees charged by the Community, the administrative staff of the Corporation will assist the Resident in applying for funds needed to meet the charges for care.
- (e) The Resident shall apply for any and all federal, state, and local grants and benefits for which the Resident may be entitled or eligible, and to apply any and all such grants and benefits toward the cost of the Resident's care at the Community. The Resident's failure to do so will result in termination of this Residency Agreement by the Corporation and release of its obligations hereunder.
- (f) All items in the aforementioned Residency Agreement are binding as of the date signed.

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]*

Resident Initials: \_\_\_\_\_

The undersigned representative of EveryAge and the undersigned Resident do hereby certify that on this date a current Disclosure Statement dated \_\_\_\_\_ and a current copy of the Resident Handbook have been presented to the Resident(s) and that the Monthly Fee has been explained to the Resident(s). Prior to execution of this Residency Agreement, the Resident(s) had the opportunity to obtain the assistance of counsel in reviewing its terms.

The parties hereby execute this Residency Agreement:

**EveryAge**

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Authorized Community Representative/Title

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Resident

## **Exhibit 4: Articles of Incorporation**

---

**ARTICLES OF INCORPORATION**

**OF**

**EVERYAGE**

A Non-Profit Organization

**I**

The name of the Corporation is **EVERYAGE**

**II**

The period of duration of the Corporation shall be perpetual.

**III**

The purposes for which the Corporation is organized are:

- A. To conduct and manage a Retirement Community or communities for aging individuals throughout the geographic area of the Southern Conference of the United Church of Christ and for such other persons as may be admitted from time to time in accordance with the rules and regulations adopted by the Board of Directors of the Corporation;
- B. to establish and carry on a program of care in each designated operating unit that is designed to minister to the “whole person,” thereby meeting his or her physical, social, spiritual, educational, religious, and economic needs;
- C. to establish and carry on a program of charity in which the Corporation will be enabled to reach out and provide its services to needy and deserving members of the Community who would not otherwise be able to afford the same;
- D. to establish, build, and operate several facilities across the geographical boundaries of the Southern Conference of the United Church of Christ, ministering to the needs of the aging population of that area but at all times, however, keeping in mind the necessity of providing a continuum of care in each such area of residential, custodial, and nursing services;
- E. in connection with the purposes set forth hereinabove and in order to carry them out, to receive and acquire by gift, bequest, or otherwise, and to hold real and personal property, to lease and sell its holdings, to make investment of its funds, to borrow money, secured by mortgage on its properties or otherwise, to accept gifts and bequests, and to apply the principal and interest as may be directed by the donor or as the Board of Directors may determine in the absence of such direction; and
- F. to take such other steps as the Board of Directors deems requisite and necessary to carry out such of its general purposes as are permitted by law to non-profit corporations and to have all other powers with which such corporations are normally endowed.

#### **IV**

The Corporation shall have no members.

#### **V**

The control and operation of the Corporation shall be vested in a Board of Directors consisting of no more than twenty-six (26) members, who shall be elected in the manner and for the terms as provided in the Bylaws of the Corporation.

#### **VI**

No part of the income of the Corporation or no part of the property or assets of the Corporation upon dissolution or liquidation shall ever inure to the benefit of any of the Board of Directors. Upon the dissolution or liquidation of the Corporation, all of the property and assets, after the payment of claims and liabilities, shall belong to and be the property of the Southern Conference of the United Church of Christ, or its successors.

#### **VII**

The Board of Directors shall have the general management of the affairs of the Corporation and may, from time to time, delegate these duties to committees or individuals, as it may see fit.

#### **VIII**

The Board of Directors shall adopt Bylaws not inconsistent with the Articles of Incorporation of the Corporation, and such Bylaws may be amended at any time upon such notice as may be required by the Bylaws or the General Statutes of North Carolina by the Board of Directors by a two-thirds majority of its members present and voting.

#### **IX**

These Articles of Incorporation may be amended by the affirmative vote of two-thirds majority of the members of the Board of Directors voting at either an Annual Meeting or at a special meeting called for such purpose, provided, however, that a written notice of the proposed resolution to amend such Articles shall be given to each member at least ten (10) days prior to any such meeting.

#### **X**

Notwithstanding any other provisions of these Articles of Incorporation or the General Statutes of the State of North Carolina, no director, officer, employee, or representative of this Corporation shall take any action or carry on any activity by or on behalf of the Corporation which is not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and its Regulations as they now exist or as they may be hereafter amended, or by an organization, contributions to which are deductible under Section 170(c)(2) of such code and regulations as they now exist or as they may hereafter be amended.

**XI**

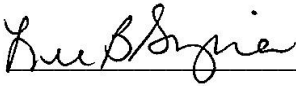
The address of the registered office of the Corporation is as follows: 100 Leonard Avenue, Newton, Catawba County, North Carolina 28658. The name of the registered agent at the above address is Lee B. Syria. From time to time, changes in the registered agent and/or registered office may be determined by the President and CEO, as necessary.

**XII**

The address of the principal office of the Corporation is as follows: 100 Leonard Avenue, Newton, Catawba County, North Carolina 28658.

IN TESTIMONY WHEREOF, the Corporation has caused this instrument to be executed in its corporate name by its President, this the 26th day of August 2021.

EveryAge

By:   
\_\_\_\_\_  
Lee B. Syria, President and CEO

# **Exhibit 5: Certified 2023 - 2024 Audited Financial Statement**

---

For the Period Ending September 30, 2024

**EVERYAGE AND AFFILIATES**  
**COMBINED FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**YEARS ENDED SEPTEMBER 30, 2024 AND 2023**



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAconnect.com](http://CLAconnect.com)



**EVERYAGE AND AFFILIATES  
TABLE OF CONTENTS  
YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>COMBINED FINANCIAL STATEMENTS</b>	
<b>COMBINED STATEMENTS OF FINANCIAL POSITION</b>	<b>3</b>
<b>COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS</b>	<b>4</b>
<b>COMBINED STATEMENTS OF CASH FLOWS</b>	<b>6</b>
<b>NOTES TO COMBINED FINANCIAL STATEMENTS</b>	<b>8</b>
<b>INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION</b>	<b>34</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>COMBINING STATEMENT OF FINANCIAL POSITION</b>	<b>35</b>
<b>COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>37</b>



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
EveryAge and Affiliates  
Newton, North Carolina

### *Opinion*

We have audited the accompanying combined financial statements of EveryAge and Affiliates (a North Carolina nonprofit organization), which comprise the combined statements of financial position as of September 30, 2024 and 2023, and the related combined statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the combined financial statements.

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

### *Basis for Opinion*

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Board of Directors  
EveryAge and Affiliates

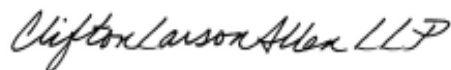
*Auditor's Responsibilities for the Audit of the Financial Statements (Continued)*

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

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

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

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



CliftonLarsonAllen LLP

Charlotte, North Carolina  
January 23, 2025

**EVERYAGE AND AFFILIATES**  
**COMBINED STATEMENTS OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2024 AND 2023**

<b>ASSETS</b>	<b>2024</b>	<b>2023</b>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 3,374,885	\$ 3,838,684
Cash and Cash Equivalents, Limited as to Use	-	182
Accounts Receivable	4,688,182	3,902,401
Allowance for Credit Losses	(569,381)	(528,103)
Accounts Receivable, Net of Allowance for Credit Losses	4,118,821	3,374,298
Other Receivables, Net of Allowance for Doubtful Accounts	2,441,401	1,459,426
Due from Related Parties, Current	2,881,830	2,847,600
Other Current Assets	556,652	809,139
Total Current Assets	13,373,589	12,329,329
Due from Related Parties, Less Current Portion	227,524	227,524
Assets Limited as to Use	91,718,881	77,424,910
Investments	9,283,665	7,593,734
Equity Investment	1,441,432	1,326,104
Fair Value of Interest Rate Swap Agreements	4,142,418	8,429,975
Other Noncurrent Assets	1,442,027	1,203,454
Property and Equipment, Net	125,001,405	96,408,626
Total	233,257,352	192,614,327
Total Assets	\$ 246,630,941	\$ 204,943,656
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current Portion of Long-Term Debt	\$ 2,655,000	\$ 2,435,000
Accounts Payable	7,808,774	5,646,398
Accrued Salaries and Related Benefits	4,695,117	3,946,493
Other Current Payables	2,921,095	2,892,312
Total Current Liabilities	18,079,986	14,920,201
<b>LONG-TERM LIABILITIES</b>		
Long-Term Debt, Less Current Portion	116,122,610	94,768,662
Refundable Advance Fees	7,715,691	8,342,300
Deferred Revenue from Advance Fees	43,700,678	41,928,863
Total	167,538,979	145,039,825
Total Liabilities	185,618,965	159,960,026
<b>NET ASSETS</b>		
Without Donor Restrictions	52,578,508	36,811,490
With Donor Restrictions	8,433,468	8,172,140
Total Net Assets	61,011,976	44,983,630
Total Liabilities and Net Assets	\$ 246,630,941	\$ 204,943,656

See accompanying Notes to Combined Financial Statements.

(3)

**EVERYAGE AND AFFILIATES**  
**COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS**  
**YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

	2024	2023
<b>OPERATING REVENUES</b>		
Healthcare	\$ 34,848,531	\$ 32,485,310
Pavilion/Assisted Living	4,521,322	4,023,627
Residential Living	16,556,705	15,344,674
Amortization of Advance Fees	6,377,441	6,069,827
Home Care	3,238,006	2,231,534
PACE Income	17,337,722	17,216,832
Management Fee Income	963,651	919,474
Outside Services	185,216	334,050
Other Operating Revenue	1,278,664	1,706,813
Total Operating Revenues	85,107,258	80,312,141
<b>OPERATING EXPENSES</b>		
Health Services:		
Healthcare	15,896,888	14,206,279
Medical Records	178,173	160,457
Personnel and Employee Benefits	11,123,637	10,408,566
Laundry	361,626	353,192
Social Services	322,799	278,304
Activities	478,171	412,942
Spiritual Life	222,702	207,564
Housekeeping	1,482,366	1,338,787
Plant Maintenance	6,438,552	5,985,864
Residential Living	-	166,488
Pavilion/Assisted Living	2,023,715	1,733,853
Clinic	112,956	205,250
Resident Services	316,763	277,686
Transportation	212,752	208,257
Dietary	5,534,973	5,173,044
Wellness Center	164,227	135,146
Beauty Shop	59,278	54,067
Day Care	274,243	343,379
Home Care	1,883,634	2,136,271
Home Health	1,334,111	1,059,599
PACE Expenses (Including 2024 and 2023 Depreciation of \$112,113 and 104,185, respectively)	14,928,149	14,853,224
Outside Services	138,148	122,636
General and Administrative:		
Administrative	6,123,760	5,987,369
Marketing	1,075,302	991,054
Staff Development	210,231	204,802
Depreciation	7,181,565	6,619,308
Real Estate Taxes	406,783	388,224
Interest Expense	3,172,885	3,878,856
Insurance	1,240,683	1,150,740
Credit Losses	599,015	359,651
Other Operating Expenses	702,762	706,860
Total Operating Expenses	84,200,849	80,107,719

See accompanying Notes to Combined Financial Statements.

(4)

**EVERYAGE AND AFFILIATES**  
**COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS (CONTINUED)**  
**YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

	2024	2023
<b>OPERATING INCOME</b>	<b>\$ 906,409</b>	<b>\$ 204,422</b>
<b>NONOPERATING INCOME (EXPENSE)</b>		
Contributions and Grants	696,006	2,640,326
Contribution Expense	(182,198)	(2,659,625)
Investment Return, Net	17,715,793	7,306,774
Change in Fair Value of Interest Rate Swap Agreements	(4,287,557)	2,726,268
Loss on Sale of Property and Equipment	(50,660)	(71,998)
Other Nonoperating Income	954,243	302,302
Net Assets Released from Restrictions	14,980	589,981
Total Nonoperating Income (Expense)	<u>14,860,609</u>	<u>10,834,028</u>
<b>EXCESS OF REVENUES OVER EXPENSES AND CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>15,767,018</b>	<b>11,038,450</b>
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>		
Contributions	276,308	896,023
Net Assets Released from Restrictions	(14,980)	(589,981)
	<u>261,328</u>	<u>306,042</u>
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
<b>CHANGE IN NET ASSETS</b>	<b>16,028,346</b>	<b>11,344,492</b>
Net Assets - Beginning of Year	<u>44,983,630</u>	<u>33,639,138</u>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 61,011,976</b>	<b>\$ 44,983,630</b>

*See accompanying Notes to Combined Financial Statements.*

(5)

**EVERYAGE AND AFFILIATES**  
**COMBINED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change In Net Assets	\$ 16,028,346	\$ 11,344,492
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Net Realized and Unrealized Gain on Investments	(12,694,113)	(7,022,462)
Net Loss on Sale of Property and Equipment	50,660	71,998
Provision for Credit Losses	(41,258)	183,886
Depreciation	7,181,565	6,723,493
Change in Fair Value of Interest Rate Swap Agreement	4,287,557	(2,726,268)
Amortization of Deferred Issue Costs	197,754	184,707
Amortization of Bond Premium, Net	(288,571)	(288,571)
Amortization of Advance Fees	(6,377,441)	(6,069,827)
Advance Fees Received	8,553,446	9,605,461
Change in Value of Equity Investment	(115,328)	(108,429)
(Increase) Decrease in:		
Accounts Receivable	(703,265)	(248,852)
Other Receivables	(981,975)	(642,314)
Other Current Assets	13,914	130,144
Increase (Decrease) in:		
Accounts Payable	(1,164,131)	16,290
Accrued Salaries and Related Benefits	748,624	304,264
Other Current Payables	28,783	(249,653)
Deferred Revenue	-	(26,742)
Net Cash Provided by Operating Activities	14,724,567	11,181,617
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Change in Assets Limited as to Use	(3,032,316)	9,786,755
Change in Investments	(257,473)	(7,593,734)
Purchases of Property and Equipment	(32,505,307)	(15,025,710)
Proceeds from Sale of Property and Equipment	6,812	324,848
Repayments to Related Parties, Net	(34,230)	(1,908,027)
Net Cash Used by Investing Activities	(35,822,514)	(14,413,868)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advance Fees Refunds	(1,256,051)	(2,300,240)
Borrowings from Long-Term Debt	24,328,860	7,669,632
Principal Payments on Long-Term Debt and Financing Leases	(2,435,000)	(2,585,383)
Principal Payments on Line of Credit	-	(2,159,178)
Refundable and First Generation Advance Fees Received	225,252	2,277,644
Increase in Bond Issuance Costs	(229,095)	(584,713)
Net Cash Provided by Financing Activities	20,633,966	2,317,762
<b>NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	(463,981)	(914,489)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	3,838,866	4,753,355
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR</b>	\$ 3,374,885	\$ 3,838,866

See accompanying Notes to Combined Financial Statements.

(6)

**EVERYAGE AND AFFILIATES**  
**COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)**  
**YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

	2024	2023
Cash and Cash Equivalents	\$ 3,374,885	\$ 3,838,684
Cash and Cash Equivalents in Assets Limited as to Use	-	182
Total Cash, Cash Equivalents and Restricted Cash	\$ 3,374,885	\$ 3,838,866
 <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash Paid for Interest, Net of Amounts Capitalized	\$ 3,171,619	\$ 3,616,434
 <b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITY</b>		
Acquisition of Property and Equipment through Incurrence of Accounts Payable	\$ 4,634,315	\$ 1,307,806

*See accompanying Notes to Combined Financial Statements.*

(7)



**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**NOTE 1 ORGANIZATION**

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

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

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

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

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

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

BellaAge Hickory, LLC is a nonprofit organization which was incorporated on December 12, 2022. BellaAge Hickory, LLC is a planned new independent living unity community with construction having begun in 2023 and is expected to be completed in February 2025. Construction was expected to take approximately 18 months to complete.

(8)

EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023

**NOTE 1 ORGANIZATION (CONTINUED)**

Providence Place, LLC (Providence Place) is a nonprofit organization which was incorporated on July 24, 2024. Providence Place was organized for the purpose of acquiring Providence Place, a retirement community located in High Point, North Carolina that consists of independent living units, assisted living units, and nursing facilities. The acquisition occurred on October 1, 2024, subsequent to year end (see Note 18). EveryAge is the sole member of Providence Place.

PPRC Pavilion, LLC (PPRC Pavilion) is a nonprofit organization which was incorporated on July 24, 2024. PPRC Pavilion was organized for the purpose of acquiring, owning and operating certain commercial space adjacent to Providence Place. Certain lease arrangements are in place that management of EveryAge anticipate will remain in place after the acquisition by PPRC Pavilion. The acquisition occurred on October 1, 2024, subsequent to year end (see Note 18). EveryAge is the sole member of PPRC Pavilion.

PPRC Hall, LLC (PPRC Hall) is a nonprofit organization which was incorporated on July 24, 2024. PPRC Hall was organized for the purpose of acquiring and owning a vacant auditorium adjacent to Providence Place. Management will evaluate how this property will be used in the future. The acquisition occurred on October 1, 2024, subsequent to year end (see Note 18). EveryAge is the sole member of PPRC Hall.

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Principles of Combination

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

Use of Estimates

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

Cash and Cash Equivalents

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

EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets Limited as to Use

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

Investments

Investments held are reported at fair value and are included in assets limited as to use as they are considered board designated. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included and reflected within investment return, net of nonoperating income on the combined statement of operations and changes in net assets. Donated investments are stated at fair value at the date of the gift. Investment expenses and fees are approximately \$233,000 and \$261,000, and are netted with net realized gains on investments in the combined statement of operations and changes in net assets as of September 30, 2024 and 2023, respectively.

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

Accounts Receivable

The Organization records accounts receivable at the total unpaid balance less an allowance for credit losses. The Organization determines past-due status based on the billing dates and does not charge interest on overdue accounts. The Organization writes off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to credit loss expense. Management estimates its allowance for credit losses based on a combination of factors, including the Organization's historical loss experience and any anticipated effects related to current and future economic conditions, as well as the current payor mix of receivables. The accounts receivable allowance for credit losses at September 30, 2024 and 2023 was approximately \$569,000 and \$528,000, respectively.

Property and Equipment

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

---

**EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023**

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

**Property and Equipment (Continued)**

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

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

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

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

**Deferred Costs**

Deferred financing costs relating to the permanent financing of the facilities have been deferred and are being amortized over the life of the bonds. Amortization expense, which is included with interest expense on the combined statements of operations and changes in net assets without donor restrictions, was approximately \$198,000 and \$185,000 for the years ended September 30, 2024 and 2023, respectively. The annual amortization for these deferred financing costs will be approximately \$203,000 for each of the next five years.

**Resident Escrows**

If a resident should move into a health care unit and vacate a residential living unit, the amount of any refund to which the resident would be entitled is set aside and held by the Organization for use by the resident to pay for necessary health care expenses. Once a permanent move is made and the residential living unit is available for remarketing, the resident may draw against the remaining residency refund to pay health care costs. At September 30, 2024 and 2023, resident escrow totaled approximately \$252,000 and \$367,000, respectively.

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

EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023

NOTE 2 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 at a discount rate of 5% and compares that amount with the balance of deferred revenue from entrance fees. If the present value of the net cost of future services and use of facilities exceeds the deferred revenue from entrance fees, a liability is recorded (obligation to provide future services and use of facilities) with the corresponding charge to income. The Organization had no future service obligation at September 30, 2024 and 2023.

Advance Deposits

The Organization may collect up to 10% of the advance fees described below as a deposit on unoccupied units. Once the unit becomes occupied, these fees are transferred to deferred revenue. At September 30, 2024 and 2023, advance deposits totaled approximately \$1,377,000 and \$708,000, respectively.

Advance Fees

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

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

At September 30, 2024 and 2023, current portion of refunds payable was approximately \$498,000 and \$622,000, respectively.

Interest Rate Swap Agreements

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

EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023

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

**Net Assets**

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

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

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

**Operating Reserve**

In accordance with the requirements of North Carolina General Statute 58, Article 64-33, management computes an annual operating reserve for its continuing care retirement communities licensed in North Carolina. The operating reserve must be an amount at least equal to 25% to 50% of operating expenses (net of depreciation and amortization) plus debt service, for the projected years ended September 30, 2024 and 2023, for those facilities depending on occupancy levels of each facility.

**Excess of Revenues Over Expenses**

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

**Revenue Recognition**

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

**Entrance Fees**

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

(13)

EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Healthcare Services

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

Monthly Service Fees

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

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

Residential/Assisted Living Revenue

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

PACE Revenue

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

EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Benevolent Assistance

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

Income Tax Status

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

It is the Organization's policy to evaluate all tax positions to identify any that may be considered uncertain. All identified material tax positions are assessed and measured by a more-likely-than-not threshold to determine if the tax position is uncertain and what, if any, the effect of the uncertain tax position may have on the combined financial statements. No material uncertain tax positions were identified for 2024 and 2023.

Advertising

Advertising costs are expensed as incurred. Advertising expense for the years ended September 30, 2024 and 2023 were approximately \$321,000 and \$296,000, respectively.

Functional Expenses

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

Adoption of New Accounting Standards

As of October 1, 2023, the Organization adopted Financial Accounting Standards Board (FASB) 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 Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Organization's combined financial statements but did change how the allowance for credit losses is determined.

Reclassifications

Certain amounts in the 2023 combined financial statements have been reclassified to conform to the 2024 presentation, with no effect on the previously reported combined net assets or change in net assets.



EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023

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

**Subsequent Events**

The Organization has evaluated events and transactions for potential recognition or disclosure through January 23, 2025, which is the date the combined financial statements were available to be issued.

**NOTE 3 FAIR VALUE MEASUREMENTS**

Fair value measurement provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

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

*Level 2* – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3* – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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

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

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

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

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

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

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

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

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

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

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

	2023			Total
	Level 1	Level 2	Level 3	
Mutual Funds	\$ 39,268,784	\$ -	\$ -	\$ 39,268,784
U.S. Government and Agency Bonds	4,280,276	-	-	4,280,276
Municipal Bonds	-	10,042,410	-	10,042,410
Asset Backed Securities	-	38,342	-	38,342
Corporate Bonds	2,912,954	-	-	2,912,954
Cash and Money Market Funds	11,565,919	-	-	11,565,919
Charitable Gift Annuities	-	-	104,833	104,833
Closed End Funds	1,490,342	-	-	1,490,342
Common Stocks	15,314,784	-	-	15,314,784
Assets Under Interest Rate Swap Agreements	-	8,429,975	-	8,429,975
Total Assets at Fair Value	<u>\$ 74,833,059</u>	<u>\$ 18,510,727</u>	<u>\$ 104,833</u>	<u>\$ 93,448,619</u>

(17)

**EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023**

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

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

	<u>2024</u>	<u>2023</u>
Beginning Balance	\$ 104,833	\$ 104,833
Change in Value of Charitable Gift Annuities and Settlements	<u>(427)</u>	<u>-</u>
Ending Balance	<u>\$ 104,406</u>	<u>\$ 104,833</u>

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

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

	<u>2024</u>	<u>2023</u>
Board-Designated Quasi-Endowment Fund	\$ 72,773,858	\$ 55,071,059
Trustee Deposit Accounts Required by Debt Agreement	3,397,379	5,902,103
Operating Reserve for Department of Insurance	15,411,282	16,314,397
Investments	9,283,685	7,593,734
Beneficial Interest in Charitable Gift Annuities	104,406	104,833
Residents' Funds	<u>31,956</u>	<u>32,518</u>
Total	<u>\$ 101,002,546</u>	<u>\$ 85,018,644</u>

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

	<u>2024</u>	<u>2023</u>
Interest and Dividends	\$ 5,268,118	\$ 567,083
Realized Gains (Losses) on Sale of Investments	(977,358)	1,190,532
Investment Expenses	(246,438)	(282,967)
Unrealized Gains on Investments	<u>13,671,471</u>	<u>5,831,930</u>
Total	<u>\$ 17,715,793</u>	<u>\$ 7,308,578</u>

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

**EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023**

**NOTE 5 EQUITY METHOD INVESTMENT**

The Organization has a 20% equity interest in Trinity Rehab, LLC. During the year ended September 30, 2022, the Organization made the initial investment of \$1,100,000. The Organization receives 20% of Trinity Rehab LLC's net income, and distributions as declared by Trinity Rehab, LLC. During the year ended September 30, 2024 the Organization received \$372,000 in distributions, and their 20% share of income was approximately \$520,000. During the year ended September 30, 2023 the Organization received \$351,000 in distributions, and their 20% share of income was approximately \$467,000. The investment as of September 30, 2024 and 2023 was \$1,441,432 and \$1,326,104, respectively.

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

**NOTE 6 LIQUIDITY AND AVAILABILITY**

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

	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 3,374,885	\$ 3,838,684
Assets Limited As To Use:		
Board-Designated Quasi-Endowment Fund	72,773,858	55,071,059
Operating Reserve for Department of Insurance	15,411,282	16,314,397
Investments	9,283,665	7,593,734
Receivables, Net	6,560,222	4,833,724
Less: Net Assets With Donor Restrictions	<u>(8,433,468)</u>	<u>(8,172,140)</u>
Total Financial Assets Available to Meet		
Liquidity Needs	<u>\$ 98,970,444</u>	<u>\$ 79,479,458</u>

**EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023**

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

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

**NOTE 7 PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at September 30:

	<u>2024</u>	<u>2023</u>
Land and Improvements	\$ 19,508,988	\$ 18,591,740
Buildings and Improvements	161,435,896	144,072,128
Furniture, Fixtures and Equipment	44,900,111	42,589,950
Vehicles	<u>1,851,322</u>	<u>1,895,025</u>
Total	227,696,317	207,148,843
Less: Accumulated Depreciation Construction In Progress	<u>(133,237,041)</u>	<u>(126,398,316)</u>
Total	94,459,276	80,750,527
Construction in Progress	<u>30,542,129</u>	<u>15,658,099</u>
Total Property and Equipment	<u>\$ 125,001,405</u>	<u>\$ 96,408,626</u>

Depreciation expense for the years ended September 30, 2024 and 2023 totaled approximately \$7,294,000 and \$6,723,000, respectively. Construction in progress related to construction of the BellaAge Hickory campus, master planning and routine renovation projects, as of September 30, 2024 and 2023.

The Organization signed contracts with architecture and construction firms for a total fee of approximately \$62,227,000. As of September 30, 2024, approximately \$24,720,000 remains to be paid on these contracts.

**EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023**

**NOTE 8 LONG-TERM DEBT**

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

<u>Description</u>	<u>2024</u>	<u>2023</u>
North Carolina Medical Care Commission:		
Retirement Facilities First Mortgage Revenue		
Refunding Bonds (Everyage Prev. United Church		
Homes and Services), Series 2021A:		
Term Bonds Due 2041, Yielding 3.15% to 4.29%	\$ 6,540,000	\$ 6,540,000
Term Bonds Due 2047, Yielding 3.15% to 4.29%	11,815,000	11,815,000
Term Bonds Due 2051, Yielding 3.15% to 4.29%	3,850,000	3,850,000
Truist Bank:		
Direct Bank Term Loan, Series 2024A (formerly 2021D)		
Due 2025-2037, Yielding 6.80%	17,785,000	17,975,000
Direct Bank Bond, Series 2022		
Due 2025-2052, Yielding 5.43%	13,029,631	6,420,787
Direct Bank Term Loan, Series 2022B (formerly 2021B)		
Due 2025-2037, Yielding 5.37%	3,215,000	3,550,000
Direct Bank Bond, Series 2023A		
Due 2025-2053, Yielding 3.32%	16,741,755	2,354,545
Direct Bank Term Loan, Series 2023B (formerly 2021C)		
Due 2025-2046, Yielding 5.37%	26,790,000	28,225,000
Direct Bank Term Loan, Carolina Senior Care		
Due 2025-2030, Yielding 5.37%	3,332,807	-
Economic Development Authority of the City of Suffolk:		
Variable Rate Demand Residential Care Facility Revenue		
Bonds (Lake Prince Center, Inc.), Series 2016:		
Serial Bonds Due 2024-2027 Yielding 1.40% to 3.5%	6,320,000	6,795,000
Term Bonds Due 2031, Yielding 3.5%	9,180,000	9,180,000
Total	<u>118,599,193</u>	<u>96,705,332</u>
Plus Net Premium, Net of Accumulated		
Amortization of \$1,711,227	3,018,191	3,308,596
Less: Deferred Financing Cost, Net of Accumulated		
Amortization of \$2,157,314	<u>(2,839,774)</u>	<u>(2,810,266)</u>
Total	118,777,610	97,203,662
Less: Current Portion	<u>(2,655,000)</u>	<u>(2,435,000)</u>
Long-Term Portion	<u>\$ 116,122,610</u>	<u>\$ 94,768,662</u>

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

EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023

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

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

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

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

During the 2022 fiscal year, the Organization entered into a financing agreement with the Economic Development Authority of the City of Suffolk (the Authority), under which the Lender will advance proceeds up to \$14,000,000. The final advance will be on September 8, 2025. The amount outstanding as of September 30, 2024 and 2023 was \$13,029,631 and \$6,420,787, respectively. The loan will be used to pay for projects at Lake Prince Woods including a new wellness center and other renovations and upgrades.

On May 1, 2023, the Organization entered into a financing agreement with the North Carolina Medical Care Commission, under which the Commission issued tax-exempt Series 2023A revenue bonds of \$31,960,000. The bonds were issued to finance the costs of the BellaAge Hickory project and pay certain expenses incurred in connection with the authorization and issuance of the Bonds. The amount outstanding as of September 30, 2024 and 2023 was \$16,741,755 and \$2,354,545, respectively.

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

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

**EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023**

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

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

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

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

<u>Year Ending September 30,</u>	<u>Amount</u>
2025	\$ 2,655,000
2026	3,385,000
2027	4,515,000
2028	5,265,000
2029	3,902,807
Thereafter	<u>98,876,388</u>
Total	<u>\$ 118,599,193</u>

**NOTE 9 INTEREST RATE SWAP AGREEMENTS**

To reduce the impact of changes in interest rates on its variable rate bonds payable, the Organization has entered into four interest rate swap agreements for the 2021B-D bonds. Under the agreements, interest is payable at a fixed rate of 2.39-5.00% based on the outstanding balance of the bank qualified loans and have termination dates ranging from September 30, 2030 through September 30, 2053. The annual gain or loss on the fair value of the swap agreements is reported as revenue or expense in the combined statements of operations and changes in net assets. The interest rate swap agreements had a notional principal amount of \$47,749,000 and \$58,500,000 at September 30, 2024 and 2023, respectively. The fair value of the interest swap agreements at September 30, 2024 and 2023 is approximately \$4,746,000 and \$7,617,000, respectively.

In May 2023, the Organization entered into an additional interest rate swap agreement for the Series 2023 Bonds. Under the agreement, interest is payable at a fixed rate of 4.21% based on the outstanding balance of the bank qualified loan payable and has a termination date of May 1, 2030. The annual gain or loss on the fair value of the swap agreement is reported as revenue or expense in the combined statements of operations and changes in net assets. The interest rate swap agreement had a notional principal amount of \$29,800,530 and \$2,703,659 at September 30, 2024 and 2023, respectively. The fair value of the interest swap agreements at September 30, 2024 and 2023 is a liability of approximately \$350,000 and an asset of approximately \$813,000, respectively.



**EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023**

**NOTE 9 INTEREST RATE SWAP AGREEMENTS (CONTINUED)**

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

The combined fair value of all interest swap agreements at September 30, 2024 and 2023 is an asset of approximately \$4,142,000 and \$8,430,000, respectively. The fair value of the interest rate swap agreements was derived from proprietary models as of a given date, supplied by the swap advisor. The valuation is calculated on a mid-market basis and does not include bid/offered spread that would be reflected in an actual price quotation. This model relies on certain assumptions regarding past, present, and future market conditions.

**NOTE 10 LINE OF CREDIT**

The Organization had available a \$5,000,000 unsecured revolving line of credit with Truist due in full in June 2024. In June 2024, the line of credit was extended with a maturity date of June 2025. Amounts drawn against the line bore interest at the one-month SOFR rate plus 2.00% (6.96% at year-end), which was payable monthly. There are no amounts outstanding on the line of credit at September 30, 2024 and 2023.

**NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS**

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

	2024	2023
Benevolent Trust	\$ 4,280,400	\$ 4,154,269
Capital Expansion	4,153,088	4,017,871
Total	\$ 8,433,488	\$ 8,172,140

**NOTE 12 EMPLOYEE GROUP HEALTH PLAN**

The Organization maintains a self-insured employee group health plan. The plan is administered by a third party and individual stop-loss coverage has been obtained at \$100,000, with a maximum aggregate limit of loss that fluctuates based on enrollment. The total plan expense incurred by the Organization during the year ended September 30, 2024 and 2023 was approximately \$3,927,000 and \$3,547,000, respectively.

**EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023**

**NOTE 13 RETIREMENT PLANS**

The Organization has a 403(b) plan that covers substantially all employees who meet eligibility requirements. The Organization contributes to the plan based on a percentage of gross wages paid. The expenses related to the plan during the year ended September 30, 2024 and 2023 were approximately \$897,000 and \$825,000, respectively.

The Organization has a nonqualified retirement plan that covers key management employees. The Organization contributes to the plan based on a percentage of the employee's salary. During the year ended September 30, 2024 and 2023, the Organization contributed \$397,000 and \$378,000, respectively.

The Organization also has a retirement annuity plan that covers ordained United Church of Christ ministers employed by the Organization. During the year ended September 30, 2024 and 2023, the Organization contributed 10% of the ministers' salary to the plan for a total of approximately \$3,000 and \$8,000, respectively.

**NOTE 14 CONCENTRATIONS OF CREDIT RISK**

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

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

	2024	2023
Medicaid	5 %	6 %
Medicare	48	49
Private and Other Insurances	47	45
Total	100 %	100 %

**NOTE 15 RESIDENT SERVICE REVENUE**

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

EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023

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

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

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

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

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

EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023

NOTE 15 RESIDENT SERVICE REVENUE (CONTINUED)

Medicare and Medicaid

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

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

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

Other

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

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Organization's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in an implicit price concession impacting transaction price, were not significant in 2024 or 2023.

**EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023**

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

Generally, residents and patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Organization estimates the transaction price for residents and patients with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent charges to the estimate of the transaction price are generally recorded as adjustments to resident and home and community-based services revenue in the period of the change. Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments were not considered material for the years ended September 30, 2024 or 2023. Subsequent changes that are determined to be the result of an adverse change in the resident's or patient's ability to pay are recorded as credit loss expense.

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

**Contract Costs**

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

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

	Accounts Receivable	Deferred Revenue
Balance as of October 1, 2022	\$ 3,309,332	\$ 37,660,841
Balance as of September 30, 2023	3,374,298	41,928,863
Balance as of September 30, 2024	4,118,821	43,700,678

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**NOTE 16 FUNCTIONAL EXPENSES**

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

	2024					Total
	Salaries and Benefits	Contracted Services	Utilities	Repairs	Other	
<b>Health Services:</b>						
Healthcare	\$ 12,339,365	\$ 1,932,224	\$ -	\$ 5,677	\$ 1,619,622	\$ 15,896,888
Medical Records	173,844	-	-	-	4,329	178,173
<b>Personnel and</b>						
Employee Benefits	10,466,947	-	-	-	656,690	11,123,637
Laundry	263,117	-	-	2,432	56,077	361,626
Social Services	321,702	-	-	-	1,097	322,799
Activities	442,913	-	-	-	35,258	478,171
Spiritual Life	211,115	-	-	-	11,587	222,702
Housekeeping	1,254,833	-	-	237	227,296	1,482,366
Plant Maintenance	1,062,120	-	1,721,889	1,866,319	1,788,224	6,438,552
Pavilion/Assisted Living	2,022,867	-	-	-	848	2,023,715
Clinic	33,827	-	-	-	79,129	112,956
Resident Services	261,862	-	-	-	54,901	316,763
Transportation	161,988	-	-	12,050	38,714	212,752
Dietary	2,931,345	-	-	716	2,602,912	5,534,973
Wellness Center	134,847	-	-	805	28,575	164,227
Beauty Shop	-	-	-	-	59,278	59,278
Day Care	-	-	-	-	274,243	274,243
Home Care	1,700,548	-	-	-	35,399	1,735,947
Hospice	93,625	-	-	-	54,062	147,687
Home Health	616,941	-	-	-	717,170	1,334,111
PACE Expenses	5,091,730	4,773,429	66,432	103,802	4,892,756	14,928,149
Outside Services	-	138,148	-	-	-	138,148
<b>General and Administrative:</b>						
Administrative	4,521,853	-	-	17,361	1,584,546	6,123,760
Marketing	539,913	-	-	-	535,389	1,075,302
Staff Development	138,726	-	-	-	71,505	210,231
Depreciation	-	-	-	-	7,181,565	7,181,565
Real Estate Taxes	-	-	-	-	406,783	406,783
Interest Expense	-	-	-	-	3,172,885	3,172,885
Insurance	-	-	-	-	1,240,683	1,240,683
Credit Losses	-	-	-	-	599,015	599,015
Other Operating Expenses	-	-	-	-	702,762	702,762
<b>Total Expenses</b>	<b>\$ 44,786,028</b>	<b>\$ 6,843,801</b>	<b>\$ 1,788,321</b>	<b>\$ 2,009,399</b>	<b>\$ 28,773,300</b>	<b>\$ 84,200,849</b>

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**NOTE 16 FUNCTIONAL EXPENSES (CONTINUED)**

	2023					Total
	Salaries and Benefits	Contracted Services	Utilities	Repairs	Other	
<b>Health Services:</b>						
Healthcare	\$ 10,804,849	\$ 1,850,873	\$ -	\$ 20,943	\$ 1,529,614	\$ 14,206,279
Medical Records	158,527	-	-	-	1,930	160,457
<b>Personnel and</b>						
Employee Benefits	8,069,556	-	-	-	2,338,010	10,408,566
Laundry	258,890	-	-	-	94,302	353,192
Social Services	276,521	-	-	-	1,783	278,304
Activities	383,952	-	-	-	28,990	412,942
Spiritual Life	206,920	-	-	-	644	207,564
Housekeeping	1,134,553	-	-	-	204,234	1,338,787
Plant Maintenance	968,310	-	1,860,553	1,537,318	1,619,683	5,985,864
Residential Living	-	166,488	-	-	-	166,488
Pavilion/Assisted Living	1,733,844	-	-	-	9	1,733,853
Clinic	129,406	-	-	-	75,844	205,250
Resident Services	229,616	-	-	-	48,070	277,686
Transportation	163,637	-	-	5,982	38,638	208,257
Dietary	2,659,789	-	-	251	2,513,004	5,173,044
Wellness Center	128,996	-	-	-	6,150	135,146
Beauty Shop	-	-	-	-	54,067	54,067
Day Care	-	-	-	-	343,379	343,379
Home Care	1,344,376	-	-	-	791,895	2,136,271
Home Health	419,584	-	-	-	640,015	1,059,599
PACE Expenses	4,873,786	5,946,057	61,141	123,493	3,848,747	14,853,224
Outside Services	-	122,636	-	-	-	122,636
<b>General and Administrative:</b>						
Administrative	3,985,259	-	-	-	2,002,110	5,987,369
Marketing	600,455	-	-	-	390,599	991,054
Staff Development	136,448	-	-	-	68,354	204,802
Depreciation	-	-	-	-	6,619,308	6,619,308
Real Estate Taxes	-	-	-	-	388,224	388,224
Interest Expense	-	-	-	-	3,878,856	3,878,856
Insurance	-	-	-	-	1,150,740	1,150,740
Credit Losses	-	-	-	-	359,651	359,651
Other Operating Expenses	-	-	-	-	706,860	706,860
<b>Total Expenses</b>	<b>\$ 38,657,274</b>	<b>\$ 8,086,054</b>	<b>\$ 1,921,694</b>	<b>\$ 1,687,987</b>	<b>\$ 29,744,710</b>	<b>\$ 80,107,719</b>

**NOTE 17 PROFESSIONAL AND GENERAL LIABILITY**

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

EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023

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

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

As a risk retention group DCRRG is not covered under the North Carolina Guaranty Association. Effective January 1, 2008, CCIC and DCRRG completed a corporate restructuring. As a result of the restructuring, DCRRG changed its name to Caring Communities, a reciprocal Risk Retention Group (CCrRRG) and became a reciprocal insurer. The Organization, along with all other shareholders of CCIC, exchanged its shares of CCIC for a Charter Capital Account of CCrRRG. CCIC is now a wholly owned subsidiary of CCrRRG. Members of CCrRRG are required to pay assessed premiums and are subject to a per claim self-insurance retention. Insurance premiums under this program totaled \$869,039.

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

**NOTE 18 RELATED PARTIES**

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

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

(31)



**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**NOTE 18 RELATED PARTIES (CONTINUED)**

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

The Organization provides management and administrative services to the above organizations. Management fee income was approximately \$964,000 and \$919,000, respectively.

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

The Organization was owed the following at September 30:

	2024	2023
Noah	\$ 303,171	\$ 257,433
Covenant Place	185,704	99,610
Emmanuel's Place	18,242	4,143
St. Joseph's Place	199,938	137,343
Carolina Senior Living	173,833	49,462
Matthew's Place	116,301	89,445
Willows	403,951	344,833
Elderhaus, Inc.	1,335,208	1,283,827
Elderhaus At The Lake	371,040	808,780
Iredell Adult Day Services	1,966	248
Total	<u>\$ 3,109,354</u>	<u>\$ 3,075,124</u>

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**NOTE 19 SUBSEQUENT EVENTS**

Subsequent to year-end, on October 1, 2024, EveryAge entered into a financing agreement with the North Carolina Medical Care Commission under which \$25,310,000 of Retirement Facilities First Mortgage Revenue Bonds (Series 2024B Bonds) were issued. The Series 2024B bonds were issued for the purpose of assisting EveryAge in financing a portion of the purchase price and other costs associated with acquiring substantially all of the assets used in the business of owning and operating the skilled nursing and assisted living portions of a retirement community known as Providence Place, located in High Point, North Carolina. The 2024B Bonds are term bonds that will bear interest at rates ranging from 4-5% and will mature on September 1, 2054.

Also included with the purchase was a commercial office and retail building and a vacant auditorium, which are adjacent to the Providence Place retirement community. Simultaneously with the issuance of the Series 2024B Bonds, EveryAge entered into a taxable loan agreement with a financial institution (2024 Taxable Loan) in the principal amount of \$23,400,000. Proceeds from the 2024 Taxable Loan were used in financing the remaining portion of the purchase price and other costs associated with acquiring substantially all of the assets used in the business of owning and operating the independent living portion of a retirement community, a commercial office and retail building, and the vacant auditorium portion of the purchase along with paying certain expenses incurred in connection with the issuance of the 2024 Taxable Loan and incurrence of the 2024B Bonds.

As described in Note 1, the retirement community will be owned and operated by Providence Place, LLC, the commercial office and retail building will be owned and operated by PPRC Pavilion, and the vacant auditorium will be owned by PPRC Hall. The 2024B Bonds are term bonds that will bear interest at rates ranging from 4-5% and will mature in September 1, 2054.



## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors  
EveryAge and Affiliates  
Newton, North Carolina

We have audited the combined financial statements of EveryAge and Affiliates as of and for the year ended September 30, 2024, and have issued our report thereon dated January 23, 2025, which contained an unmodified opinion on those combined financial statements. Our audit was performed for the purpose of forming an opinion on the combined financial statements as a whole. The combining statement of financial position, and combining statement of operations and changes in net assets without donor restrictions as of and for the year ended September 30, 2024 are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

*CliftonLarsonAllen LLP*

CliftonLarsonAllen LLP

Charlotte, North Carolina  
January 23, 2025

**EVERYAGE AND AFFILIATES**  
**COMBINING STATEMENT OF FINANCIAL POSITION**  
**YEAR ENDED SEPTEMBER 30, 2024**  
(SEE INDEPENDENT AUDITORS' REPORT FOR SUPPLEMENTARY INFORMATION)

ASSETS	Corporate Office	Abernethy Laurels	Piedmont Crossing	EveryAge Subtotal	Lake Prince Center, Inc.	BellaAge	Providence Place
<b>CURRENT ASSETS</b>							
Cash and Cash Equivalents	\$ 1,506,068	\$ 1,900	\$ 32,798	\$ 1,540,766	\$ 400	\$ 19,628	\$ -
Accounts Receivable,	-	2,024,193	1,158,314	3,182,507	1,403,563	-	-
Allowance for Credit Losses	-	(298,583)	(114,471)	(413,054)	(52,550)	-	-
Accounts Receivable, Net	-	1,725,610	1,043,843	2,769,453	1,351,013	-	-
Other Receivables, Net	25,932	578,976	166,755	771,663	580,321	457,800	-
Due from Related Parties, Current	(16,819,745)	28,904,513	(6,892,204)	5,192,564	2,493,586	(446,930)	(242,983)
Other Current Assets	64,220	180,216	151,047	395,483	120,915	4,648	-
Total Current Assets	(15,223,525)	31,391,215	(5,497,761)	10,669,929	4,546,235	35,146	(242,983)
Due from Related Parties, Less Current Portion	227,524	-	-	227,524	-	-	-
Assets Limited as to Use	75,367,445	23,633	7,946	75,399,024	1,638,920	1,113	-
Investments	-	-	-	-	-	-	-
Equity Investment	1,441,432	-	-	1,441,432	-	-	-
Interest Rate Swap Agreements	-	3,807,664	937,973	4,745,637	-	(349,676)	(134,378)
Other Noncurrent Assets	1,442,027	-	-	1,442,027	-	-	-
Property and Equipment, Net	9,542,104	45,902,907	10,870,363	66,315,374	30,044,253	22,205,427	242,983
Total Assets	<u>\$ 72,797,007</u>	<u>\$ 81,125,419</u>	<u>\$ 6,318,521</u>	<u>\$ 160,240,947</u>	<u>\$ 36,229,408</u>	<u>\$ 21,892,010</u>	<u>\$ (134,378)</u>
<b>LIABILITIES AND NET ASSETS</b>							
<b>CURRENT LIABILITIES</b>							
Current Portion of Long-Term Debt	\$ -	\$ 391,180	\$ 153,820	\$ 545,000	\$ 1,960,000	\$ -	\$ -
Accounts Payable	334,884	799,669	331,593	1,466,146	349,046	3,317,681	-
Accrued Salaries and Related Benefits	1,011,208	1,434,069	1,022,972	3,468,249	724,922	5,277	-
Other Current Payables	56,448	804,387	739,273	1,600,108	1,182,339	87,496	-
Total Current Liabilities	1,402,540	3,429,305	2,247,658	7,079,503	4,216,307	3,410,454	-
<b>LONG-TERM LIABILITIES</b>							
Long-Term Debt, Less Current Portion	(227,265)	56,942,845	13,916,917	70,632,497	26,082,371	16,224,935	-
Refundable Advance Fees	-	3,418,841	2,174,445	5,593,286	2,122,405	-	-
Deferred Revenue from Advance Fees	-	12,926,842	8,036,729	20,963,571	22,736,857	250	-
Total Liabilities	1,175,275	76,717,833	26,375,749	104,268,857	55,157,940	19,635,639	-
<b>NET ASSETS</b>							
Without Donor Restrictions	71,621,732	4,407,586	(20,057,228)	55,972,090	(18,928,532)	2,256,371	(134,378)
With Donor Restrictions	-	-	-	-	-	-	-
Total Net Assets	<u>71,621,732</u>	<u>4,407,586</u>	<u>(20,057,228)</u>	<u>55,972,090</u>	<u>(18,928,532)</u>	<u>2,256,371</u>	<u>(134,378)</u>
Total Liabilities and Net Assets	<u>\$ 72,797,007</u>	<u>\$ 81,125,419</u>	<u>\$ 6,318,521</u>	<u>\$ 160,240,947</u>	<u>\$ 36,229,408</u>	<u>\$ 21,892,010</u>	<u>\$ (134,378)</u>

**EVERYAGE AND AFFILIATES**  
**COMBINING STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2024**

ASSETS	PPRC Pavillion	PPRC Hall	Total Obligated Group	Foundation	EA Holding	Carolina SeniorCare	Total
<b>CURRENT ASSETS</b>							
Cash and Cash Equivalents	\$ -	\$ -	\$ 1,560,794	\$ 682,000	\$ 10,065	\$ 1,122,026	\$ 3,374,885
Accounts Receivable,	-	-	4,586,070	-	-	102,112	4,688,182
Allowance for Credit Losses	-	-	(465,604)	(14,029)	-	(89,728)	(569,361)
Accounts Receivable, Net	-	-	4,120,466	(14,029)	-	12,384	4,118,821
Other Receivables, Net	-	-	1,809,784	140,135	-	491,482	2,441,401
Due from Related Parties, Current	-	-	6,996,237	(3,741,379)	(16,715)	(356,313)	2,881,830
Other Current Assets	-	-	521,046	-	-	35,606	556,652
Total Current Assets	-	-	15,008,327	(2,933,273)	(6,650)	1,305,185	13,373,589
Due from Related Parties, Less Current Portion	-	-	227,524	-	-	-	227,524
Assets Limited as to Use	-	-	77,039,057	14,557,406	122,418	-	91,718,881
Investments	-	-	-	-	-	9,283,665	9,283,665
Equity Investment	-	-	1,441,432	-	-	-	1,441,432
Interest Rate Swap Agreements	(65,921)	(53,244)	4,142,418	-	-	-	4,142,418
Other Noncurrent Assets	-	-	1,442,027	-	-	-	1,442,027
Property and Equipment, Net	-	-	118,808,037	-	-	6,193,368	125,001,405
Total Assets	<u>\$ (65,921)</u>	<u>\$ (53,244)</u>	<u>\$ 218,108,822</u>	<u>\$ 11,624,133</u>	<u>\$ 115,768</u>	<u>\$ 16,782,218</u>	<u>\$ 246,630,941</u>
<b>LIABILITIES AND NET ASSETS</b>							
<b>CURRENT LIABILITIES</b>							
Current Portion of Long-Term Debt	\$ -	\$ -	\$ 2,505,000	\$ -	\$ -	\$ 150,000	\$ 2,655,000
Accounts Payable	-	-	5,132,873	7,851	-	2,668,050	7,808,774
Accrued Salaries and Related Benefits	-	-	4,198,448	17,480	-	479,189	4,695,117
Other Current Payables	-	-	2,869,943	-	-	51,152	2,921,095
Total Current Liabilities	-	-	14,706,264	25,331	-	3,348,391	18,079,986
<b>LONG-TERM LIABILITIES</b>							
Long-Term Debt, Less Current Portion	-	-	112,939,803	-	-	3,182,807	116,122,610
Refundable Advance Fees	-	-	7,715,691	-	-	-	7,715,691
Deferred Revenue from Advance Fees	-	-	43,700,678	-	-	-	43,700,678
Total Liabilities	-	-	179,062,436	25,331	-	6,531,198	185,618,965
<b>NET ASSETS</b>							
Without Donor Restrictions	(65,921)	(53,244)	39,046,386	3,165,334	115,768	10,251,020	52,578,508
With Donor Restrictions	-	-	-	8,433,468	-	-	8,433,468
Total Net Assets	<u>(65,921)</u>	<u>(53,244)</u>	<u>39,046,386</u>	<u>11,598,802</u>	<u>115,768</u>	<u>10,251,020</u>	<u>61,011,976</u>
Total Liabilities and Net Assets	<u>\$ (65,921)</u>	<u>\$ (53,244)</u>	<u>\$ 218,108,822</u>	<u>\$ 11,624,133</u>	<u>\$ 115,768</u>	<u>\$ 16,782,218</u>	<u>\$ 246,630,941</u>

**EVERYAGE AND AFFILIATES**  
**COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS**  
**YEAR ENDED SEPTEMBER 30, 2024**

	Corporate Office	Abemethy Laurels	Piedmont Crossing	EveryAge Subtotal	Lake Prince Center, Inc.	BellaAge	Providence Place
<b>Operating Revenues:</b>							
Healthcare	\$ -	\$ 20,489,082	\$ 10,359,807	\$ 30,848,889	\$ 3,799,642	\$ -	\$ -
Pavilion/Assisted Living	-	1,008,936	502,208	1,511,144	3,010,178	-	-
Residential Living	-	6,376,914	4,620,105	10,997,019	5,559,686	-	-
Amortization of Advance Fees	-	2,102,059	1,745,576	3,847,635	2,529,806	-	-
Home Care	-	885,500	711,150	1,596,650	1,641,356	-	-
PACE Income	-	-	-	-	-	-	-
Management Fee Income	963,651	-	-	963,651	-	-	-
Outside Services	-	41	(524)	(483)	185,699	-	-
Other Operating Revenue	849,899	185,027	86,334	1,121,260	152,315	-	-
<b>Total Operating Revenues</b>	<b>1,813,550</b>	<b>31,047,559</b>	<b>18,024,656</b>	<b>50,885,765</b>	<b>16,878,682</b>	<b>-</b>	<b>-</b>
<b>Operating Expenses:</b>							
<b>Health Services:</b>							
Healthcare	-	8,134,087	5,440,909	13,574,996	2,321,892	-	-
Medical Records	-	88,976	46,543	135,519	42,654	-	-
Personnel and Employee Benefits	1,881,930	4,106,391	3,123,919	9,112,240	1,948,736	4,783	-
Laundry	-	154,722	146,031	300,753	60,873	-	-
Social Services	-	138,260	122,474	260,734	62,065	-	-
Activities	-	294,588	59,529	354,117	124,054	-	-
Spiritual Life	-	78,530	65,587	144,117	78,585	-	-
Housekeeping	-	811,847	401,612	1,213,459	268,907	-	-
Plant Maintenance	-	2,754,271	1,737,719	4,491,990	1,939,240	7,322	-
Pavilion/Assisted Living	-	692,581	230,159	922,740	1,100,975	-	-
Clinic	-	91,671	21,285	112,956	-	-	-
Resident Services	-	58,303	135,149	193,452	123,311	-	-
Transportation	-	137,885	35,528	173,413	39,339	-	-
Dietary	-	2,434,380	1,948,069	4,382,449	1,152,524	-	-
Wellness Center	-	164,227	-	164,227	-	-	-
Beauty Shop	-	-	21,516	21,516	37,762	-	-
Day Care	274,243	-	-	274,243	-	-	-
Home Care	-	701,739	633,236	1,334,975	548,659	-	-
Home Health	-	-	-	-	1,334,111	-	-
PACE Expenses (Including Depreciation)	-	-	-	-	-	-	-
Outside Services	-	-	-	-	138,148	-	-
<b>General and Administrative:</b>							
Administrative	3,915,837	675,052	583,963	5,174,852	644,195	38,315	-
Marketing	-	353,411	349,884	703,295	372,007	-	-
Staff Development	-	106,901	22,607	129,508	80,723	-	-
Management Fees	(5,290,019)	1,875,649	1,269,730	(2,144,640)	1,004,693	-	-
Depreciation	387,121	3,230,407	1,416,850	5,034,378	2,147,187	-	-
Real Estate Taxes	8,952	-	-	8,952	387,019	10,812	-
Interest Expense (Including Amortization)	-	1,881,314	409,320	2,290,634	1,088,436	(206,185)	-
Insurance	147,191	503,173	334,403	984,767	249,691	6,225	-
Credit Losses	-	364,441	141,583	506,024	92,991	-	-
Other Operating Expenses	45,112	225,370	182,548	453,030	242,926	4,748	-
<b>Total Operating Expense</b>	<b>1,370,367</b>	<b>30,058,176</b>	<b>18,880,153</b>	<b>50,308,696</b>	<b>17,631,703</b>	<b>(133,980)</b>	<b>-</b>
<b>Operating Income (Loss)</b>	<b>443,183</b>	<b>989,383</b>	<b>(855,497)</b>	<b>577,069</b>	<b>(753,021)</b>	<b>133,980</b>	<b>-</b>

(37)

**EVERYAGE AND AFFILIATES**  
**COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2024**  
(SEE INDEPENDENT AUDITORS' REPORT FOR SUPPLEMENTARY INFORMATION)

	PPRC Pavilion	PPRC Hall	Total Obligated Group	Foundation	EA Holding	Carolina SeniorCare	Total
<b>Operating Revenues:</b>							
Healthcare	\$ -	\$ -	\$ 34,648,531	\$ -	\$ -	\$ -	\$ 34,648,531
Pavilion/Assisted Living	-	-	4,521,322	-	-	-	4,521,322
Residential Living	-	-	16,556,705	-	-	-	16,556,705
Amortization of Advance Fees	-	-	6,377,441	-	-	-	6,377,441
Home Care	-	-	3,238,006	-	-	-	3,238,006
PACE Income	-	-	-	-	-	17,337,722	17,337,722
Management Fee Income	-	-	963,651	-	-	-	963,651
Outside Services	-	-	185,216	-	-	-	185,216
Other Operating Revenue	-	-	1,273,575	-	-	5,089	1,278,664
<b>Total Operating Revenues</b>	<b>-</b>	<b>-</b>	<b>67,764,447</b>	<b>-</b>	<b>-</b>	<b>17,342,811</b>	<b>85,107,258</b>
<b>Operating Expenses:</b>							
<b>Health Services:</b>							
Healthcare	-	-	15,896,888	-	-	-	15,896,888
Medical Records	-	-	178,173	-	-	-	178,173
Personnel and Employee Benefits	-	-	11,065,759	57,878	-	-	11,123,637
Laundry	-	-	361,626	-	-	-	361,626
Social Services	-	-	322,799	-	-	-	322,799
Activities	-	-	478,171	-	-	-	478,171
Spiritual Life	-	-	222,702	-	-	-	222,702
Housekeeping	-	-	1,482,366	-	-	-	1,482,366
Plant Maintenance	-	-	6,438,552	-	-	-	6,438,552
Pavilion/Assisted Living Clinic	-	-	2,023,715	-	-	-	2,023,715
Clinic	-	-	112,956	-	-	-	112,956
Resident Services	-	-	316,763	-	-	-	316,763
Transportation	-	-	212,752	-	-	-	212,752
Dietary	-	-	5,534,973	-	-	-	5,534,973
Wellness Center	-	-	164,227	-	-	-	164,227
Beauty Shop	-	-	59,278	-	-	-	59,278
Day Care	-	-	274,243	-	-	-	274,243
Home Care	-	-	1,883,634	-	-	-	1,883,634
Home Health	-	-	1,334,111	-	-	-	1,334,111
PACE Expenses (Including Depreciation)	-	-	-	-	-	14,928,149	14,928,149
Outside Services	-	-	138,148	-	-	-	138,148
<b>General and Administrative:</b>							
Administrative	-	-	5,857,362	266,398	-	-	6,123,760
Marketing	-	-	1,075,302	-	-	-	1,075,302
Staff Development	-	-	210,231	-	-	-	210,231
Management Fees	-	-	(1,139,947)	-	-	1,139,947	-
Depreciation	-	-	7,181,565	-	-	-	7,181,565
Real Estate Taxes	-	-	406,783	-	-	-	406,783
Interest Expense (Including Amortization)	-	-	3,172,885	-	-	-	3,172,885
Insurance	-	-	1,240,683	-	-	-	1,240,683
Credit Losses	-	-	599,015	-	-	-	599,015
Other Operating Expenses	-	-	700,704	736	1,322	-	702,762
<b>Total Operating Expense</b>	<b>-</b>	<b>-</b>	<b>67,806,419</b>	<b>325,012</b>	<b>1,322</b>	<b>16,068,096</b>	<b>84,200,849</b>
<b>Operating Income (Loss)</b>	<b>-</b>	<b>-</b>	<b>(41,972)</b>	<b>(325,012)</b>	<b>(1,322)</b>	<b>1,274,715</b>	<b>906,409</b>

(38)

**EVERYAGE AND AFFILIATES**  
**COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2024**  
**(SEE INDEPENDENT AUDITORS' REPORT FOR SUPPLEMENTARY INFORMATION)**

	Corporate Office	Abernathy Laurels	Piedmont Crossing	UCHS Subtotal	Lake Prince Center, Inc.	BellaAge	Providence Place
Nonoperating Income (Loss):							
Contributions and Grants	\$ -	\$ 349,067	\$ 70,486	\$ 419,553	\$ -	\$ -	\$ -
Contribution Expense	(182,196)	-	-	(182,196)	-	-	-
Investment Return, Net	13,371,722	-	3	13,371,725	93,777	2,391	-
Change in Fair Value of Interest Rate Swap Agreements	-	(2,285,374)	(586,275)	(2,871,649)	-	(1,162,365)	(134,378)
Gain (Loss) on Sale of Property and Equipment	92	(15,659)	(16,819)	(32,386)	(15,324)	-	-
Other Nonoperating Income	-	203,449	49,192	252,641	98,167	237	-
Net Assets Released from Restrictions	-	14,980	-	14,980	-	-	-
Total Nonoperating Income	<u>13,189,618</u>	<u>(1,733,537)</u>	<u>(483,413)</u>	<u>10,972,668</u>	<u>176,620</u>	<u>(1,159,737)</u>	<u>(134,378)</u>
Changes in Net Assets Without Donor Restriction	<u>\$ 13,632,801</u>	<u>\$ (744,154)</u>	<u>\$ (1,338,910)</u>	<u>\$ 11,549,737</u>	<u>\$ (576,401)</u>	<u>\$ (1,025,757)</u>	<u>\$ (134,378)</u>



**EVERYAGE AND AFFILIATES**  
**COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2024**  
(SEE INDEPENDENT AUDITORS' REPORT FOR SUPPLEMENTARY INFORMATION)

	PPRC Pavillion	PPRC Hall	Total Obligated Group	Foundation	EA Holding	Carolina Senior Care	Total
Nonoperating Income (Loss):							
Contributions and Grants	\$ -	\$ -	\$ 419,553	\$ 276,453	\$ -	\$ -	\$ 696,006
Contribution Expense	-	-	(182,196)	-	-	-	(182,196)
Investment Return, Net	-	-	13,467,893	2,503,470	23,975	1,720,455	17,715,793
Change in Fair Value of Interest Rate Swap Agreements	(65,921)	(53,244)	(4,287,557)	-	-	-	(4,287,557)
Gain (Loss) on Sale of Property and Equipment	-	-	(47,710)	-	-	(2,950)	(50,660)
Other Nonoperating Income	-	-	351,045	-	-	603,198	954,243
Net Assets Released from Restrictions	-	-	14,980	-	-	-	14,980
Total Nonoperating Income	<u>(65,921)</u>	<u>(53,244)</u>	<u>9,736,008</u>	<u>2,779,923</u>	<u>23,975</u>	<u>2,320,703</u>	<u>14,860,609</u>
Changes in Net Assets Without Donor Restriction	<u>\$ (65,921)</u>	<u>\$ (53,244)</u>	<u>\$ 9,694,036</u>	<u>\$ 2,454,911</u>	<u>\$ 22,653</u>	<u>\$ 3,595,418</u>	<u>\$ 15,767,018</u>



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

## **Exhibit 6: Interim Financial Statements**

---

For the Period Ending December 31, 2024

1. EveryAge Balance Sheet (Side by Side)

For the period ended December 31, 2024 (Unaudited)

	Office	BellaAge	Laurels	Crossing	Place	Carolina Total	Woods	Group	Foundation	EA Holding	PACE	Organization
<b>Assets</b>												
<b>Current Assets:</b>												
Cash & Cash Equivalents	\$3,254,084	\$34,502	\$1,900	\$48,447	\$1,858,848	\$5,197,781	\$600	\$5,198,381	\$819,304	\$10,065	\$1,852,354	\$7,880,104
Accounts Receivable	\$0	\$0	\$2,317,495	\$1,168,943	\$3,563,087	\$7,049,525	\$973,309	\$8,022,834	\$0	\$0	\$287,080	\$8,309,914
Less: Allowance for Credit Losses	\$0	\$0	(\$301,075)	(\$128,713)	(\$515,046)	(\$944,834)	(\$59,800)	(\$1,004,634)	(\$12,936)	\$0	(\$106,278)	(\$1,123,848)
Other Accounts Receivable	\$24,608	\$166,200	\$85,420	\$41,332	\$7,323	\$324,882	\$0	\$324,882	\$142,537	\$0	(\$14,610)	\$452,810
Accrued Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$40,685	\$40,685	\$0	\$0	\$0	\$40,685
Inventory	\$0	\$0	\$60,622	\$50,346	\$0	\$110,968	\$33,415	\$144,383	\$0	\$0	\$31,706	\$176,089
Due From Related Parties, Current	(\$16,346,476)	(\$128,512)	\$28,573,077	(\$6,101,759)	(\$1,765,333)	\$4,230,998	\$2,697,726	\$6,928,723	(\$3,780,308)	(\$16,715)	(\$1,940,331)	\$1,191,369
Prepaid Expenses	\$408,090	\$2,407	\$121,671	\$118,016	\$0	\$650,186	\$78,128	\$728,314	\$4,442	\$0	\$107,588	\$840,344
Other Current Assets	\$0	\$0	\$0	\$0	\$2,430,051	\$2,430,051	\$0	\$2,430,051	\$0	\$0	\$0	\$2,430,051
<b>Total Current Assets</b>	<b>(\$12,659,693)</b>	<b>\$74,597</b>	<b>\$30,859,109</b>	<b>(\$4,803,387)</b>	<b>\$5,578,930</b>	<b>\$19,049,556</b>	<b>\$3,764,062</b>	<b>\$22,813,619</b>	<b>(\$2,826,961)</b>	<b>(\$6,650)</b>	<b>\$217,510</b>	<b>\$20,197,518</b>
<b>Non-Current Assets:</b>												
Board Designated	\$52,767,716	\$0	\$0	\$0	\$0	\$52,767,716	\$0	\$52,767,716	\$14,351,333	\$124,384	\$71,961	\$67,315,393
Investments	\$92,856	\$0	\$0	\$0	\$0	\$92,856	\$0	\$92,856	\$0	\$0	\$9,103,655	\$9,196,511
Operating Reserve	\$20,147,871	\$0	\$0	\$0	\$0	\$20,147,871	\$0	\$20,147,871	\$0	\$0	\$0	\$20,147,871
Escrow Deposits	\$0	\$0	\$0	\$0	\$0	\$0	\$42,013	\$42,013	\$0	\$0	\$0	\$42,013
Resident Funds	\$0	\$0	\$23,633	\$7,946	\$18,115	\$49,693	\$378	\$50,071	\$0	\$0	\$0	\$50,071
Debt Service Reserves	\$2,007,029	\$1,126	\$0	\$5	\$305,564	\$2,313,724	\$2,297,597	\$4,611,322	\$0	\$0	\$0	\$4,611,322
Assets Limited as to Use	\$75,015,472	\$1,126	\$23,633	\$7,951	\$323,679	\$76,371,861	\$2,339,988	\$77,711,848	\$14,351,333	\$124,384	\$9,175,616	\$101,363,181
Fair Value of Interest Rate Swaps	\$0	\$557,358	\$5,321,066	\$1,316,625	\$705,181	\$7,900,230	\$0	\$7,900,230	\$0	\$0	\$0	\$7,900,230
Due From Related Parties, Less Current Portion	\$227,524	\$0	\$0	\$0	\$0	\$227,524	\$0	\$227,524	\$0	\$0	\$0	\$227,524
Equity Investment	\$1,702,352	\$0	\$0	\$0	\$0	\$1,702,352	\$0	\$1,702,352	\$0	\$0	\$0	\$1,702,352
Other Non-Current Assets	\$1,254,411	\$0	\$0	\$0	\$0	\$1,254,411	\$0	\$1,254,411	\$0	\$0	\$0	\$1,254,411
Property, Plant & Equipment Gross	\$11,525,003	\$27,135,167	\$98,111,441	\$43,962,239	\$44,228,064	\$224,961,913	\$74,289,508	\$299,251,421	\$0	\$0	\$10,645,231	\$309,896,652
Less: Accumulated Depreciation	(\$4,013,226)	\$0	(\$52,323,174)	(\$33,251,704)	(\$546,202)	(\$90,134,306)	(\$44,689,939)	(\$134,824,245)	\$0	\$0	(\$2,721,448)	(\$137,545,693)
Net Property, Plant & Equipment	\$7,511,777	\$27,135,167	\$45,788,266	\$10,710,535	\$43,681,861	\$134,827,607	\$29,599,568	\$164,427,175	\$0	\$0	\$7,923,784	\$172,350,959
<b>Total Non-current Assets</b>	<b>\$85,711,537</b>	<b>\$27,693,651</b>	<b>\$51,132,965</b>	<b>\$12,035,111</b>	<b>\$44,710,721</b>	<b>\$221,283,985</b>	<b>\$31,939,556</b>	<b>\$253,223,541</b>	<b>\$14,351,333</b>	<b>\$124,384</b>	<b>\$17,099,399</b>	<b>\$284,798,657</b>
<b>Total Assets</b>	<b>\$73,051,843</b>	<b>\$27,768,249</b>	<b>\$81,992,074</b>	<b>\$7,231,725</b>	<b>\$50,289,651</b>	<b>\$240,333,542</b>	<b>\$35,703,619</b>	<b>\$276,037,160</b>	<b>\$11,524,372</b>	<b>\$117,734</b>	<b>\$17,316,909</b>	<b>\$304,996,175</b>
<b>Liabilities and Net Assets</b>												
<b>Current Liabilities:</b>												
Line of Credit	\$391,914	\$0	\$0	\$0	\$0	\$391,914	\$0	\$391,914	\$0	\$0	\$150,000	\$541,914
Current Portion of Long-term Debt	\$0	\$0	\$305,660	\$119,340	\$864,590	\$1,289,590	\$1,960,000	\$3,249,590	\$0	\$0	\$0	\$3,249,590
Accounts Payable	\$378,021	\$3,795,616	\$783,314	\$418,439	\$1,207,748	\$6,583,138	\$452,107	\$7,035,246	\$84,159	\$0	\$4,004,291	\$11,123,696
Wages/Taxes/Withholding Payable	\$1,104,835	\$4,992	\$1,278,810	\$822,141	\$414,628	\$3,625,406	\$659,002	\$4,284,408	\$17,097	\$0	\$709,663	\$5,011,168
Resident Funds Liability	\$0	\$34,293	\$23,633	\$7,946	\$18,115	\$83,986	\$378	\$84,364	\$0	\$0	\$0	\$84,364
Resident Escrows	\$0	\$0	\$0	\$52,185	\$0	\$52,185	\$243,605	\$295,790	\$0	\$0	\$0	\$295,790
Refunds Payable	\$0	\$0	\$75,213	\$126,393	\$0	\$201,605	(\$105,348)	\$96,257	\$0	\$0	\$0	\$96,257
Advance Deposits	\$0	\$0	\$620,995	\$1,837,724	\$15,791	\$2,474,510	\$813,719	\$3,288,229	\$0	\$0	\$0	\$3,288,229
Deferred Revenue	\$0	\$500	\$42,476	\$0	\$0	\$42,976	\$0	\$42,976	\$0	\$0	\$29,704	\$72,680
Other Current Liabilities	\$19,601	\$97,975	\$398,909	\$91,705	\$438,222	\$1,046,411	\$353,233	\$1,399,644	\$0	\$0	\$50,378	\$1,450,022
<b>Total Current Liabilities</b>	<b>\$1,894,370</b>	<b>\$3,933,375</b>	<b>\$3,529,011</b>	<b>\$3,475,872</b>	<b>\$2,959,094</b>	<b>\$15,791,722</b>	<b>\$4,376,696</b>	<b>\$20,168,417</b>	<b>\$101,256</b>	<b>\$0</b>	<b>\$4,944,035</b>	<b>\$25,213,709</b>
<b>Non-current Liabilities:</b>												
Long Term Debt, Less Current Portion	\$0	\$20,628,040	\$56,910,702	\$13,905,999	\$47,077,929	\$138,522,670	\$26,528,357	\$165,051,027	\$0	\$0	\$0	\$165,051,027
Deferred Revenue - Resident Fee (Non Refundable)	\$0	\$0	\$12,411,847	\$7,553,002	\$0	\$19,964,849	\$22,067,238	\$42,032,086	\$0	\$0	\$0	\$42,032,086
Long Term Refunds Payable (Refundable)	\$0	\$0	\$3,418,841	\$2,174,445	\$0	\$5,593,287	\$2,122,405	\$7,715,692	\$0	\$0	\$0	\$7,715,692
Other Long Term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,309,153	\$4,309,153
<b>Total Non-current Liabilities</b>	<b>\$0</b>	<b>\$20,628,040</b>	<b>\$72,741,390</b>	<b>\$23,633,446</b>	<b>\$47,077,929</b>	<b>\$164,080,805</b>	<b>\$50,717,999</b>	<b>\$214,798,805</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,309,153</b>	<b>\$219,107,958</b>
<b>Total Liabilities</b>	<b>\$1,894,370</b>	<b>\$24,561,415</b>	<b>\$76,270,401</b>	<b>\$27,109,318</b>	<b>\$50,037,023</b>	<b>\$179,872,527</b>	<b>\$55,094,695</b>	<b>\$234,967,222</b>	<b>\$101,256</b>	<b>\$0</b>	<b>\$9,253,188</b>	<b>\$244,321,666</b>
<b>Net Assets:</b>												
With Donor Restrictions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,469,652	\$0	\$80,243	\$8,549,895
Without Donor Restrictions:												
Retained Earnings-Prior Year	\$71,621,733	\$2,256,371	\$4,407,601	(\$20,057,228)	(\$253,544)	\$57,974,934	(\$18,928,549)	\$39,046,384	\$3,165,335	\$115,769	\$8,104,482	\$50,431,970
Retained Earnings-Current Year	(\$464,259)	\$950,462	\$1,314,072	\$179,634	\$506,172	\$2,486,081	(\$462,527)	\$2,023,554	(\$211,872)	\$1,966	(\$121,005)	\$1,692,643
<b>Total Net Assets</b>	<b>\$71,157,474</b>	<b>\$3,206,834</b>	<b>\$5,721,673</b>	<b>(\$19,877,594)</b>	<b>\$252,628</b>	<b>\$60,461,015</b>	<b>(\$19,391,076)</b>	<b>\$41,069,938</b>	<b>\$11,423,116</b>	<b>\$117,734</b>	<b>\$8,063,721</b>	<b>\$60,674,509</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$73,051,843</b>	<b>\$27,768,249</b>	<b>\$81,992,074</b>	<b>\$7,231,725</b>	<b>\$50,289,651</b>	<b>\$240,333,542</b>	<b>\$35,703,619</b>	<b>\$276,037,160</b>	<b>\$11,524,372</b>	<b>\$117,734</b>	<b>\$17,316,909</b>	<b>\$304,996,175</b>

2. EveryAge Profit and Loss (YTD)

For the period ended December 31, 2024 (Unaudited)

	Home Office	BellaAge	Abernethy Laurs	Piedmont Crossing	Providence Place	North Carolina Total	Lake Prince Woods	EveryAge Obligated Group	EveryAge Foundation	EA Holding	PACE	EveryAge Consolidated Organization
<b>OPERATING REVENUES:</b>												
Health Care	\$0	\$0	\$5,195,198	\$2,687,188	\$4,017,296	\$11,899,683	\$982,678	\$12,862,260	\$0	\$0	\$0	\$12,862,260
Home Care	\$0	\$0	\$368,435	\$137,678	\$0	\$506,113	\$85,485	\$591,598	\$0	\$0	\$1,575	\$593,173
Home Health	\$0	\$0	\$0	\$0	\$0	\$0	\$272,455	\$272,455	\$0	\$0	\$0	\$272,455
Adult Day	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$182,204	\$182,204
Hospice	\$0	\$0	\$0	\$0	\$0	\$0	\$128,683	\$128,683	\$0	\$0	\$0	\$128,683
Outside Services	\$0	\$0	\$0	\$0	\$0	\$0	\$62,035	\$62,035	\$0	\$0	\$0	\$62,035
Rental	\$0	\$0	\$0	\$0	\$212,969	\$212,969	\$0	\$212,969	\$0	\$0	\$0	\$212,969
Capitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,930,249	\$0	\$7,930,249
Pavilion/Assisted Living	\$0	\$0	\$260,133	\$61,497	\$1,149,363	\$1,470,993	\$755,416	\$2,226,409	\$0	\$0	\$0	\$2,226,409
Residential Living	\$0	\$0	\$1,678,469	\$1,187,700	\$687,916	\$3,554,114	\$1,465,871	\$5,019,986	\$0	\$0	\$0	\$5,019,986
<b>Net Service Revenue</b>	\$0	\$0	\$7,502,265	\$4,074,063	\$6,067,545	\$17,643,873	\$3,732,523	\$21,376,396	\$0	\$0	\$8,094,028	\$29,470,424
Amortization of Advance Fees	\$0	\$0	\$514,995	\$483,727	\$0	\$998,722	\$669,819	\$1,668,341	\$0	\$0	\$0	\$1,668,341
Other Operating Revenue	\$2,091,178	\$0	\$61,748	\$40,715	\$4,343	\$2,197,982	\$47,781	\$2,245,742	\$0	\$0	\$8,753	\$2,254,496
<b>Total Operating Revenue</b>	\$2,091,178	\$0	\$8,079,005	\$4,598,505	\$6,071,888	\$20,840,576	\$4,449,903	\$25,290,479	\$0	\$0	\$8,102,781	\$33,393,260
<b>OPERATING EXPENSES:</b>												
Health Care	\$0	\$0	\$2,240,865	\$1,379,831	\$2,332,221	\$5,952,917	\$608,714	\$6,561,631	\$0	\$0	\$0	\$6,561,631
Primary Care	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$137,155	\$137,155
Restorative Therapy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$177,447	\$177,447
Outpatient Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$550,697	\$550,697
Inpatient Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,788,724	\$0	\$1,788,724
Center Support	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$210,041	\$210,041
Recreational Therapy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$63,052	\$63,052
Pharmacy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,574,819	\$1,574,819
Nutrition	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$122,168	\$122,168
Medical Records	\$0	\$0	\$24,209	\$4,449	\$9,605	\$38,262	\$10,747	\$49,009	\$0	\$0	\$0	\$49,009
Personnel	\$604,455	\$5,133	\$1,480,120	\$656,171	\$633,182	\$3,468,042	\$610,182	\$4,078,223	\$21,356	\$0	\$830,021	\$4,929,601
Laundry	\$0	\$0	\$37,895	\$34,002	\$109,508	\$181,203	\$20,400	\$201,612	\$0	\$0	\$0	\$201,612
Social Services	\$0	\$0	\$34,864	\$32,261	\$46,857	\$113,582	\$14,548	\$128,130	\$0	\$0	\$91,031	\$219,161
Activities	\$0	\$0	\$77,124	\$26,950	\$42,094	\$146,167	\$35,394	\$181,551	\$0	\$0	\$0	\$181,551
Spiritual Life	\$0	\$0	\$21,893	\$18,464	\$11,022	\$50,079	\$18,074	\$68,053	\$0	\$0	\$15,977	\$85,030
Housekeeping	\$0	\$0	\$209,192	\$109,427	\$219,042	\$537,660	\$75,003	\$613,563	\$0	\$0	\$30,429	\$643,992
Plant Maintenance	\$0	(\$9,652)	\$743,406	\$502,912	\$354,851	\$1,591,516	\$511,512	\$2,103,029	\$0	\$0	\$92,400	\$2,195,488
Staff Development	\$0	\$0	\$27,172	\$6,179	\$949	\$34,300	\$21,124	\$55,423	\$0	\$0	\$0	\$55,423
Independent Living	\$0	\$0	\$0	\$0	\$236	\$236	\$0	\$236	\$0	\$0	\$0	\$236
Pavilion/Assisted Living	\$0	\$0	\$200,559	\$56,405	\$396,800	\$653,564	\$283,257	\$936,820	\$0	\$0	\$0	\$936,820
Outside Services	\$0	\$0	\$0	\$0	\$0	\$0	\$44,317	\$44,317	\$0	\$0	\$0	\$44,317
Clinic	\$0	\$0	\$18,140	\$4,098	\$0	\$22,237	\$0	\$22,237	\$0	\$0	\$276,994	\$299,231
Home Care	\$0	\$0	\$238,243	\$138,191	\$0	\$376,434	\$85,751	\$462,184	\$0	\$0	\$513,095	\$975,279
Home Health	\$0	\$0	\$0	\$0	\$0	\$0	\$349,805	\$349,805	\$0	\$0	\$0	\$349,805
Hospice	\$0	\$0	\$0	\$0	\$0	\$0	\$80,222	\$80,222	\$0	\$0	\$0	\$80,222
Resident Services	\$0	\$0	\$16,520	\$35,291	\$97,554	\$149,365	\$39,583	\$188,948	\$0	\$0	\$0	\$188,948
Transportation	\$0	\$0	\$33,625	\$9,919	\$0	\$43,545	\$12,310	\$55,854	\$0	\$0	\$332,028	\$387,882
Dietary	\$0	\$0	\$675,574	\$529,207	\$421,218	\$1,625,998	\$327,988	\$1,953,986	\$0	\$0	\$0	\$1,953,986
Life Enrichment	\$0	\$0	\$36,341	\$0	\$0	\$36,341	\$0	\$36,341	\$0	\$0	\$0	\$36,341
Beauty Shop	\$0	\$0	\$0	\$5,754	\$0	\$5,754	\$10,584	\$16,338	\$0	\$0	\$0	\$16,338
Day Care	\$52,680	\$0	\$0	\$0	\$0	\$52,680	\$0	\$52,680	\$0	\$0	\$0	\$52,680
<b>General and Administrative:</b>												
Administrative	\$1,014,695	\$20,887	\$175,868	\$128,358	\$181,354	\$1,521,163	\$173,297	\$1,694,459	\$62,249	\$0	\$371,848	\$2,128,556
Health Plan Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$137,536	\$137,536
Marketing	\$0	\$0	\$85,500	\$125,096	\$15,943	\$226,538	\$97,922	\$324,460	\$0	\$0	\$54,229	\$378,689
Management Fees	\$0	\$0	\$517,618	\$318,195	\$237,241	\$1,073,055	\$274,464	\$1,347,519	\$0	\$0	\$348,796	\$1,696,284
Building Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$184,410	\$184,410
Depreciation	\$97,287	\$0	\$816,161	\$387,918	\$548,202	\$1,847,568	\$621,162	\$2,468,730	\$0	\$0	\$68,795	\$2,537,495
Amortization	\$0	\$4,520	\$10,150	\$2,874	\$11,691	\$29,235	\$31,798	\$61,030	\$0	\$0	\$0	\$61,030
Real Estate Taxes	\$2,702	\$10,839	\$0	\$0	\$63,885	\$77,526	\$97,585	\$175,991	\$0	\$0	\$4,705	\$179,796
Interest Expense	\$0	(\$85,223)	\$397,023	\$106,098	\$657,844	\$1,075,741	\$375,813	\$1,451,554	\$0	\$0	\$0	\$1,451,554
Insurance	\$37,468	\$1,556	\$126,162	\$83,024	\$79,177	\$327,417	\$59,614	\$387,031	\$0	\$0	\$50,270	\$437,300
Bad Debt Expense	\$0	\$0	\$5,457	\$35,714	(\$2,956)	\$38,215	\$14,691	\$52,906	\$0	\$0	\$41,104	\$94,010
Other Operating Expenses	\$9,091	\$8,525	\$100,415	\$54,442	\$74,305	\$246,777	\$62,598	\$309,376	\$326	\$0	\$7,212	\$316,914
<b>Total Operating Expense</b>	\$1,908,408	(\$43,415)	\$8,349,494	\$4,788,228	\$6,540,402	\$21,543,117	\$4,850,234	\$26,493,350	\$83,931	\$0	\$8,072,981	\$34,566,263
<b>Profit (Loss) from Operations</b>	\$182,770	\$43,415	(\$270,489)	(\$189,722)	(\$468,514)	(\$702,540)	(\$500,331)	(\$1,202,871)	(\$83,931)	\$0	\$29,800	(\$1,257,002)
Contributions - Revenue	\$0	\$0	\$39,327	\$0	\$0	\$39,327	\$0	\$39,327	\$0	\$0	\$34,048	\$73,375
Realized Gain/(Loss) on Investments	\$1,020,940	\$13	\$0	\$5	\$0	\$1,020,959	\$19,782	\$1,040,740	\$133,019	\$699	\$179,453	\$1,353,882
Change in Fair Value of Interest Rate Swap	\$0	\$607,034	\$1,513,402	\$378,652	\$958,725	\$3,757,813	\$0	\$3,757,813	\$0	\$0	\$0	\$3,757,813
Other Non-operating Revenue/(Expense)	\$30,353	\$0	\$31,833	(\$9,300)	\$15,980	\$68,845	\$18,022	\$86,868	\$0	\$0	\$29,206	\$116,073
Unrealized Gain (Loss) on Investments	(\$1,698,323)	\$0	\$0	\$0	\$0	(\$1,698,323)	\$0	(\$1,698,323)	(\$295,007)	\$1,296	(\$359,484)	(\$2,351,498)
<b>Total Non-Operating Revenues/(Expenses)</b>	(\$647,029)	\$607,047	\$1,684,561	\$369,357	\$974,685	\$3,188,621	\$37,804	\$3,226,425	(\$127,940)	\$1,966	(\$150,805)	\$2,949,646
<b>Net Profit (Loss)</b>	(\$464,259)	\$950,462	\$1,314,072	\$179,634	\$506,172	\$2,486,081	(\$462,527)	\$2,023,554	(\$211,872)	\$1,966	(\$121,005)	\$1,692,643

### 3. EveryAge Cash Flow Statement

For the period ended December 31, 2024 (Unaudited)

	Home Office	BellaAge	Abernethy Laurels	Piedmont Crossing	Providence Place	North Carolina Total	Lake Prince Woods	EveryAge Obligated Group	EveryAge Foundation	EA Holding	PACE	EveryAge Consolidated Organization
<b>Operating Activities:</b>												
Change in Net Assets Without Donor Restrictions	(\$464,259)	\$950,462	\$1,314,072	\$179,634	\$506,172	\$2,486,081	(\$462,527)	\$2,023,554	(\$211,872)	\$1,966	(\$121,005)	\$1,692,643
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>												
Net realized and unrealized gain on investments	\$677,382	(\$13)	\$0	(\$5)	\$0	\$677,364	(\$19,782)	\$657,582	\$161,989	(\$1,966)	\$171,782	\$989,388
Change in allowance for doubtful accounts	\$0	\$0	\$2,492	\$14,242	\$515,046	\$531,780	\$7,250	\$539,030	(\$1,093)	\$0	(\$1,314)	\$536,622
Depreciation	\$97,287	\$0	\$816,161	\$387,918	\$546,202	\$1,847,568	\$621,162	\$2,468,730	\$0	\$0	\$68,765	\$2,537,495
Gain on Disposal of Fixed Asset	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$913)	(\$913)
Amortization of deferred costs	\$0	\$4,520	\$10,150	\$2,874	\$11,691	\$29,235	\$27,073	\$56,308	\$0	\$0	\$0	\$56,308
Amortization of advance fees	\$0	\$0	(\$514,995)	(\$483,727)	\$0	(\$998,722)	(\$669,619)	(\$1,668,341)	\$0	\$0	\$0	(\$1,668,341)
Amortization of bond discounts	\$0	\$0	\$0	\$0	\$0	\$0	\$4,723	\$4,723	\$0	\$0	\$0	\$4,723
Amortization of bond premiums	\$0	\$0	(\$23,590)	(\$4,990)	(\$8,103)	(\$36,683)	(\$42,073)	(\$78,757)	\$0	\$0	\$0	(\$78,757)
Entrance fees received	\$0	\$0	\$852,226	\$1,489,335	\$0	\$2,341,561	\$670,526	\$3,012,087	\$0	\$0	\$0	\$3,012,087
Temporarily restricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$10,501)	(\$10,501)
Change in value of fund balances	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36,184	\$0	(\$14,447)	\$21,737
Change in value of gift annuities	\$11,550	\$0	\$0	\$0	\$0	\$11,550	\$0	\$11,550	\$0	\$0	\$0	\$11,550
<b>(Increase) decrease in:</b>												
Accounts receivable(net)	\$0	\$0	(\$293,300)	(\$10,630)	(\$3,563,087)	(\$3,867,017)	\$430,253	(\$3,436,764)	\$0	\$0	\$66,922	(\$3,369,842)
Other receivables	\$3,290	\$291,600	\$36,207	\$125,423	(\$7,323)	\$449,197	(\$14,002)	\$435,195	(\$2,401)	\$0	\$694,318	\$1,127,111
Prepays	(\$343,870)	\$2,241	(\$2,076)	(\$17,317)	\$0	(\$361,022)	\$9,370	(\$351,652)	(\$4,442)	\$0	(\$47,646)	(\$403,741)
Other current assets	\$0	\$0	\$0	\$0	(\$2,430,051)	(\$2,430,051)	\$0	(\$2,430,051)	\$0	\$0	\$0	(\$2,430,051)
<b>Increase (decrease) in:</b>												
Accounts payable	\$43,178	\$477,935	(\$16,347)	\$86,846	\$1,207,748	\$1,799,360	\$103,052	\$1,902,412	\$76,309	\$0	\$194,763	\$2,173,484
Accrued expenses and other payables	\$93,626	(\$286)	(\$155,258)	(\$200,832)	\$414,628	\$151,878	(\$65,923)	\$85,955	(\$384)	\$0	(\$197,466)	(\$111,894)
Other Current Liabilities	(\$36,888)	\$29,403	\$206,760	\$33,431	\$435,222	\$667,929	\$115,783	\$783,712	\$0	\$0	(\$87,418)	\$696,294
Residents' personal funds liabilities	\$0	\$0	\$0	\$0	\$18,115	\$18,115	\$0	\$18,115	\$0	\$0	\$0	\$18,115
Security Deposits	\$0	\$15,618	\$0	\$0	\$18,791	\$34,409	\$0	\$34,409	\$0	\$0	\$0	\$34,409
Resident escrows	\$0	\$0	\$0	\$15,700	\$0	\$15,700	(\$4,500)	\$11,200	\$0	\$0	\$0	\$11,200
Intercompany	(\$475,235)	(\$318,418)	\$331,437	(\$790,445)	\$1,522,350	\$269,689	(\$204,140)	\$65,549	\$38,928	\$0	(\$130,532)	(\$26,055)
<b>Net Cash provided by operating activities</b>	<b>(\$393,939)</b>	<b>\$1,453,061</b>	<b>\$2,563,938</b>	<b>\$827,457</b>	<b>(\$812,598)</b>	<b>\$3,637,919</b>	<b>\$506,627</b>	<b>\$4,144,546</b>	<b>\$93,218</b>	<b>\$0</b>	<b>\$585,309</b>	<b>\$4,823,073</b>
<b>Cash flows from investing activities:</b>												
Change of assets limited as to use	(\$410,263)	\$0	\$0	\$0	(\$323,679)	(\$733,942)	(\$681,287)	(\$1,415,229)	\$44,085	\$0	\$5,805	(\$1,365,340)
Advances from related parties, net	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchases of property and equipment	\$1,933,040	(\$4,929,739)	(\$701,520)	(\$228,089)	(\$43,985,081)	(\$47,911,389)	(\$176,479)	(\$48,087,868)	\$0	\$0	(\$1,069,070)	(\$49,156,938)
<b>Net cash used by investing activities</b>	<b>\$1,522,777</b>	<b>(\$4,929,739)</b>	<b>(\$701,520)</b>	<b>(\$228,089)</b>	<b>(\$44,308,759)</b>	<b>(\$48,645,331)</b>	<b>(\$857,766)</b>	<b>(\$49,503,097)</b>	<b>\$44,085</b>	<b>\$0</b>	<b>(\$1,063,265)</b>	<b>(\$50,522,277)</b>
<b>Cash flows from financing activities</b>												
Borrowing (payments) on line of credit, net	\$391,914	\$0	\$0	\$0	\$0	\$391,914	\$0	\$391,914	\$0	\$0	\$0	\$391,914
Entrance fees refunded	\$0	\$0	(\$244,796)	(\$51,189)	\$0	(\$295,985)	(\$105,399)	(\$401,384)	\$0	\$0	\$0	(\$401,384)
Deposits on advanced fees	\$0	\$0	\$0	(\$110,598)	\$0	(\$110,598)	\$475	(\$110,123)	\$0	\$0	\$0	(\$110,123)
Interest Rate Swap	\$0	(\$907,034)	(\$1,513,402)	(\$378,652)	(\$958,725)	(\$3,757,813)	\$0	(\$3,757,813)	\$0	\$0	\$0	(\$3,757,813)
Debt Issuance Costs	\$227,265	\$0	(\$18,700)	(\$8,800)	(\$1,402,917)	(\$1,203,152)	\$0	(\$1,203,152)	\$0	\$0	\$0	(\$1,203,152)
Bond Premiums	\$0	\$0	\$0	\$0	\$682,238	\$682,238	\$0	\$682,238	\$0	\$0	\$0	\$682,238
New debt / leases	\$0	\$4,398,585	\$0	\$0	\$48,710,000	\$53,108,585	\$456,263	\$53,564,849	\$0	\$0	\$1,126,346	\$54,691,195
Principal payments of long-term debt / leases	\$0	\$0	(\$85,520)	(\$34,480)	(\$50,390)	(\$170,390)	\$0	(\$170,390)	\$0	\$0	\$0	(\$170,390)
<b>Net cash used by financing activities</b>	<b>\$619,179</b>	<b>\$3,491,551</b>	<b>(\$1,862,417)</b>	<b>(\$583,719)</b>	<b>\$46,980,206</b>	<b>\$48,644,799</b>	<b>\$351,339</b>	<b>\$48,996,138</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,126,346</b>	<b>\$50,122,484</b>
<b>Net increase(decrease) in cash &amp; cash equivalents</b>	<b>\$1,748,016</b>	<b>\$14,874</b>	<b>\$0</b>	<b>\$15,649</b>	<b>\$1,858,848</b>	<b>\$3,637,387</b>	<b>\$200</b>	<b>\$3,637,587</b>	<b>\$137,303</b>	<b>\$0</b>	<b>\$648,390</b>	<b>\$4,423,280</b>

**4. EveryAge Profit and Loss Statement (Fiscal Year 2025), Budget)**  
 (without Lake Prince Woods, Carolina SeniorCare, and EveryAge Foundation)

	Home Office Budget	BellaAge Budget	Abernethy Laurels Budget	Piedmont Crossing Budget	Providence Place Budget	North Carolina Budget
<b>OPERATING REVENUES:</b>						
Health Care	\$0	\$0	\$20,680,786	\$10,980,284	\$16,250,348	\$47,911,418
Home Care	\$0	\$0	\$808,821	\$771,768	\$0	\$1,580,589
Rental	\$0	\$657,281	\$0	\$0	\$852,334	\$1,509,615
Pavilion/Assisted Living	\$0	\$0	\$1,124,287	\$685,821	\$4,686,122	\$6,496,230
Residential Living	\$0	\$0	\$6,701,654	\$5,191,002	\$2,777,717	\$14,670,373
<b>Net Service Revenue</b>	\$0	\$657,281	\$29,315,548	\$17,628,875	\$24,566,521	\$72,168,225
Amortization of Advance Fees	\$0	\$0	\$2,192,094	\$1,950,000	\$0	\$4,142,094
Other Operating Revenue	\$8,848,706	\$0	\$212,457	\$108,766	\$9,938	\$9,179,867
<b>Total Operating Revenue</b>	\$8,848,706	\$657,281	\$31,720,099	\$19,687,641	\$24,576,459	\$85,490,186
<b>OPERATING EXPENSES:</b>						
Health Care	\$0	\$0	\$8,423,586	\$5,397,865	\$6,983,320	\$20,804,771
Medical Records	\$0	\$0	\$80,567	\$47,378	\$41,743	\$169,688
Personnel	\$2,395,337	\$41,778	\$4,982,132	\$3,307,394	\$3,397,730	\$14,124,371
Laundry	\$0	\$0	\$191,001	\$134,433	\$200,258	\$525,692
Social Services	\$0	\$0	\$156,197	\$137,215	\$88,150	\$381,562
Activities	\$0	\$40,196	\$319,622	\$127,637	\$250,577	\$738,032
Spiritual Life	\$0	\$0	\$66,804	\$71,276	\$67,980	\$206,060
Housekeeping	\$0	\$0	\$889,611	\$485,393	\$698,661	\$2,073,665
Plant Maintenance	\$0	\$216,950	\$2,325,133	\$1,686,305	\$1,957,568	\$6,185,956
Staff Development	\$0	\$0	\$113,811	\$30,200	\$72,100	\$216,111
Independent Living	\$0	\$0	\$0	\$0	\$10,000	\$10,000
Pavilion/Assisted Living	\$0	\$0	\$663,902	\$242,621	\$1,021,131	\$1,927,654
Clinic	\$0	\$0	\$92,083	\$22,000	\$53,017	\$167,100
Home Care	\$0	\$0	\$655,145	\$605,254	\$0	\$1,260,399
Resident Services	\$0	\$0	\$57,143	\$161,714	\$58,140	\$276,997
Transportation	\$0	\$0	\$104,151	\$35,043	\$17,469	\$156,663
Dietary	\$0	\$0	\$2,680,563	\$1,874,007	\$2,134,366	\$6,688,936
Life Enrichment	\$0	\$0	\$164,205	\$0	\$53,210	\$217,415
Beauty Shop	\$0	\$0	\$0	\$25,000	\$0	\$25,000
Day Care	\$321,947	\$0	\$0	\$0	\$0	\$321,947
<b>General and Administrative:</b>						
Administration	\$5,178,070	\$196,181	\$848,831	\$578,469	\$637,120	\$7,438,671
Marketing	\$0	\$0	\$385,917	\$408,000	\$255,939	\$1,049,856
Management Fees	\$0	\$26,291	\$2,061,806	\$1,279,697	\$948,965	\$4,316,759
Depreciation	\$466,820	\$516,250	\$3,421,093	\$1,799,654	\$2,223,272	\$8,427,089
Amortization	\$0	\$18,084	\$39,169	\$10,822	\$46,571	\$114,646
Real Estate Taxes	\$7,625	\$0	\$0	\$0	\$248,623	\$256,248
Interest Expense	\$0	\$1,006,793	\$1,720,950	\$394,220	\$2,325,796	\$5,447,759
Insurance	\$164,212	\$37,289	\$538,511	\$360,300	\$354,968	\$1,455,280
Credit Loss Expense	\$0	\$0	\$117,262	\$70,516	\$255,000	\$442,778
Other Operating Expenses	\$45,262	\$13,031	\$440,285	\$245,272	\$262,084	\$1,005,934
<b>Total Operating Expense</b>	\$8,579,273	\$2,112,843	\$31,539,480	\$19,537,685	\$24,663,758	\$86,433,039
<b>Profit (Loss) from Operations</b>	\$269,433	(\$1,455,562)	\$180,619	\$149,956	(\$87,299)	(\$942,853)
Contributions - Revenue/(Expense)	(\$208,398)	\$0	\$125,000	\$0	\$0	(\$83,398)
Realized Gain/(Loss) on Investments	\$3,230,000	\$5,000	\$0	\$0	\$0	\$3,235,000
Change in Fair Value of Interest Rate Swap	\$0	\$0	\$0	\$0	\$0	\$0
Other Non-operating Revenue/(Expense)	\$15,000	\$0	\$58,500	\$47,500	\$0	\$121,000
Unrealized Gain (Loss) on Investments	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Non-Operating Revenues/(Expenses)</b>	\$3,036,602	\$5,000	\$183,500	\$47,500	\$0	\$3,272,602
<b>Net Profit (Loss)</b>	\$3,306,035	(\$1,450,562)	\$364,119	\$197,456	(\$87,299)	\$2,329,749