Disclosure Statement

February 28, 2025

River Landing at Sandy Ridge

A Division of The Presbyterian Homes, Inc. dba Brightspire

1575 John Knox Drive
Colfax, NC 27235
(336) 668-4900

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 28, 2026;**
- **Delivery of the Disclosure Statement to a contracting party before execution of a contract for continuing care is required;**
- **This Disclosure Statement has not been reviewed or approved by any government agency or representative to ensure accuracy or completeness of the information set out.**

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I. ORGANIZATION INTRODUCTION AND INFORMATION

A. Narrative Description of the Organization and Its Operation

The Presbyterian Homes, Inc. dba Brightspire (formerly The Presbyterian Home, Inc. and The Presbyterian Home for the Aged, Inc.), located at 2109 Sandy Ridge Road, Colfax, NC 27235, was incorporated as a not-for-profit corporation on December 17, 1946 and began operation in January 1952. On August 16, 1984 the charter was amended to create a corporate umbrella to oversee operation of The Presbyterian continuing care retirement communities throughout North Carolina. The community in Colfax is named River Landing at Sandy Ridge and is designated as an operating division of The Presbyterian Homes, Inc. dba Brightspire. The other division of the corporation is Scotia Village in Laurinburg, NC. The community of Glenaire, Inc., in Cary, NC, is a controlled affiliate of The Presbyterian Homes, Inc. dba Brightspire.

B. Non-Profit/For Profit Status

The Presbyterian Homes, Inc. dba Brightspire is exempt from Federal income taxes under Internal Revenue Code Section 501(c) (3).

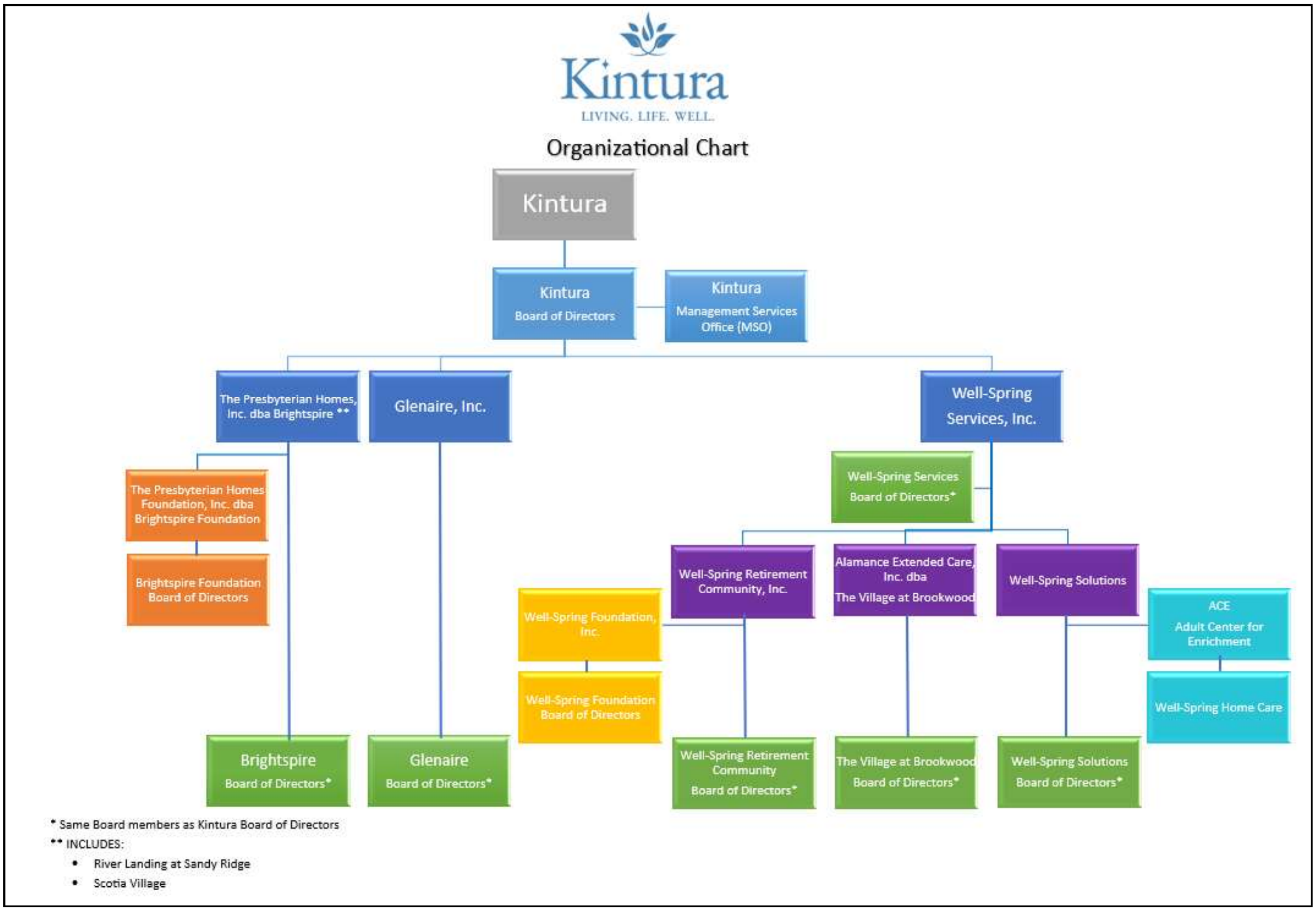
C. Affiliation

Kintura was founded in 2024 through the affiliation of the former organizations The Presbyterian Homes, Inc., (d/b/a Brightspire) and Well-Spring Services, Inc. (d/b/a The Well-Spring Group). Kintura, located in Greensboro, N.C., is a North Carolina not-for-profit corporation chartered by the State of North Carolina in 2024. Kintura is the controlling corporate parent of each Kintura affiliated life plan community. As the corporate parent Kintura shall appoint the board of directors of each Kintura life plan community and shall serve as the sole corporate member of each life plan community.

While each Kintura life plan community has its own board, the common parent Kintura board and its life plan community boards follow a board members-in-common model which means that individuals who sit on the board of directors for the common parent Kintura board also sit on the boards of directors of the individual life plan community boards at the same time, essentially sharing their board membership. Decision-making for each life plan community is made by the life plan community board. The board of directors of the common parent, Kintura, as well as each life plan community board consists of fifteen members, two of which are residents of Kintura life plan communities. A Kintura Board of Directors-appointed Board of Advisors – made up of resident representatives of each Kintura life plan community – provides insight and feedback to help inform Kintura decision-making.

Currently within Kintura, there exists two financially obligated groups for any indebtedness by the life plan communities. One obligated group within Kintura is jointly obligated for the indebtedness of the Glenaire, River Landing at Sandy Ridge and Scotia Village life plan communities. The second obligated group is jointly obligated to pay the indebtedness of The Village at Brookwood and Well-Spring Retirement Community life plan communities. The two obligated groups are not combined and are not obligated to pay the indebtedness of the other.

All resident care contracts and agreements are made between the individual Kintura life plan community and the resident(s).



II. FACILITY INTRODUCTION AND INFORMATION

A. Narrative Description of the Community and Its Operation

River Landing at Sandy Ridge consists of the following types of accommodations:

<u>Independent Living</u> includes 12 townhomes, 30 villas and 90 cottages. These accommodations are divided into four villages that are separate from, but within walking distance to the community center.

There are an additional 188 accommodations including one, two and three-bedroom apartments located within the community center.

Furniture is not provided but all accommodations have kitchens, telephone jacks, cable television outlets, washers and dryers.

<u>Residential Assisted Living</u> includes 14 studios and 26 one-bedrooms. Furniture is not provided but all accommodations have kitchens, telephone jacks and cable television outlets.

<u>Assisted Living Memory Care</u> includes a 16-room Alzheimer's/Dementia, memory care area.

Health Care includes 44 skilled nursing beds and 16 rehabilitation skilled nursing beds. All but two rooms in health care are private.

B. Non-Profit/For-Profit Status

As a division of The Presbyterian Homes, Inc. dba Brightspire, River Landing at Sandy Ridge is exempt from Federal income taxes under Internal Revenue Code Section 501(c)(3).

C. Legal Description

River Landing at Sandy Ridge is a division of The Presbyterian Homes, Inc. dba Brightspire.

D. Organization

The Presbyterian Homes, Inc. dba Brightspire manages divisions and an affiliate subject to the direction of the Board of Governors.

Mr. Timothy J. Webster is currently the Co-CEO and Co-President of Kintura. Prior to the affiliation, Mr. Webster served as the President and Chief Executive Officer, and Assistant Secretary of The Presbyterian Homes, Inc. dba Brightspire. He has been with the company since April of 1994. During his tenure he has held the positions of Assistant Controller, Controller, Director of Finance, Director of Operations, and Vice President and Chief Operating Officer. Mr. Webster is a Certified Public Accountant.

Mr. Stephen P. Fleming is currently the Co-Chief Executive Officer and Co-President of Kintura. Prior to the affiliation in 2024, Mr. Fleming served as the President and Chief Executive Officer of the Well-Spring Group. Mr. Fleming joined Well-Spring Retirement as Executive Director in July 2000. Prior to joining Well-Spring Retirement, Mr. Fleming served as a Chief Operating Officer of a multi-facility corporation, as an Executive Director of a continuing care retirement community in New Hampshire and as an Administrator of a continuing care retirement community in North Carolina. Mr. Fleming holds an undergraduate degree in Public Health, Health Policy and Administration as well as a master's degree in business administration.

Mr. Hank Lovvorn is currently the Executive Vice President and Chief Operating Officer of Kintura. Prior to the affiliation, Mr. Lovvorn served as the Vice President and Director of Operations of The Presbyterian Homes, Inc. dba Brightspire He has been with the Company since June 2008. Prior to joining The Presbyterian Homes, Inc. dba Brightspire he served as Regional Vice President of Operations for a multi-community retirement organization in Florida.

Mrs. Julia F. Hanover is currently the Executive Vice President and Co-CFO of Kintura. Prior to the affiliation, Mrs. Hanover served as the Vice President and Chief Financial Officer, and Assistant Treasurer of The Presbyterian Homes, Inc. dba Brightspire. She has been with the company since March of 1998. She has served as Director of Finance and Controller since her tenure with the corporation. Mrs. Hanover is a Certified Public Accountant.

Mr. K. Alan Tutterow is currently the Executive Vice President and Co-Chief Financial Officer of Kintura. Prior to the affiliation in 2024, Mr. Tutterow served as the Secretary, Treasurer and Chief Financial Officer of the Well-Spring Group. Mr. Tutterow joined Well-Spring in 1993. Mr. Tutterow is a Certified Public Accountant, a licensed North Carolina Nursing Home Administrator, and a Certified Aging Services Professional.

Mr. Mark Collins is currently the Executive Vice President of Human Resources of Kintura. Prior to the affiliation, Mr. Collins served as the Vice President, Director of Human Resources of The Presbyterian Homes, Inc. dba Brightspire. He has been with the company since September 2012.

Mr. Thomas A. Smith is the Executive Director of River Landing at Sandy Ridge. Mr. Smith joined the staff of The Presbyterian Homes, Inc. dba Brightspire in October of 2002.

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Board Members in Common

Kintura
BOARD OF DIRECTORS
2025

Cantey Alexander 2109 Sandy Ridge Road Colfax, NC 27235	Retired – Triad Regional President Truist Financial Corporation
Jane Baker 2109 Sandy Ridge Road Colfax, NC 27235	Retired – Executive Director NC Board of Examiners for Nursing Homes Administrators
Kathryn "Cookie" Billings **(Co-Chair)** 2109 Sandy Ridge Road Colfax, NC 27235	Retired – Town Manager City of Jamestown
Bob Chandler 2109 Sandy Ridge Road Colfax, NC 27235	Vice President Chandler Concrete Company, Inc.
Tim Clontz **(Treasurer)** 2109 Sandy Ridge Road Colfax, NC 27235	Retired CEO and Executive Director, Community Care Center Senior Vice President, Cone Health
David Coulter 2109 Sandy Ridge Road Colfax, NC 27235	Retired WakeMed, Senior VP, Administrator at Cary Hospital
Wendy Gatlin 2109 Sandy Ridge Road Colfax, NC 27235	Senior Vice President US Trust, Bank of American Private Wealth Management
Barry Goldstein 2109 Sandy Ridge Road Colfax, NC 27235	Retired CFO and Executive Vice President for Office Depot Partner at Grant Thornton, international CPA firm
Lori Haddock **(Chair)** 2109 Sandy Ridge Road Colfax, NC 27235	Managing Partner at Midtown Financial Advisors
Leigh Ann Klee 2109 Sandy Ridge Road Colfax, NC 27235	CFO/COO PACE Communications
Harold Martin Sr., Ph.D. 2109 Sandy Ridge Road Colfax, NC 27235	Chancellor of North Carolina Agricultural and Technical State University
Alexander L. Maultsby 2109 Sandy Ridge Road Colfax, NC 27235	Attorney, Partner Ramseur Maultsby, LLP
Bill McIlwain **(Secretary)** 2109 Sandy Ridge Road Colfax, NC 27235	Retired / District Court Judge
David Sprinkle 2109 Sandy Ridge Road Colfax, NC 27235	Retired Representative for Northwestern Mutual Life Insurance President and CEO of The Todd Organization
Ben Zuraw 2109 Sandy Ridge Road Colfax, NC 27235	Retired Civic educator and law firm partner

None of the Directors is employed by either The Presbyterian Homes, Inc. dba Brightspire or by its operating division, River Landing at Sandy Ridge and the services as Director are without remuneration.

No member of the Board of Directors or the management staff has been convicted of a felony or pleaded nolo contendere to a felony charge, or been held liable or enjoined in a civil action by final judgment, if the felony or civil action involved fraud, embezzlement, fraudulent conversion, or misappropriation of property; or is subject to a currently effective injunctive or restrictive court order; or within the past five years, had any State or Federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department, if the order or action arose out of or related to business activity of health care, including actions affecting a license to operate a foster care community, nursing home retirement home, home for aged, or community subject to this Article 58-64 or a similar law in another state.

No member of the Board of Directors or the named management staff has a ten percent or greater interest in any professional service firm, association, trust, partnership, or corporation which is presently or expects to provide goods, leases or services to the community or to Residents of the community of an aggregate value of $500 or more within any year. No entity that provides or will provide goods or services to the community of $500 or more has a ten percent or greater interest in any members of the Board of Directors or management staff.

Annually each member of the Board of Directors shall state in writing that they are free of a Conflict of Interest and comply with the Code of Conduct. A copy of the Conflict of Interest Statement is included as Exhibit E.

E. Location and Description of Physical Property

River Landing at Sandy Ridge is located at 1575 John Knox Drive, Colfax, NC 27235. The site, consisting of approximately 151 acres, is within the High Point City limits and is located approximately 8.5 miles from downtown High Point, approximately 6 miles from the Greensboro city limits and 12 miles from the Winston-Salem city limits.

F. Number of Residents

As of December 31, 2024 River Landing at Sandy Ridge had 637 Residents all of whom are covered by contracts for continuing care.

III. POLICIES – ADMISSION/OCCUPANCY

A. Health Criteria

Admission is restricted to persons 62 years of age or older, except that in the case of a married couple one spouse must be at least 62 years of age. The other spouse shall be at least 55 years of age.

Admission is contingent upon receipt of a satisfactory medical report which assures that the Resident is capable of residing independently and is able to perform for himself activities of daily living and is free from any communicable disease.

B. Financial and Insurance Criteria

Residents of the community are expected to have sufficient financial resources to pay the entrance fee, monthly fee and other personal expenses for the duration of the anticipated residence at the retirement community.

The Resident shall maintain Medicare Part A, Medicare Part B, and one supplemental health insurance policy or equivalent insurance coverage acceptable to PHI with evidence of such coverage to be provided to PHI upon execution of the Agreement and thereafter from time to time upon request.

C. Changes of Condition Prior to Occupancy

In the event, after payment of entrance fee and before occupancy by Resident, the Resident or Resident's spouse or roommate should die, or if, on account of illness, injury, or incapacity, a Resident would be precluded from occupying a living unit in the community under the terms of the contract for continuing care, or if it is determined that the Resident no longer qualifies for admission to River Landing at Sandy Ridge after execution of such contract, the contract is "automatically cancelled." Any refund due shall be paid within sixty (60) days of termination.

D. Cancellation/Termination

Residents of the community may cancel the contract and leave at any time. The community may cancel the contract, if the Resident violates the rules and regulations applicable to governing the community's Residents. Conditions under which all or any portion of the entrance fee will be refunded are as follows:

1. The Resident may rescind any contract with the community requiring the payment of an entrance fee within thirty (30) days after the later of the execution of the contract or receipt of a disclosure statement, in which event any money or property transferred to the community will be returned in full, less any standard customary charges made by the community to the Resident prior to rescission, which charges shall be applicable only for the period a living accommodation was actually occupied by the Resident. A Resident is not required to move into an accommodation before the expiration of the aforesaid thirty-day period. If the Resident moves into an accommodation during the thirty (30) day period and rescinds the contract during the thirty (30) day period, the Resident will receive a refund of any money paid to the Corporation less a service charge not to exceed the greater of one thousand dollars ($1,000) or two percent (2%) of the entrance fee. Each Resident executing such a contract shall also, prior thereto, receive a copy of this Disclosure Statement. Any refund due shall be paid within sixty (60) days of termination.

2. The community shall refund the full amount of any entrance fee paid by a Resident, without interest, in accordance with the following:

    a. Upon the death of a Resident or Resident's spouse or roommate prior to his/her occupancy of the reserved accommodation, or
    b. Should the Resident or Resident's spouse or roommate be unable to occupy the reserved accommodation because of his/her illness, injury, incapacity, or other such physical or mental health considerations which, in the opinion of the community, made such occupancy by the Resident or Resident's spouse or roommate not feasible, or
    c. Should the Resident or Resident's spouse or roommate not qualify for admission to the community due to financial reversal.

3. Should a Resident cancel his/her Entrance Agreement after the thirty-day cancellation provision before occupancy for any reason other than those stated above, refund will be made by the community of the portion of the Entrance Fee previously paid less an administrative fee to be retained by the community, which non-refundable fee shall total five percent of the total Entrance Fee. Any refund due shall be paid within sixty (60) days of termination of the agreement.

4. Should a Resident leave the community for any reason (voluntarily or involuntarily) during the first 48 months of occupancy, a pro-rated reimbursement will be paid to the Resident as follows:

   a. The first 60 days of occupancy constitutes a trial period in which 96% of the entrance fee would be refunded should the Resident leave for any reason. Any refund due shall be paid within sixty (60) days after the living accommodation has been vacated.

   b. At any time after the expiration of the first sixty (60) days of residence at RLSR, the Resident may terminate the Agreement by giving PHI thirty (30) days prior written notice of such termination. In the event of such termination, the Resident may be entitled to receive a partial refund. Any partial refund shall be determined and paid as follows: Resident shall receive a refund in an amount equal to the Entrance Fee paid to PHI less the applicable Amortization percentage set forth in Paragraph 2(a) of the Residence and Care Agreement for the type of Entrance Fee Option selected by Resident thereof for each full calendar month or portion thereof which has elapsed from Resident's Admission Date to the effective date of termination and less four percent (4%) which is the nonrefundable portion of the Entrance Fee. For avoidance of doubt, all Entrance Fee refunds are calculated assuming and based upon full calendar months. Any portion of a calendar month (whether relating to the month of Resident's Admission Date or the month of Resident's termination date of this Agreement) shall be deemed to be full and separate calendar months for purposes of calculating any Entrance Fee refund. Any refund due will be paid at such time that the resident living accommodation has been reserved by a prospective resident and the prospective resident has paid the resident entrance fee.

5. Termination by PHI. PHI may terminate this Agreement at any time if there has been a material misrepresentation or omission made by the Resident in the Resident's Application for Admission, Personal Health History or Confidential Financial Statement; if a material change in the Resident's health takes place before occupancy (Admission Date); if the Resident fails to make payment to PHI of any fees or charges due RLSR within sixty (60) days of the date when due; if the Resident does not abide by the rules and regulations adopted by PHI as determined by PHI; or Resident breaches any of the terms and conditions of this Agreement. In the event of termination for any of such causes the Resident may be entitled to a partial refund of the Entrance Fee paid by the Resident determined in accordance and paid in the same manner as provided above.

E. Moves

The community has the authority to determine that the Resident should be transferred from the Resident's independent living accommodation to the Health Center or from one level of care to another level of care within the Health Center. Such determination will be based on the professional opinion of the attending physician and the Executive Director of the community and will be made only after consultation to the extent practical with the Resident, a representative of the Resident's family or the sponsor of the Resident.

If it is determined by the attending physician that the Resident needs care beyond that which can be provided by the community and personnel of the community, the Resident may be transferred to a hospital, center or institution equipped to give such care, which care will be at the expense of the

Resident. Such transfer of the Resident will be made only after consultation to the extent possible with the Resident, a representative of the Resident's family or the sponsor of the Resident.

If a determination is made by the community that any transfer described above is permanent, the Resident must surrender the living accommodation occupied by the Resident prior to such transfer. If the community subsequently determines, upon the opinion of the attending physician and the Executive Director, that the Resident can resume occupancy in accommodations comparable to those occupied by the Resident prior to such transfer, the Resident will have priority to such accommodations as soon as they become available.

F. Marriage/New Second Occupant

If a Resident, while occupying a living accommodation, marries a person who is also a Resident, the two Residents may occupy the living accommodation of either Resident and shall surrender the living accommodation not to be occupied. No refund will be payable with respect to the living accommodation surrendered. Such married Residents will pay the monthly charge for double occupancy associated with the living accommodation occupied by them.

In the event that a Resident shall marry a person who is not a Resident of River Landing at Sandy Ridge, the spouse may become a Resident, if such spouse meets all of the then current requirements for admission to River Landing at Sandy Ridge, enters into a then current version of the Residence and Care Agreement with the community and pays an entrance fee in an amount determined by the community in its discretion, but in any event, no more than two-thirds of the then current entrance fee associated with the type of living accommodation to be occupied by the Resident and spouse. The Resident and spouse shall pay the monthly charge for double occupancy associated with the living accommodation occupied by them. If the Resident's spouse/roommate shall not meet the requirements of River Landing at Sandy Ridge for admission as a Resident, the Resident may terminate this agreement.

G. Inability to Pay

A Resident of River Landing at Sandy Ridge will not be required to leave the community solely for inability to pay the fees. Should circumstances arise which indicate a lack of good faith on the part of a Resident regarding the ability to pay the required fees, the Board of Trustees would consider and approve any action concerning the Resident's privilege to remain in the community.

IV. SERVICES

A. Standard Services Available

Services provided by River Landing at Sandy Ridge which are included in the base fee are as follows: living accommodations, a meal allowance of $400 per month for Residents living in the apartments and $250 per month for Residents living outside the main building, utilities (except residences outside the main building), laundry, weekly housekeeping services, basic maintenance and repairs, grounds keeping, parking, common areas, transportation, activities and 14 grace days per year in skilled nursing.

B. Services Available at Extra Charge

Residents will be expected to pay for physicians, medical/surgical specialists and practitioners, hospital costs, all drugs and special treatments that cannot be provided by the Health Care community.

Other services available at extra charge include telephone installation charge, the cost of telephone services, extra meals, special medical services and beauty and barber services. An additional charge may be made for transportation for special personal or group trips.

C. Health Services Available

River Landing at Sandy Ridge provides skilled care for the benefit of its Residents. An outpatient clinic is open Monday through Friday to provide health services for those residing in Independent Living. The clinic which is staffed by a full-time nurse, provides free of charge, blood pressure checks and medication monitoring. The clinic also provides wound care dressing changes and can draw blood for lab tests, as prescribed by a physician, and charges the resident for these services.

The community employs a Medical Director who is responsible for the health care of each Resident unless the Resident has designated another physician to provide care. Pharmaceutical services are provided under a contract by a pharmacy. Physical Therapy, Occupational Therapy, Speech Therapy, Podiatry and Dental Services are provided by appointment as ordered or approved by the attending physician.

D. Personal Services Available

For purposes of counseling and assistance, River Landing at Sandy Ridge will provide professional staff in Resident relations, social work, activities and a chaplain. Visits by outside counselors are facilitated. Recreation, entertainment and a specialized wellness program for Residents called "Encompass" have been introduced to meet the needs and interests of the Residents.

V. FEES

A. Application/Registration Fee

The community has a non-refundable application fee of $200 per person or couple, which is due upon submission of an application.

B. Entrance Fees

An entrance fee is a payment that assures a Resident a place in a community for a term of years or for life. Upon entrance to River Landing at Sandy Ridge, any individual or couple moving into an apartment, townhome, cottage, villa, or health care accommodation will pay a one-time entrance fee. The amount of the entrance fee depends on the type of accommodation. If the cottage, villa or townhome does not have a sunroom, the entrance fee is $20,000 less. Below is a schedule of entrance fees:

Type of Unit	
Residential Apartments	
*One bedroom	$153,000
*Two bedroom	$214,000
*Three bedroom	$313,000
*Three bedroom deluxe	$410,000 - $438,000
*** Add $5,000 for apartment with patio or balcony**	
Residential Hybrid Apartments	
Two bedroom	$395,000 - $434,000
Two bedroom with den	$469,000
Three bedroom	$535,000

Townhomes

Two bedroom	$276,000
Three bedroom	$370,000

Villas

Two bedroom	$300,000
Three bedroom	$397,000

Cottages

Two bedroom	$360,000 - $485,000
Three bedroom	$500,000 - $595,000

Health Care

Residential Assisted Living	
Studio	$20,000
One bedroom	$25,000
Alzheimer/Dementia Care	$11,500
Skilled nursing	$11,500

C. Monthly Fee

Below is a schedule of monthly fees:

Type of Unit	
Residential Apartments	
One bedroom	$3,817
Two bedroom	$4,693
Three bedroom	$4,990
Three bedroom deluxe	$5,618
Residential Hybrid Apartments	
Two bedroom	$5,071 - $5,139
Two bedroom with den	$5,208
Three bedroom	$5,784
Townhomes	
Two bedroom	$4,719
Three bedroom	$5,041
Villas	
Two bedroom	$4,786
Three bedroom	$5,104
Cottages	
Two bedroom	$4,912
Three bedroom	$5,165
Cottages (New)	
Two bedroom	$5,166
Three bedroom	$5,301
Second Person Fee	$1,659

Health Care	
Residential Assisted Living	
Studio	$6,354
One bedroom	$7,804
Alzheimer/Dementia Care	$10,064
Skilled Nursing – discounted rate	$434/day

D. Fee Change Policy

The monthly fee is fixed by the Board of Trustees of the community. In order to continue operation on a sound financial basis and to assure maintenance of required services, the Board of Trustees may in its absolute discretion increase or decrease the monthly fee, thus there is no limitation as to such decrease or increase. A thirty-day (30) notice is given prior to a change in fees.

E. Changes in Fees for the Previous Five (5) Years

Following is a schedule of monthly fee changes for the previous five years. Monthly fees change annually every January 1st. This schedule includes independent living including second person fees, assisted living and skilled nursing rate changes.

	1-1-2021	**1-1-2022**	**1-1-2023**	**1-1-2024**	**1-1-2025**
Average Dollar Increase	$121	$155	$300	$263	$217

VI. FINANCIAL INFORMATION

A. Financial Overview Statement

The Presbyterian Homes, Inc. dba Brightspire and River Landing at Sandy Ridge are dedicated to maintaining a sound financial operation and are dependent upon revenue from entrance fees and service fees from Residents of River Landing at Sandy Ridge. Operating expenses are closely monitored to ensure the provision of quality services in the most cost-effective manner possible.

B. Reserves, Escrow and Trusts

According to the provisions of G.S. 58-64-33, The Presbyterian Homes, Inc. dba Brightspire is required to have operating reserves equal to 25% of its operating costs projected for the first fiscal year of the forecast, if occupancy levels remain in excess of 90%. Scotia Village, River Landing at Sandy Ridge and Glenaire, Inc. have and expect to maintain an occupancy rate in excess of 90%.

The required reserve for 2025 based on the forecasted operating costs is $24,894,000 and is shown on the balance sheet as Reserves Required by State Statute. These assets are managed by Bank of America. The current investment manager is Mr. Todd Glosson, Managing Director, Institutional Investments, U.S. Trust, Bank of America.

VII. OTHER MATERIAL INFORMATION

A. Explanation of Material Differences

The threshold for materiality is $2,000,000. (Continued on Page 13)

(in thousands of dollars)	2024 Forecast	2024 Audit	Difference	Explanation $2,000/($2,000)
Statement of Balance Sheets				
Cash and cash equivalents	6,747	11,523	(4,776)	Note 1
Assets limited as to use, required for current liabilities	3,904	3,704	200	
Accounts receivable	3,283	2,762	521	
Other receivables	1,763	2,824	(1,061)	
Other current assets	1,093	619	474	
Under bond agreement	-	47	(47)	
Reserves required by state statute	23,843	23,844	(1)	
Endowment funds	4,773	5,086	(313)	
Residents' cash deposits	63	103	(40)	
Investments	114,867	146,764	(31,897)	Note 1
Deferred CON costs	81	83		
Other Assets		2,006	(2,006)	Note 7
Interest rate swap agreement	3,899	1,263	2,636	Note 2
Land, buildings and equipment	572,726	561,066	11,660	Note 3
Construction in progress	-	6,011	(6,011)	Note 3
Accumulated depreciation	(149,469)	(152,837)	3,368	Note 4
Current maturities of long-term debt	10,517	10,503	14	
Accounts payable	5,191	5,048	143	
Accrued expenses	1,888	2,472	(584)	
Accrued interest	3,041	2,895	146	
Other accrued expenses	755	1,417	(662)	
Estimated refundable entrance fees	1,137	1,170	(33)	
Long-term debt	179,588	179,612	(24)	
Deferred revenue - nonrefundable fees	90,082	64,810	25,272	Note 5
Deferred revenue - refundable fees	35,517	89,544	(54,027)	Note 5
Refundable entrance fees	33,557	18,339	15,218	Note 5
Admission deposits	3,926	3,063	863	
Other accrued expenses	2,089	1,532	557	
Residents' cash deposits	66	103	(37)	
Assets without donor restrictions	211,658	224,318	(12,660)	Note 6
Assets with donor restrictions	8,561	10,040	(1,479)	
Statements of Operations				
Amortization of advance fees	29,965	19,690	10,275	Note 5
Service fees, residential	49,483	50,561	(1,078)	
Service fees, assisted living	9,686	9,469	217	
Service fees, nursing	23,534	24,568	(1,034)	
Adult day care	366	307	59	
Food service income	470	658	(188)	
Reimbursed medical	2,384	3,369	(985)	
Golf course revenue	85	129	(44)	
Management fee	1,928	2,568	(640)	
Other	301	320	(19)	
Routine services	22,391	22,124	267	
Resident services	2,103	1,929	174	
Dining services	16,891	16,013	878	
Environmental services	5,202	5,023	179	
Maintenance	10,581	9,941	640	
Marketing	2,016	1,745	271	
Administration	19,676	18,974	702	
Depreciation and amortization	11,042	14,434	(3,392)	Note 4
Bond interest and amortization	8,193	8,672	(479)	
Purchased medial services	2,666	3,287	(621)	
Golf course and grounds expense	1,295	1,252	43	
Miscellaneous, net	159	2,451	(2,292)	Note 8
Contributions	1,471	2,445	(974)	
Net realized investment income	6,310	9,996	(3,686)	Note 1
Net unrealized appreciation of investments	-	22,334	(22,334)	Note 1
Change in fair value of interest rate swap agreement	-	(2,636)	2,636	Note 2
Other	-	(12)	12	
Statement of Cash Flows				
Change in net assets	23,768	37,922	(14,154)	Note 6
Entrance fees received	61,423	63,346	(1,923)	
Amortization of entrance fees	(29,965)	(19,691)	(10,274)	Note 5
Depreciation	11,787	14,434	(2,647)	Note 4
Change in fair value of interest rate swap agreement	-	2,639	(2,639)	Note 2
Realized and Unrealized gains on investments and investment income	-	(20,607)	20,607	Note 1
Net realized investment income	-	(5,825)	5,825	Note 1
Amortization of deferred CON costs	3	-	3	
Amortization of deferred financing costs	170	-	170	
Amortization of bond premium	(918)	-	(918)	
Trade and other receivables	825	654	171	
Other assets	(42)	40	(82)	
Decrease in accounts payable and accrued expenses	(1,165)	(157)	(1,008)	
Residents' cash deposits	-	37	(37)	
Purchases of property and equipment	(22,560)	(16,477)	(6,083)	Note 3
Payments on issuance costs	-	-	-	
Net proceeds (purchases) of investments	24,396	18,104	6,292	Note 1
Principal payments of long-term debt	(84,184)	(84,188)	4	
Refunds of refundable fees	(1,129)	(1,452)	323	

Note 1 - Due to gains on investments and or cash is forecasted to remain constant. We do not forecast investment realized or unrealized gains or losses.

Note 2 - Do not forecast for adjustment in the interest rate swap. There is no put risk on our current swap agreements.

Note 3 - Renovation to the memory care at River Landing and the renovation of the existing assisted living were not complete by the end of 2024.

Note 4 - Depreciation is based on when the asset is placed in service. The forecast only projected 1/2 year of depreciation.

Note 5 - More 50% and 90% contracts were signed in the 2024 fiscal year. Average age of resident in the expansion is lower than in the past therefore their fee paid is amortized over a longer period.

Note 6 - Factor of differences in other categories.

Note 7 -Disclosure statement did not include the management service office investment in PHI Rehab services or Kintura.

Note 8 - Do not forecast for write-off of 3rd party receivables and charity care expenses.

B. Current Certified Financial Statements *(See Exhibit A Attached)*

Audited financial statements of The Presbyterian Homes, Inc. dba Brightspire for the fiscal year ended September 30, 2024, are attached as Exhibit A.

C. Five-Year Projection Statements *(See Exhibit B Attached)*

Five-year forecasted Statements of Financial Position, Statements of Activities and Cash Flows including details of all significant assumptions are attached as Exhibit B.

D. Resident's Agreement/Contract *(See Exhibit C Attached)*

A copy of the current River Landing at Sandy Ridge Residence and Care Agreement, which complies with all contract specifications as per North Carolina General Statute G.S. 58-64-25 (a) and (b), is attached as Exhibit C.

E. Actuarial Summary Report

None required.

F. Interim Financial Statements *(See Exhibit D Attached)*

Interim Financial Statements for the period ended December 31, 2024 are attached as Exhibit D.

Exhibit A

THE PRESBYTERIAN HOMES, INC.
dba BRIGHTSPIRE

COMBINED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

THE PRESBYTERIAN HOMES, INC. DBA BRIGHTSPIRE
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Independent Auditor's Report

To the Board of Trustees
The Presbyterian Homes, Inc. dba Brightspire
Colfax, North Carolina

Opinion

We have audited the combined financial statements of The Presbyterian Homes, Inc. and Its Combined Affiliates dba Brightspire, (the "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, expenses by nature and function, and cash flows for the years then ended and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements referred to above present fairly, in all material respects, the financial position of The Presbyterian Homes, Inc. and Its Combined Affiliates dba Brightspire, as of September 30, 2024 and 2023, and the changes in their net assets and their cash flows for the years then ended in conformity 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 Unites 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 the Organization, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe 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 the Organization's ability to continue as a going concern within one year after the date the combined financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Combined 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. 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 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 the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Bernard Robinson & Company, L.L.P.

Greensboro, North Carolina
January 24, 2025

THE PRESBYTERIAN HOMES, INC. DBA BRIGHTSPIRE
Combined Statements of Financial Position
September 30, 2024 and 2023

Assets

	2024	2023
Current Assets:		
Cash and cash equivalents	**$ 11,522,975**	$ 22,744,380
Assets limited as to use, required for current liabilities	**3,704,411**	1,512,859
Accounts receivable, net of allowance for doubtful accounts **$1,287,530 in 2024;** $1,044,836 in 2023	**2,761,788**	3,192,487
Other receivables	**2,803,797**	2,805,579
Unconditional promises to give, net	**20,000**	40,000
Other	**619,108**	592,368
Total current assets	**21,432,079**	30,887,673
Assets limited as to use, net of amount required for current liabilities:		
Under bond agreement	**47,011**	1,035,025
Reserves required by state statute	**23,844,000**	17,096,000
By donors for permanent endowment funds	**5,085,598**	4,773,991
Residents' cash deposits	**102,906**	65,448
	29,079,515	22,970,464
Investments and other assets:		
Investments	**146,763,674**	147,225,528
Other assets	**2,088,583**	1,027,866
Interest rate swap agreement	**1,262,669**	3,898,918
	150,114,926	152,152,312
Property and Equipment:		
Land, buildings and equipment	**561,066,335**	346,251,576
Construction-in-progress	**6,011,451**	204,373,276
	567,077,786	550,624,852
Less accumulated depreciation	**152,836,719**	137,681,694
	414,241,067	412,943,158
Total assets	**$ 614,867,587**	$ 618,953,607

THE PRESBYTERIAN HOMES, INC. DBA BRIGHTSPIRE
Combined Statements of Financial Position (Continued)
September 30, 2024 and 2023

Liabilities and Net Assets

	2024	2023
Current Liabilities:		
Current maturities of long-term debt	**$ 10,503,361**	$ 84,174,013
Accounts payable	**5,048,440**	8,129,389
Accrued payroll and related expenses	**2,472,190**	1,875,490
Accrued interest	**2,895,079**	685,433
Other accrued expenses	**1,416,858**	751,991
Estimated refundable entrance fees	**1,169,597**	1,136,844
Total current liabilities	**23,505,525**	96,753,160
Long-term debt, less current maturities and unamortized deferred financing costs	**179,612,233**	190,865,972
Deferred revenue and other liabilities:		
Deferred revenue from entrance fees - non refundable	**64,810,821**	50,564,118
Deferred revenue from entrance fees - refundable	**89,544,198**	21,060,383
Refundable entrance fees	**18,338,925**	11,837,788
Admission deposits	**3,063,000**	49,291,140
Other accrued expenses	**1,531,760**	2,079,061
Residents' cash deposits	**102,906**	65,448
	177,391,610	134,897,938
Total liabilities	**380,509,368**	422,517,070
Net Assets:		
Assets without donor restrictions	**224,318,074**	187,875,395
Assets with donor restrictions	**10,040,145**	8,561,142
Total net assets	**234,358,219**	196,436,537
Total liabilities and net assets	**$ 614,867,587**	$ 618,953,607

THE PRESBYTERIAN HOMES, INC. DBA BRIGHTSPIRE
Combined Statements of Operations and Changes in Net Assets
Years Ended September 30, 2024 and 2023

	2024	2023
Changes in net assets without donor restrictions:		
Operating revenues:		
Resident fees, including amortization of entrance fees of **$19,690,982** in **2024** and $12,250,544 in 2023	**$ 104,596,728**	$ 81,974,987
Food service income	**657,762**	501,266
Reimbursed medical	**3,369,173**	2,466,147
Golf course revenue	**128,802**	83,830
Management fee	**2,568,440**	2,205,602
Other	**320,366**	363,046
Total operating revenues	**111,641,271**	87,594,878
Operating expenses:		
Routine services	**22,124,025**	21,969,963
Special services	**1,928,911**	1,816,746
Dining services	**16,013,021**	12,100,510
Environmental services	**5,022,968**	3,680,657
Maintenance	**9,940,699**	7,630,113
Project and development	**340,664**	342,013
Marketing	**1,744,576**	1,578,694
Administrative	**18,634,331**	18,046,191
Depreciation and other charges	**14,434,060**	9,698,615
Bond and note interest, and amortization	**8,672,454**	3,538,181
Purchased medical services	**3,287,327**	3,006,176
Miscellaneous, net	**2,450,612**	1,042,743
Golf course and grounds expense	**1,252,743**	1,154,344
Total operating expenses	**105,846,391**	85,604,946
Increase in net assets without donor restrictions from operations	**5,794,880**	1,989,932
Nonoperating gains (losses):		
Contributions	**542,299**	487,027
Net realized investment income	**9,612,860**	3,650,452
Net unrealized appreciation of investments	**21,691,528**	13,161,992
Net assets released from restrictions	**1,960,498**	857,930
Change in fair value of interest rate swap agreement	**(2,636,249)**	686,578
Other, net	**(12,117)**	221,005
Total nonoperating gains	**31,158,819**	19,064,984
Change in net assets without donor restrictions	**$ 36,953,699**	$ 21,054,916

THE PRESBYTERIAN HOMES, INC. DBA BRIGHTSPIRE
Combined Statements of Operations and Changes in Net Assets (Continued)
Years Ended September 30, 2024 and 2023

	2024	2023
Changes in net assets with donor restrictions:		
Contributions	**$ 1,591,271**	$ 650,134
Contributions in perpetual endowment	**311,699**	214,356
Net unrealized appreciation of investments	**642,193**	558,466
Net realized investment income	**383,318**	180,810
Net assets released from restrictions	**(1,960,498)**	(857,930)
Increase in net assets with donor restrictions	**967,983**	745,836
Changes in net assets	**37,921,682**	21,800,752
Net assets, beginning	**196,436,537**	174,635,785
Net assets, ending	**$ 234,358,219**	$ 196,436,537

THE PRESBYTERIAN HOMES, INC. DBA BRIGHTSPIRE
Combined Statement of Expenses by Nature and Function (Excluding depreciation and amortization, bond and note interest, and miscellaneous, net)
Year Ended September 30, 2024

	Routine Services	Special Services	Dining Services	Environmental Services	Maintenance	Project and Development
Salaries and wages	$ 18,480,410	$ 1,426,281	$ 8,408,459	$ 3,972,692	$ 3,591,582	$ 260,047
Payroll taxes and employee benefits	1,797,484	143,262	677,698	402,879	401,717	29,357
Supplies	945,794	71,762	1,123,605	343,848	236,030	325
Contracted outside services	43,181	5,666	43,967	-	476,256	1,752
Raw food and nourishments	-	-	5,751,986	-	-	-
Repairs and maintenance, equipment	9,670	23,374	152,267	33,429	135,265	-
Repairs and maintenance, buildings	-	-	-	-	1,130,548	-
Repairs and maintenance, grounds	-	-	-	-	221,054	-
Gas	-	-	-	-	282,926	-
Electricity	-	-	-	-	1,906,901	-
Water	-	-	-	-	769,265	-
Telephone	10,242	5,327	827	2,011	9,155	1,326
Dues and subscriptions	19,326	15,004	36,971	211	1,224	1,394
Insurance, general	-	-	26,172	-	-	-
Printing	-	-	-	-	-	42,878
Promotions	712	-	-	-	-	-
Postage	-	-	-	-	-	-
Legal and accounting	22,545	-	-	-	-	-
Consultant's fees	215,813	5,372	-	-	60,634	-
Travel and seminars	21,699	18,371	8,746	-	51,309	2,446
Employee recruitment and retention	4,505	185	623	100	209	-
Meetings and special events	149,603	146,437	(352,523)	2,661	311	-
Purchased medical	23,443	-	-	-	-	-
Outside services	363,647	58,732	133,583	264,779	634,465	-
Rent, buildings and equipment	-	-	-	-	20,661	-
Reimbursed foundation expenses	14,717	8,894	-	-	11,138	-
Miscellaneous	1,234	244	640	358	49	1,139
Changes in net assets without restrictions	$ 22,124,025	$ 1,928,911	$ 16,013,021	$ 5,022,968	$ 9,940,699	$ 340,664

See Notes to Combined Financial Statements

THE PRESBYTERIAN HOMES, INC. DBA BRIGHTSPIRE
Combined Statement of Expenses by Nature and Function (Excluding depreciation and amortization, bond and note interest, and miscellaneous, net) (Continued)
Year Ended September 30, 2024

	Marketing	Administration	Purchased Medical Services	Golf Course	Totals
Salaries and wages	$ 1,015,242	$ 7,704,050	$ -	$ 570,465	$ 45,429,228
Payroll taxes and employee benefits	138,835	5,421,818	-	63,328	9,076,378
Supplies	8,661	256,640	256,815	39,258	3,282,738
Contracted outside services	-	1,781,633	-	84,308	2,436,763
Raw food and nourishments	-	-	-	-	5,751,986
Repairs and maintenance, equipment	1,725	21,325	-	35,076	412,131
Repairs and maintenance, buildings	-	279	-	-	1,130,827
Repairs and maintenance, grounds	-	2,500	-	175,242	398,796
Gas	-	327	-	-	283,253
Electricity	-	11,539	-	-	1,918,440
Water	-	2,028	-	-	771,293
Telephone	1,950	80,721	-	488	112,047
Dues and subscriptions	1,110	68,624	-	257	144,121
Insurance, general	-	1,658,895	-	-	1,685,067
Printing	56,795	10,701	-	-	110,374
Promotions	233,065	-	-	-	233,777
Postage	31,233	16,021	-	-	47,254
Legal and accounting	-	135,941	-	-	158,486
Consultant's fees	129,600	279,274	-	-	690,693
Travel and seminars	984	96,011	-	5,157	204,723
Employee recruitment and retention	110	366,878	-	-	372,610
Meetings and special events	98,421	102,611	-	1,775	149,296
Purchased medical	-	-	3,030,512	-	3,053,955
Outside services	22,632	115,586	-	265,373	1,858,797
Rent, buildings and equipment	-	171,459	-	-	192,120
Reimbursed foundation expenses	-	239,267	-	11,800	285,816
Miscellaneous	4,213	90,203	-	216	98,296
Changes in net assets without restrictions	$ 1,744,576	$ 18,634,331	$ 3,287,327	$ 1,252,743	$ 80,289,265

See Notes to Combined Financial Statements

THE PRESBYTERIAN HOMES, INC. DBA BRIGHTSPIRE
Combined Statement of Expenses by Nature and Function (Excluding depreciation and amortization, bond and note interest, and miscellaneous, net)
Year Ended September 30, 2023

	Routine Services	Special Services	Dining Services	Environmental Services	Maintenance	Project and Development
Salaries and wages	$ 18,052,723	$ 1,340,831	$ 5,906,700	$ 2,884,454	$ 2,404,046	$ 243,694
Payroll taxes and employee benefits	1,788,476	158,568	569,204	348,376	320,237	32,859
Supplies	982,551	39,067	921,566	257,796	201,416	202
Contracted outside services	51,458	2,542	26,569	-	326,750	4,121
Raw food and nourishments	-	-	4,633,099	-	-	-
Repairs and maintenance, equipment	16,562	29,733	153,229	28,587	90,193	-
Repairs and maintenance, buildings	-	-	-	-	1,172,150	-
Repairs and maintenance, grounds	-	-	-	-	181,506	-
Gas	-	-	-	-	320,789	-
Electricity	-	-	-	-	1,390,767	-
Water	-	-	-	-	647,189	-
Telephone	11,968	5,650	819	924	10,325	1,115
Dues and subscriptions	20,686	16,182	23,543	130	2,550	1,561
Insurance, general	-	-	26,381	-	-	-
Printing	-	-	-	-	-	52,947
Promotions	-	-	-	-	-	-
Postage	-	-	-	-	-	1,020
Legal and accounting	21,915	-	-	-	-	-
Consultant's fees	231,128	8,266	-	-	-	-
Travel and seminars	24,784	23,401	21,708	200	52,732	3,210
Employee recruitment and retention	1,855	26	-	-	-	-
Meetings and special events	127,003	96,644	(303,161)	5	294	-
Purchased medical	31,284	-	-	-	-	-
Outside services	606,369	88,499	120,251	159,934	495,840	-
Rent, buildings and equipment	-	-	-	-	-	-
Reimbursed foundation expenses	-	7,058	-	-	12,575	-
Miscellaneous	1,201	279	602	251	754	1,284
Changes in net assets without restrictions	$ 21,969,963	$ 1,816,746	$ 12,100,510	$ 3,680,657	$ 7,630,113	$ 342,013

See Notes to Combined Financial Statements

THE PRESBYTERIAN HOMES, INC. DBA BRIGHTSPIRE
Combined Statement of Expenses by Nature and Function (Excluding depreciation and amortization, bond and note interest, and miscellaneous, net) (Continued)
Year Ended September 30, 2023

	Marketing	Administration	Purchased Medical Services	Golf Course	Totals
Salaries and wages	$ 827,262	$ 6,607,957	$ -	$ 531,022	$ 38,798,689
Payroll taxes and employee benefits	98,091	6,193,359	-	55,751	9,564,921
Supplies	7,547	554,707	282,994	24,020	3,271,866
Contracted outside services	-	1,597,417	-	82,560	2,091,417
Raw food and nourishments	-	-	-	-	4,633,099
Repairs and maintenance, equipment	-	57,356	-	29,290	404,950
Repairs and maintenance, buildings	-	3,182	-	-	1,175,332
Repairs and maintenance, grounds	-	2,400	-	191,516	375,422
Gas	-	311	-	-	321,100
Electricity	-	9,725	-	-	1,400,492
Water	-	1,728	-	-	648,917
Telephone	1,386	78,083	-	604	110,874
Dues and subscriptions	1,113	63,674	-	223	129,662
Insurance, general	-	1,265,657	-	-	1,292,038
Printing	87,014	11,502	-	-	151,463
Promotions	232,262	944	-	-	233,206
Postage	41,800	14,950	-	-	57,770
Legal and accounting	-	153,698	-	-	175,613
Consultant's fees	118,728	55,585	-	-	413,707
Travel and seminars	680	109,198	-	4,831	240,744
Employee recruitment and retention	-	369,624	-	-	371,505
Meetings and special events	146,776	100,612	-	913	169,086
Purchased medical	-	-	2,723,182	-	2,754,466
Outside services	15,901	44,739	-	232,240	1,763,773
Rent, buildings and equipment	-	142,115	-	-	142,115
Reimbursed foundation expenses	-	243,278	-	1,152	264,063
Miscellaneous	134	364,390	-	222	369,117
Changes in net assets without restrictions	$ 1,578,694	$ 18,046,191	$ 3,006,176	$ 1,154,344	$ 71,325,407

THE PRESBYTERIAN HOMES, INC. DBA BRIGHTSPIRE
Combined Statements of Cash Flows
Years Ended September 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Changes in net assets	**$ 37,921,682**	$ 21,800,752
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Entrance fees received	**13,614,740**	14,803,583
Entrance fees received - initial units	**49,730,935**	5,985,577
Amortization of entrance fees	**(19,690,982)**	(12,250,544)
Forfeitures recognized	**-**	-
Depreciation and amortization	**14,434,060**	9,698,615
Change in fair value of interest rate swap agreement	**2,639,033**	(686,578)
Realized and unrealized gains on investments and investment income	**(20,606,848)**	(13,720,458)
Net realized investment income	**(5,825,458)**	(3,588,572)
Investment in perpetual endowment	**-**	(538,362)
Changes in working capital components:		
(Increase) decrease in:		
Trade and other receivables	**654,218**	1,474,760
Other assets	**40,238**	247,440
Increase (decrease) in:		
Accounts payable and accrued expenses	**(157,108)**	(2,381,457)
Residents' cash deposits	**37,458**	28,893
Net cash provided by operating activities	**72,791,968**	20,873,649
Cash flows from investing activities:		
Purchases of property and equipment	**(16,477,438)**	(64,566,946)
Redemption of investments, net of proceeds	**18,103,952**	(24,405,062)
Net cash provided by (used in) investing activities	**1,626,514**	(88,972,008)
Cash flows from financing activities:		
Investment in perpetual endowment	**-**	538,362
Proceeds from issuance of long-term debt	**-**	53,392,916
Principal payments of long-term debt	**(84,187,979)**	(10,037,111)
Refunds of refundable fees	**(1,451,908)**	(6,970,890)
Net cash provided by (used in) financing activities	**(85,639,887)**	36,923,277
Net decrease in cash and cash equivalents	**(11,221,405)**	(31,175,082)
Cash and cash equivalents, beginning	**22,744,380**	53,919,462
Cash and cash equivalents, ending	**$ 11,522,975**	$ 22,744,380
Supplemental disclosures of cash flow information:		
Cash payments for interest	**$ 6,462,808**	$ 3,667,496

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities and Control

The Presbyterian Homes, Inc. dba Brightspire and Glenaire, Inc. (the "Communities") provide housing, health care and other related services to residents. The Presbyterian Homes, Inc. dba Brightspire operates as River Landing at Sandy Ridge in Colfax, North Carolina; and as Scotia Village in Laurinburg, North Carolina. Glenaire, Inc. operates in Cary, North Carolina. The Presbyterian Homes Foundation, Inc. (the "Foundation") is a foundation established to raise funds for support and the future needs of the Communities. PHI Management Services LLC was formed to provide management services to continuing care retirement communities which are not affiliated with Brightspire, Inc. PHI Rehab Services was formed to provide rehabilitation services to the Communities and other continuing care retirement communities. The Communities, the Foundation, PHI Management Services LLC, and PHI Rehab Services are collectively referred to as the "Organization".

The Boards of Trustees of Glenaire, Inc. and The Presbyterian Homes Foundation, Inc. are appointed by and serve at the pleasure of the Board of Governors of The Presbyterian Homes, Inc. dba Brightspire.

A summary of the Organization's significant accounting policies is as follows:

Principles of Combination

The accompanying combined financial statements include the accounts of the above-named entities. All material related-party balances and transactions have been eliminated in the combination.

Cash and Cash Equivalents

For purposes of reporting cash flows, 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 include assets held by trustees under an indenture agreement; assets which must be held in perpetuity under endowment agreements; unconditional promises to give restricted for purchase of property and equipment, repayment of debt, or financial assistance; assets held as deposits; and the operating reserve required by state statute.

Investments and Fair Value

Investments in all debt and equity securities with a readily determinable market value are measured at fair value. The fair values of mutual funds and equity securities are determined based on quoted net asset values and share prices, respectively. The fair value of debt securities are based on quoted market prices. Changes in fair value of investments, including both realized and unrealized gains and losses, are included in the accompanying combined statements of operations and changes in net assets. In determining realized gains and losses, the cost of investments is determined using the first-in, first-out method. Donated investments are stated at fair value at the date of the gift. Unrealized gains and losses on investments, except those determined to be other than temporarily impaired, are excluded from excess of revenue over expenses. Any other than temporary declines are accounted for as a nonoperating loss, whereby the historical cost of the related investment would be adjusted to the then-current fair market value.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

The Communities record accounts receivable at the total unpaid balance which approximates estimated fair value. The Communities determine past-due status on individual accounts based on the billing dates. The Communities estimate their allowance for doubtful accounts based on a combination of factors, including the past historical loss experience and any anticipated effects related to current economic conditions, as well as management's knowledge of the current composition of accounts receivable. Accounts receivable that management believes to be ultimately not collectible are written off upon such determination.

Property and Equipment

Property and equipment are stated at cost or at estimated fair value at the date of donation. Depreciation is determined principally by the straight-line method over the estimated useful lives of the assets, ranging from 3 to 40 years. It is the policy of the Communities to review long-lived assets and intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Paid Annual Leave

After an employee has worked at the Communities for 90 days, they begin to earn paid annual leave ("PAL") time. PAL time may be earned by regular-time employees who work at least 60 hours per pay period. For the first three years of employment, employees may earn up to 23 days of PAL each year, after three years and through five years employees may earn 26 days of PAL each year, and after five years employees may earn 31 days annually. Employees are required to use at least 15 days of PAL each year, with the remaining unused PAL being put into a reserve. Up to 60 days can be accumulated in the reserve. Remaining unused current and reserve PAL is paid to an employee upon proper resignation, retirement or illness. The first 30 days of an employee's PAL reserve can only be used for an extended illness or an employee hardship withdrawal. The second 30 days of an employee's PAL reserve can be used as the employee desires.

At September 30, 2024 and 2023, the total liability for PAL was $2,948,547 and $2,831,052, respectively, and is recorded as other accrued expenses. Of this amount, $1,416,858 and $751,991 is shown as a current liability as of September 30, 2024 and 2023, respectively. The current amount is the amount of PAL that management estimates will be paid out in the next year.

Deferred Financing Costs

Financing costs relative to the permanent financing of the facilities have been deferred and are being amortized using the effective interest method to bond and note interest and amortization on the combined statements of operations and changes in net assets over the terms of the loans. During 2024 and 2023, amortization expense for deferred financing costs was $167,485 and $178,887, respectively.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Financing Costs (Continued)

The following is a schedule by years of the aggregate amortization amounts:

Years Ending September 30,	
2025	$ 155,836
2026	144,135
2027	134,552
2028	119,872
2029	110,236
Thereafter	1,155,774
	$ 1,820,405

Bond Premiums and Discounts

Bond premiums and discounts are being amortized to bond and note interest, and amortization on the combined statements of operations and changes in net assets over the terms of the loans. During 2024 and 2023, the net amortization expense for bond discounts was $917,862 and $926,444, respectively.

The following is a schedule by years of the aggregate amortization:

Years Ending September 30,	
2025	$ 909,393
2026	901,028
2027	892,767
2028	773,546
2029	767,792
Thereafter	7,768,660
	$ 12,013,186

Interest Rate Swap Agreement

The Organization uses derivatives 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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification of Net Assets

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

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.

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.

Changes in Assets Without Restrictions

The combined statements of operations and changes in net assets reflect operating income. Changes in net assets without restrictions that are excluded from operating income, consistent with industry practice, include realized gains and losses on investments, changes in unrealized gains and losses on investments, investment income, income from estates, wills, trusts and bequests, and contributions.

Revenue Recognition

The Organization generates revenues, primarily by providing housing, amenities (recreational, dining, etc.) and access to health care services to its residents. 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 are included in liabilities in the statements 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 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 statements 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 most likely amount to be received from the third-party payors.

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 non-routine or additional services are billed monthly in arrears and recognized when the service is provided.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status

The Presbyterian Homes, Inc. dba Brightspire and Glenaire, Inc. are nonprofit organizations exempt from income taxes under Internal Revenue Code Section 501(c)(3), and The Presbyterian Homes Foundation, Inc. is an organization exempt from income taxes under Internal Revenue Code Section 501(a). The Organization has determined that it does not have any material unrecognized tax benefits or obligations as of September 30, 2024.

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.

Resident Fees

Resident fees represent the estimated net realizable amounts from residents, third-party payors, and others for services rendered. Resident fees are recorded as revenue when earned.

Obligation to Provide Future Services

The Communities annually calculate 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. At September 30, 2024 and 2023, deferred revenue from entrance fees exceeded the present value of the net cost of future services and use of facilities, thus no obligation is recorded.

Estimated Third-Party Payor Settlements

The Communities have agreements with third-party payors that provide for payments to the Communities at amounts different from their established rates. Payment arrangements include prospectively determined per diem payments. Revenue under third-party payor agreements is subject to audit and retroactive adjustments. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between the estimated amounts accrued and interim and final settlements are reported in operations in the year of settlement.

Entrance Fees

Entrance fees are amortized into revenue on a straight-line basis, based on the actuarially determined remaining life expectancy of the resident. This actuarially determined remaining life expectancy of the resident is adjusted annually. The unamortized portion of the fee is shown on the combined statements of financial position as deferred revenue.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Tax Exemption

During 2001, the state of North Carolina passed legislation which provided a property tax exemption for continuing care retirement communities (CCRCs) that expend 5% or more of their operating revenues on benevolent assistance and community service or CCRCs that have financed their facilities with tax-exempt bond financing. Partial exemptions are available for CCRCs which provide some benevolent assistance and community service and CCRCs that have facilities which are partially financed with tax-exempt bond financing. The property tax exemption must be requested each year. Based on the combination of the partial exemptions described above, Management believes that it will qualify for a full property tax exemption.

Benevolent Assistance

The Communities have a policy of providing benevolent assistance to residents who are unable to pay. Such residents are identified based on financial information obtained from the resident and subsequent review and analysis. Since the Communities do not expect to collect the normal charges for services provided, estimated charges for benevolent assistance are not included in revenue. Costs associated with services provided were approximately $4,969,000 and $3,969,000 for the years ended September 30, 2024 and 2023, respectively.

Social Accountability

The Communities provide building space to several religious and charitable organizations and a reduced rental rate to a childcare center. The dollar amount of space provided based upon local fair market value rental rates is approximately $639,000 and $457,000 for the years ended September 30, 2024 and 2023, respectively. The Communities also provide numerous charity benefits which include donated volunteer services in the amounts of approximately $1,321,000 and $766,000 for the years ended September 30, 2024 and 2023, respectively. These contribution amounts are not reflected in the combined statements of operations and changes in net assets.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, receivables and other assets approximate fair value. Investments are reported at fair value as of the date of the combined financial statements. The carrying amount of accounts payable, accrued expenses and other liabilities approximate fair value. The interest rate swap agreement is reported at fair value as of the date of the combined financial statements. Fixed-rate long-term debt is carried at cost net of any unamortized premiums or discounts. The fair value of the fixed-rate long-term debt is approximately $10,000,000 less than the carrying value.

Use of Estimates

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

The Organization evaluated the effect of subsequent events through January 24, 2025, which is the date the combined financial statements were available to be issued. See Note O.

NOTE B - INVESTMENTS

Investments are carried at fair value and consist of the following at September 30, 2024 and 2023:

	2024	2023
Investments:		
Mutual funds:		
Equity funds	**$ 15,451,878**	$ 32,075,522
Fixed-income funds	**44,152,285**	41,455,771
Tangible assets	**1,636,229**	2,845,875
Equity securities	**108,750,894**	86,513,092
Captive insurance	**616,388**	412,165
Government bonds	**-**	1,019,103
	170,607,674	164,321,528
Less assets classified as assets limited as to use:		
Operating reserves required by state statute	**23,844,000**	17,096,000
	$ 146,763,674	$ 147,225,528
Investments included in assets limited as to use:		
Under bond agreement:		
Government and corporate bonds	**$ -**	$ 101,866
Cash and cash equivalents	**3,751,422**	2,446,018
	3,751,422	2,547,884
Less assets limited as to use:		
Required for current liabilities	**3,704,411**	1,512,859
	$ 47,011	$ 1,035,025
Permanent endowment funds:		
Equity funds	**$ 1,571,218**	$ 1,395,880
Fixed-income funds	**959,546**	923,420
Tangible assets	**38,052**	77,444
Equity securities	**2,516,782**	2,377,247
	$ 5,085,598	$ 4,773,991

Net realized investment income consists of $4,655,486 and ($1,737,312) of realized gains/(losses), and $5,340,692 and $5,568,573 of interest and dividends for the years ended September 30, 2024 and 2023, respectively.

NOTE B - INVESTMENTS (Continued)

The Organization's investments 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 retains investment managers who perform periodic evaluations of the relative credit standing of the companies and financial institutions in which the Organization invests. Management believes they employ an investment strategy which does not subject itself to an abnormal amount of risk compared to general market conditions.

NOTE C - PROPERTY AND EQUIPMENT

A summary of property and equipment is as follows:

	2024	2023
Land	**$ 18,750,400**	$ 18,750,401
Land improvements	**7,202,276**	5,441,117
Buildings	**509,106,614**	304,944,192
Equipment, furniture, and other	**26,007,045**	17,115,866
Construction-in-progress	**6,011,451**	204,373,276
	$ 567,077,786	$ 550,624,852

NOTE D - LONG-TERM DEBT

Long-term debt as of September 30, 2024 and 2023 consists of the following:

	2024	2023
North Carolina Medical Care Commission Series 2015 first revenue refunding bonds at a fixed rate of 3.42% per annum due July 1, 2031.	**$ 4,761,890**	$ 5,565,226
North Carolina Medical Care Commission Series 2016A first mortgage revenue bonds at a variable rate of 82.65% of one-month TERM SOFR plus 1.103% per annum due April 1, 2027 swapped to a fixed rate of 2.395%.	**5,240,851**	7,205,737
North Carolina Medical Care Commission Series 2016B tax-exempt bonds at a variable rate of 82.65% of one-month TERM SOFR plus 0.984% per annum due October 1, 2027 swapped to a fixed rate of 2.176%.	**17,754,610**	23,322,660

NOTE D - LONG-TERM DEBT (Continued)

Long-term debt as of September 30, 2024 and 2023 consists of the following:

	2024	2023
North Carolina Medical Care Commission Series 2016C tax-exempt bonds with the following maturities and rates:		
Term bonds at 4% due October 1, 2031 priced to yield 2.770%.	**$ 10,000,000**	$ 10,000,000
Term bonds at 5% due October 1, 2031 priced to yield 2.470%.	**15,770,000**	15,770,000
Term bonds at 3% due October 1, 2036 priced to yield 3.125%.	**1,000,000**	1,000,000
Term bonds at 5% due October 1, 2036 priced to yield 2.710%.	**2,450,000**	2,450,000
	29,220,000	29,220,000
North Carolina Medical Care Commission Series 2020A tax-exempt bonds with the following maturities and rates:		
Serial bonds at 4% due October 1, 2031 priced to yield 1.60%.	**5,345,000**	5,345,000
Term bonds at 4% due October 1, 2035 priced to yield 2.47%.	**3,820,000**	3,820,000
Term bonds at 4% due October 1, 2040 priced to yield 3.03%.	**7,000,000**	7,000,000
Term bonds at 5% due October 1, 2040 priced to yield 2.73%.	**14,950,000**	14,950,000
Term bonds at 4% due October 1, 2045 priced to yield 3.23%.	**10,000,000**	10,000,000
Term bonds at 5% due October 1, 2045 priced to yield 2.93%.	**18,670,000**	18,670,000
Term bonds at 4% due October 1, 2050 priced to yield 3.33%.	**10,000,000**	10,000,000
Term bonds at 5% due October 1, 2050 priced to yield 3.03%.	**26,250,000**	26,250,000
	96,035,000	96,035,000
North Carolina Medical Care Commission Series 2020B tax-exempt bonds at a variable rate of 79% of one-month TERM SOFR plus 0.11448% plus 1.0665% per annum due November 1, 2024.	**-**	73,908,497
Total North Carolina Medical Care Commission non-taxable bonds	**153,012,351**	235,257,120
Construction loan of $34,574,000 payable to a bank, with interest only payments through July 1, 2020, and interest and principle payments beginning on August 1, 2020 through maturity on July 1, 2035. The loan was drawn down as spent from the date of issuance on June 28, 2018. The Organization entered into a forward rate swap agreement on June 28, 2018, effective July 1, 2020 at a rate of 4.152% through July 1, 2035.	**26,910,462**	28,839,707
	179,922,813	264,096,827
Less unamortized deferred financing costs	**1,820,405**	1,987,890
Less unamortized bond premium	**(12,013,186)**	(12,931,048)
Less current maturities	**10,503,361**	84,174,013
	$ 179,612,233	$ 190,865,972

NOTE D - LONG-TERM DEBT (Continued)

The following is a schedule by years of the aggregate maturities of long-term debt:

Years Ending September 30,	
2025	$ 10,503,361
2026	10,602,755
2027	9,364,636
2028	8,849,053
2029	3,145,238
Thereafter	137,457,770
	$ 179,922,813

The following is a discussion of significant terms and conditions regarding the North Carolina Medical Care Commission (the "Commission") tax-exempt bonds:

On July 15, 2015, the Organization entered into a Loan and Security agreement with the Commission pursuant to a $14,712,108 First Mortgage Revenue Refunding Bond, Series 2015, to refinance the remaining Series 2005 and Series 2010 existing indebtedness of the Organization. This is a single bond which was purchased by Truist Bank. Proceeds from this offering have been used to pay the expenses incurred in connection with the issuance of the bonds.

On April 1, 2016, the Organization entered into a Loan and Security agreement with the Commission pursuant to a $20,000,000 First Mortgage Revenue Bond, Series 2016A, to finance capital projects. Proceeds from this offering have been used to fund a construction reserve to pay costs related to capital improvements at the Communities, and to pay the expenses incurred in connection with the issuance of the bonds.

On September 29, 2016, the Organization entered into a Loan and Security agreement with the Commission pursuant to a $48,690,837 First Mortgage Revenue Refunding Bond, Series 2016B, to refinance part of the Series 2006A existing indebtedness of the Organization. This is a single bond which was purchased by Truist Bank. Proceeds from this offering will be used to fund a debt service reserve fund for the bonds and to pay the expenses incurred in connection with the bonds.

On September 29, 2016, the Organization entered into a Loan and Security agreement with the Commission pursuant to a $29,220,000 bond offering, Series 2016C, to refinance the remaining Series 2006A and the Series 2006B existing indebtedness of the Organization. A portion of the proceeds from this offering have been used to pay a portion of the bond maturities due October 1, 2016, and to pay the expenses incurred in connection with the issuance of the bonds.

On October 1, 2020, the Organization entered into Loan and Security agreements with the Commission pursuant to a $96,035,000 First Mortgage Revenue Bond, Series 2020A, and a $80,000,000 First Mortgage Revenue Bond, Series 2020B, to finance capital projects, maturing through October 1, 2055 and November 1, 2024, respectively. Proceeds from these offerings have been used to fund a construction reserve to pay costs related to capital improvements at the Communities, and to pay the expenses incurred in connection with the issuance of the bonds.

NOTE D - LONG-TERM DEBT (Continued)

The loan agreements contain certain required deposits, payments and covenants, which include limitations on liens, incurrence of additional indebtedness, certain long-term debt service coverage ratios, occupancy percentages, property transfer restrictions, limitations on use to finance operating deficits, and various other covenants and restrictions. All such required deposits are shown as assets limited as to use under bond agreement and are pledged on the loans.

Security for the bonds consists of a pledge and assignment to the trustee of all rights, title and interest in and to The Presbyterian Homes, Inc. dba Brightspire, Glenaire, Inc., and The Presbyterian Homes Foundation Inc.'s ("Obligated Group") promissory notes with the Commission, dated July 15, 2015, April 1, 2016 and September 29, 2016, which evidences the Obligated Group's obligation to repay the Commission.

In addition, the Commission assigned to the Trustee its rights as beneficiary under the Obligated Group's pledged assets consisting of gross receipts, accounts, equipment, general intangibles, inventory, documents, instruments and assigns its rights as secured party with respect to its security interest.

The Series 2016 bonds, maturing on or after October 1, 2024, 2025 and 2026, are subject to redemption by the Commission, at the direction of the Obligated Group, at an option of 102%, 101% and 100% of par value, respectively. Additionally, the terms of bonds maturing in 2031 and 2036 are subject to mandatory redemption without premium beginning in 2028 and 2032, respectively.

On June 28, 2018, the Organization entered into a credit agreement with Truist Bank to finance an expansion and a renovation to the Wellness Center and Healthcare Center at River Landing at Sandy Ridge. The Entrance Fee Project loan, in the amount of $20,426,000, will be used to finance a portion of the construction of 58 independent living units. The Construction Project Loan, in the amount of $34,574,000, will be used to finance the costs of various expansion projects including a maintenance/transportation building; a clubhouse with dining facilities, meeting space, and a golf pro-shop; an expansion of the existing wellness space; and renovation of the existing healthcare center to convert the physical layout and spaces to the household model.

To reduce the impact of changes in interest rates on its variable rate bonds payable, the Organization entered into interest rate swap agreements for the 2016 bonds. Under these agreements, interest is payable at a fixed rate of 1.307% - 4.152% based on the outstanding balance of the related bonds and is effective April 1, 2027 through July 1, 2035. The annual gain or loss on the fair value of the swap agreements are reported as revenue or expense in the combined statement of activities and changes in net assets. The interest rate swap agreements have a combined notional principal amount of $50,071,923 and a fair value of $1,262,669 at September 30, 2024, which is recorded as an asset on the combined statements of financial position. The fair value of these interest swap agreements were 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 E - REFUNDABLE FEES

The Communities offer three alternative entrance fee plans which provide refunds to residents from re-occupancy proceeds. Under the standard entrance fee option, prior to 48 months of occupancy, the resident would receive a refund equal to the entrance fee, less 2% per month of occupancy less a 4% non-refundable fee. The 50% refundable plan offers the resident a refund equal to 50% of the entrance fee after 23 months of occupancy. Prior to 23 months of occupancy, the resident is entitled to a refund of the entrance fee, less 2% per month of occupancy, less a 4% non-refundable fee. The 90% refundable plan offers the resident a refund equal to 90% of the entrance fee after 6 months of occupancy. Prior to 6 months of occupancy, the resident is entitled to a refund of the entrance fee, less 1% per month of occupancy, less a 4% non-refundable fee. The estimated amount of entrance fee that is expected to be refunded to current residents is shown on the combined statements of financial position as refundable fees. This amount is estimated using an average of the last eight years' refunds. The total amount of contractual refund obligations under existing contracts totaled approximately $109,053,000 and $34,035,000 at September 30, 2024 and 2023, respectively, and is included in deferred revenue from entrance fees, net of the estimated amount to be refunded to current residents, on the combined statements of financial position.

NOTE F - NET ASSETS

Net assets without donor restrictions contain $41,387,430 and $35,494,651 in board-designated amounts at September 30, 2024 and 2023, respectively. Of these amounts, $95,116 and $77,309 is designated for special maintenance projects as of September 30, 2024 and 2023, respectively. The remaining portion relates to resident assistance in the amount of $41,292,314 and $35,417,342 as of September 30, 2024 and 2023, respectively.

Net assets with donor restrictions are restricted for the following purposes or periods:

	2024	2023
Subject to expenditures for specified purposes or passage of time:		
Principal amount:		
Special maintenance project	**$ 487,819**	$ 589,727
	487,819	589,727
Investment activity:		
Net unrealized appreciation (depreciation) of investments whose income is restricted for resident assistance and special maintenance projects	**1,466,774**	274,967
Undistributed realized appreciation of investments whose income is restricted as to purpose including dividends interest	**2,851,809**	2,770,225
	4,806,402	3,634,919

NOTE F - NET ASSETS (Continued)

Net assets with donor restrictions are restricted for the following purposes or periods (Continued):

	2024	2023
Subject to the Organization's spending policy and appropriation to support:		
Resident subsidies	**$ 3,838,183**	$ 3,724,707
Maintenance of rose garden	**55,362**	55,362
Healthcare equipment	**29,588**	29,588
Employee scholarship	**1,070,454**	876,410
Any activities of the Organization	**240,156**	240,156
	5,233,743	4,926,223
	$ 10,040,145	$ 8,561,142

Under the terms of the initial contributions that were used to establish endowments, the Investment Committee of the Board of Governors may buy, sell or otherwise change investments, but the principal from any sales is required to be reinvested.

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

Purpose restrictions accomplished:	2024	2023
Special maintenance expenses	**$ 1,674,424**	$ 778,571
Resident assistance	**286,074**	79,359
	$ 1,960,498	$ 857,930

NOTE G - ENDOWMENTS

The Communities' and Foundation's endowments (the "endowments") consist of approximately nine individual funds established for a variety of purposes. The endowments include both donor-restricted funds and funds designated by the Board of Trustees to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The portion of the donor restricted endowment fund that is above the original gift amount is appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

NOTE G - ENDOWMENTS (Continued)

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

Investment Return Objectives, Risk Parameters and Strategies. The Organization has adopted investment policies, approved by the Board of Trustees, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds, while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return.

Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy. The Organization has developed a spending policy for its endowment funds, which appropriates for distribution 3.5% - 4.0% of its invested funds based on the average market value of the trailing twelve quarters at June 30 each year. The intent of using a 12-quarter average is to minimize the likelihood of the principal of the fund being invaded. Any unspent distributable amounts remaining at the end of the fiscal year, which have not been granted or distributed, will be available for expenditure in the following fiscal year. However, in no year should more than 6% be distributed without Board approval.

Endowment net assets composition by type of fund as of September 30, 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Board-designated endowment funds	**$ 36,171,271**	**$ 7,971,415**	**$ 44,142,686**
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	**-**	**307,520**	**307,520**
Accumulated investment gains	**6,070,402**	**1,273,390**	**7,343,792**
	$ 42,241,673	**$ 9,552,325**	**$ 51,793,998**

NOTE G - ENDOWMENTS (Continued)

Changes in endowment net assets as of September 30, 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Endowment net assets, beginning	**$ 36,171,271**	**$ 7,971,415**	**$ 44,142,686**
Contributions	**595,867**	**307,520**	**903,387**
Investment income	**3,605,194**	**447,459**	**4,052,653**
Net appreciation	**4,298,519**	**1,191,808**	**5,490,327**
Appropriated	**(2,429,178)**	**(365,877)**	**(2,795,055)**
Endowment net assets, ending	**$ 42,241,673**	**$ 9,552,325**	**$ 51,793,998**

Endowment net assets composition by type of fund as of September 30, 2023 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Board-designated endowment funds	$ 35,494,651	$ -	$ 35,494,651
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	4,926,223	4,926,223
Accumulated investment gains	676,620	3,045,192	3,721,812
	$ 36,171,271	$ 7,971,415	$ 44,142,686

Changes in endowment net assets as of September 30, 2023 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Endowment net assets, beginning	$ 32,406,711	$ 6,888,855	$ 39,295,566
Contributions	212,762	243,356	456,118
Investment income	1,031,474	215,313	1,246,787
Net depreciation	2,936,597	743,664	3,680,261
Appropriated	(416,273)	(119,773)	(536,046)
Endowment net assets, ending	$ 36,171,271	$ 7,971,415	$ 44,142,686

NOTE H - CREDIT RISK

The Organization maintains demand deposits and certificates of deposit with financial institutions and investments in the North Carolina Cash Management Trust. The balances of certain demand deposit accounts at times may exceed the federally insured amount. The Organization has not experienced any loss as a result of these holdings.

NOTE H - CREDIT RISK (Continued)

In addition to providing services to private pay residents, the Communities also serve residents covered under various third-party payor programs including Medicaid and Medicare programs. As of September 30, 2024 and 2023, approximately 25% of the Communities' unreserved accounts receivable were due from these programs.

NOTE I - JOINT VENTURE AGREEMENT

In November 2019, Brightspire, Inc. ("PHI") entered into a Joint Venture Agreement with DHIC, Inc. ("DHIC") to develop an affordable housing project, Milner Senior Housing Partners, LLC, for senior adults at the site of the former Milner Memorial Presbyterian Church in Raleigh, North Carolina. On December 1, 2022, $48,000,000 of financing for the project was closed. Brightspire has a .0021% ownership interest in the Joint Venture for the development of Milner Senior Housing. Construction is on-going and expected to be completed in October of 2024.

NOTE J - COMMITMENTS

At September 30, 2024, the remaining construction commitments for the Communities are:

Community/Project:		Amount
Glenaire:	Assisted living renovation	$ 6,501,322
River Landing:	Saint Andrews renovation	415,643
Scotia Village:	Dining and common space renovation	306,800
	Total	$ 7,223,765

NOTE K - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value 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) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under Topic 820 - *Fair Value Measurement* 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.

NOTE K - FAIR VALUE MEASUREMENTS (Continued)

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, U.S. government securities and international, corporate and municipal bonds: Valued at the closing price reported on the active market on which the individual securities are traded.

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.

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 tables set forth by level the fair value hierarchy of the Organization's financial assets and liabilities accounted for at fair value on a recurring basis as of September 30, 2024 and 2023.

	2024			
	Level 1	Level 2	Level 3	Fair Value
Investments:				
Equity securities:				
U.S.	**$ 90,309,638**	**$ 17,023,117**	**$ -**	**$ 107,332,755**
International	**20,958,016**	**-**	**-**	**20,958,016**
Fixed-income:				
Asset-backed	**-**	**1,674,281**	**-**	**1,674,281**
Certificates of deposit	**-**	**2,597,574**	**-**	**2,597,574**
Corporate bonds	**-**	**42,514,258**	**-**	**42,514,258**
Government bonds	**-**	**-**	**-**	**-**
Cash and cash equivalents	**3,751,422**	**-**	**-**	**3,751,422**
	$ 115,019,076	**$ 63,809,230**	**$ -**	**$ 178,828,306**

NOTE K - FAIR VALUE MEASUREMENTS (Continued)

	2023			
	Level 1	Level 2	Level 3	Fair Value
Investments:				
Equity securities:				
U.S.	$ 90,289,837	$ 15,378,572	$ -	$ 105,668,409
International	17,103,934	-	-	17,103,934
Fixed-income:				
Asset-backed	-	2,923,319	-	2,923,319
Certificates of deposit	-	2,436,608	-	2,436,608
Corporate bonds	-	39,944,146	-	39,944,146
Government bonds	-	1,120,969	-	1,120,969
Cash and cash equivalents	2,446,018	-	-	2,446,018
	$ 109,839,789	$ 61,803,614	$ -	$ 171,643,403

NOTE L - ASSETS LIQUIDITY

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 include amounts set aside for long-term investing in the quasi-endowment that could be drawn upon if the governing board approves that action.

Financial assets, at year end	$ 196,656,160
Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions:	
Restricted by donor with purpose restrictions	5,085,598
Assets limited as to use	3,807,317
Board designations: Quasi-endowment fund for long-term investing	42,241,673
Financial assets available to meet cash needs for general expenditures within one year	$ 145,521,572

The Organization's investments 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 retains investment managers who perform periodic evaluations of the relative credit standing of the companies and financial institutions in which the Organization invests.

NOTE M - RETIREMENT PLAN

The Organization offers a 401(k) plan to their employees to promote tax-deferred savings. The plan covers substantially all employees who are age 21 or older. The Organization contributes 100 percent of the first 3 percent, plus 50 percent of the next 2 percent of the participant's contribution to the plan. The Organization's contributions relating to the plan were approximately $925,000 and $837,000 in 2024 and 2023, respectively.

NOTE N - RECLASSIFICATION

Certain amounts in the prior year consolidated information were reclassified to conform with the current year presentation.

NOTE O - SUBSEQUENT EVENTS

Management of the Organization evaluated subsequent events through January 24, 2025, which is the date the financial statements were available to be issued.

On September 30, 2024, Brightspire (The Presbyterian Homes, Inc.) and the Well-Spring Group closed on our affiliation and our new parent organization, Kintura was formed. Kintura will be responsible for the management and development of both Brightspire and the Well-Spring Group. Both entities will remain as will their obligated groups. A new fifteen-member governing board has been formed. The original board is made up of 5 members from the former Brightspire Board of Governors, five members from the former Well-Spring Board of Directors, three community at large members, and one resident from both the Brightspire and Well-Spring communities.

Management continues to work on a transition plan to bring the systems, policies, and procedures and employee benefits together under one platform. It is expected that this merger will enhance scale to benefit the organization in implementing technology, ensuring best in employee benefits and pay, providing enhanced career opportunities amongst other challenges faced by the field today.

Management was not aware of any other additional subsequent events that should be disclosed.

SUPPLEMENTARY INFORMATION

Independent Auditor's Report
on the Supplementary Information

To the Board of Trustees
The Presbyterian Homes, Inc. dba Brightspire
Colfax, North Carolina

We have audited the combined financial statements of The Presbyterian Homes, Inc. dba Brightspire as of and for the year ended September 30, 2024, and have issued our report thereon dated January 24, 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, property and equipment information, combining statement of operations and changes in net assets, and combining statement of cash flows as of and for the year ended September 30, 2024 are presented for the 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 audits 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.

Bernard Robinson & Company, L.L.P.

Greensboro, North Carolina
January 24, 2025

THE PRESBYTERIAN HOMES, INC. DBA BRIGHTSPIRE
Combining Statement of Financial Position
September 30, 2024

	Scotia Village	River Landing	Management Services Office	The Presbyterian Homes, Inc.	Glenaire, Inc.	Presbyterian Homes Foundation, Inc.	Obligated Group	PHI Management Services LLC	PHI Rehab Services LLC	Combining Entries	Total
Assets											
Current Assets:											
Cash and cash equivalents	$ 235,801	$ 3,267,810	$ 919,782	$ 4,423,393	$ 3,982,143	$ 3,105,191	$ 11,510,727	$ 8,633	$ 3,615	$ -	$ 11,522,975
Assets limited as to use, required											
for current liabilities	136,345	1,168,561	-	1,304,906	2,399,505	-	3,704,411	-	-	-	3,704,411
Accounts receivable, net	931,159	844,644	-	1,775,803	985,985	-	2,761,788	-	-	-	2,761,788
Other receivables	507,568	835,658	160,430	1,503,656	1,294,533	-	2,798,189	5,608	-	-	2,803,797
Unconditional promises to give, net	-	-	-	-	-	20,000	20,000	-	-	-	20,000
Other	62,623	249,820	146,450	458,893	160,215	-	619,108	-	-	-	619,108
Due from other divisions	26,823	1,134,898	35,734	1,197,455	123,009	-	1,320,464	-	-	(1,320,464)	-
Total current assets	1,900,319	7,501,391	1,262,396	10,664,106	8,945,390	3,125,191	22,734,687	14,241	3,615	(1,320,464)	21,432,079
Assets limited as to use:											
Under bond agreement	3,038	30,794	-	33,832	13,179	-	47,011	-	-	-	47,011
Reserves required by state statute	3,933,000	9,714,000	-	13,647,000	10,197,000	-	23,844,000	-	-	-	23,844,000
By donors for permanent endowment funds	-	304,407	-	304,407	-	4,781,191	5,085,598	-	-	-	5,085,598
Residents' cash deposits	96,720	-	-	96,720	6,186	-	102,906	-	-	-	102,906
	4,032,758	10,049,201	-	14,081,959	10,216,365	4,781,191	29,079,515	-	-	-	29,079,515
Investments and other assets:											
Investments	5,775,106	73,683,077	362,321	79,820,504	18,238,518	48,704,652	146,763,674	-	-	-	146,763,674
Other assets	31,275	21,770	1,206,250	1,259,295	29,288	-	1,288,583	-	800,000	-	2,088,583
Interest rate swap agreement	66,088	1,121,222	-	1,187,310	75,359	-	1,262,669	-	-	-	1,262,669
	5,872,469	74,826,069	1,568,571	82,267,109	18,343,165	48,704,652	149,314,926	-	800,000	-	150,114,926
Property and Equipment:											
Land, buildings and equipment	52,205,082	194,279,632	3,598,538	250,083,252	310,983,083	-	561,066,335	-	-	-	561,066,335
Construction-in-progress	322,500	2,019,230	913	2,342,643	3,668,808	-	6,011,451	-	-	-	6,011,451
	52,527,582	196,298,862	3,599,451	252,425,895	314,651,891	-	567,077,786	-	-	-	567,077,786
Less accumulated depreciation	26,523,137	67,688,489	2,062,648	96,274,274	56,562,445	-	152,836,719	-	-	-	152,836,719
	26,004,445	128,610,373	1,536,803	156,151,621	258,089,446	-	414,241,067	-	-	-	414,241,067
Total assets	$ 37,809,991	$ 220,987,034	$ 4,367,770	$ 263,164,795	$ 295,594,366	$ 56,611,034	$ 615,370,195	$ 14,241	$ 803,615	$ (1,320,464)	$ 614,867,587

THE PRESBYTERIAN HOMES, INC. DBA BRIGHTSPIRE
Combining Statement of Financial Position (Continued)
September 30, 2024

	Scotia Village	River Landing	Management Services Office	The Presbyterian Homes, Inc.	Glenaire, Inc.	Presbyterian Homes Foundation, Inc.	Obligated Group	PHI Management Services LLC	PHI Rehab Services LLC	Combining Entries	Total
Liabilities and Net Assets											
Current Liabilities:											
Current maturities of long-term debt	$ 968,575	$ 7,822,560	$ -	$ 8,791,135	$ 1,712,226	$ -	$ 10,503,361	$ -	$ -	$ -	$ 10,503,361
Accounts payable	530,775	2,590,069	72,981	3,193,825	1,437,331	250	4,631,406	155,034	262,000	-	5,048,440
Accrued payroll and related expenses	309,622	596,424	921,557	1,827,603	644,587	-	2,472,190	-	-	-	2,472,190
Accrued interest	49,753	594,484	-	644,237	2,250,842	-	2,895,079	-	-	-	2,895,079
Other accrued expenses	248,198	504,637	319,273	1,072,108	344,679	-	1,416,787	-	-	-	1,416,787
Estimated refundable entrance fees	300,361	486,627	-	786,988	382,609	-	1,169,597	-	-	-	1,169,597
Due to other divisions	-	-	(48,162)	(48,162)	-	1,368,697	1,320,535	-	-	(1,320,464)	71
Total current liabilities	2,407,284	12,594,801	1,265,649	16,267,734	6,772,274	1,368,947	24,408,955	155,034	262,000	(1,320,464)	23,505,525
Long-term debt, less current maturities and unamortized debt issuance costs	3,867,844	66,188,429	-	70,056,273	109,555,960	-	179,612,233	-	-	-	179,612,233
Deferred revenue and other liabilities:											
Deferred revenue from entrance fees:											
Non refundable	5,996,405	32,688,200	-	38,684,605	26,126,216	-	64,810,821	-	-	-	64,810,821
Refundable	4,163,635	10,960,101	-	15,123,736	74,420,462	-	89,544,198	-	-	-	89,544,198
Refundable entrance fees	-	3,985,245	-	3,985,245	14,353,680	-	18,338,925	-	-	-	18,338,925
Admission deposits	317,100	1,465,600	-	1,782,700	1,280,300	-	3,063,000	-	-	-	3,063,000
Other accrued expenses	207,993	555,251	447,970	1,211,214	320,546	-	1,531,760	-	-	-	1,531,760
Residents' cash deposits	96,720	-	-	96,720	6,186	-	102,906	-	-	-	102,906
	10,781,853	49,654,397	447,970	60,884,220	116,507,390	-	177,391,610	-	-	-	177,391,610
Total liabilities	17,056,981	128,437,627	1,713,619	147,208,227	232,835,624	1,368,947	381,412,798	155,034	262,000	(1,320,464)	380,509,368
Net Assets:											
Assets without donor restrictions	20,753,010	91,350,865	2,654,151	114,758,026	62,758,742	46,400,484	223,917,252	(140,793)	541,615	-	224,318,074
Assets with donor restrictions	-	1,198,542	-	1,198,542	-	8,841,603	10,040,145	-	-	-	10,040,145
Total net assets	20,753,010	92,549,407	2,654,151	115,956,568	62,758,742	55,242,087	233,957,397	(140,793)	541,615	-	234,358,219
Total liabilities and net assets	$ 37,809,991	$ 220,987,034	$ 4,367,770	$ 263,164,795	$ 295,594,366	$ 56,611,034	$ 615,370,195	$ 14,241	$ 803,615	$ (1,320,464)	$ 614,867,587

THE PRESBYTERIAN HOMES, INC. DBA BRIGHTSPIRE
Property and Equipment Information
September 30, 2024

	Assets				Accumulated Depreciation				
	Balance October 1, 2023	Acquisitions	Transfers and Retirements	Balance September 30, 2024	Balance October 1, 2023	Acquisitions	Transfers and Retirements	Balance September 30, 2024	Book Value September 30, 2024
Scotia Village:									
Land	$ 201,635	$ -	$ -	$ 201,635	$ -	$ -	$ -	$ -	$ 201,635
Land improvements	1,150,107	-	63,305	1,213,412	875,652	46,928	-	918,714	294,698
Buildings	42,482,751	-	5,783,833	48,266,584	22,630,926	1,257,586	-	23,785,120	24,481,464
Equipment, furniture and other equipment	1,790,868	-	258,830	2,049,698	1,304,503	155,910	-	1,445,920	603,778
Vehicles	410,494	-	63,259	473,753	346,565	29,335	-	373,383	100,370
Construction-in-progress	3,502,593	2,989,134	(6,169,227)	322,500	-	-	-	-	322,500
	49,538,448	2,989,134	-	52,527,582	25,157,646	1,489,759	-	26,523,137	26,004,445
River Landing:									
Land	4,646,574	-	-	4,646,574	-	-	-	-	4,646,574
Land improvements	2,546,578	-	785,261	3,331,839	1,289,614	199,870	-	1,472,590	1,859,249
Buildings	174,556,858	-	3,203,015	177,759,873	56,671,706	4,829,965	-	61,124,012	116,635,861
Equipment, furniture and other equipment	6,029,291	954	1,350,859	7,381,104	3,755,556	589,177	-	4,289,269	3,091,835
Vehicles	923,100	15,960	221,182	1,160,242	731,418	79,135	-	802,618	357,624
Construction-in-progress	3,762,830	3,816,717	(5,560,317)	2,019,230	-	-	-	-	2,019,230
	192,465,231	3,833,631	-	196,298,862	62,448,294	5,698,147	-	67,688,489	128,610,373
Management Services Office:									
Land	22,623	-	-	22,623	-	-	-	-	22,623
Land improvements	34,524	-	-	34,524	7,912	3,740	-	11,364	23,160
Buildings	1,810,284	-	-	1,810,284	390,945	49,800	-	436,974	1,373,310
Equipment, furniture and other equipment	1,524,752	-	2,958	1,527,710	1,467,183	22,005	-	1,487,943	39,767
Vehicles	181,596	-	21,801	203,397	128,671	24,689	(24,500)	126,367	77,030
Construction-in-progress	8,344	41,827	(49,258)	913	-	-	-	-	913
	3,582,123	41,827	(24,499)	3,599,451	1,994,711	100,234	(24,500)	2,062,648	1,536,803
Glenaire:									
Land	13,879,568	-	-	13,879,568	-	-	-	-	13,879,568
Land improvements	1,709,908	-	912,593	2,622,501	843,050	157,069	-	985,242	1,637,259
Buildings	86,094,299	-	195,175,574	281,269,873	42,493,097	7,871,589	-	49,754,863	231,515,010
Equipment, furniture and other equipment	5,724,373	-	6,805,894	12,530,267	4,263,667	1,127,115	-	5,298,769	7,231,498
Vehicles	531,393	-	149,481	680,874	481,229	46,582	-	523,571	157,303
Construction-in-progress	197,099,509	9,612,841	(203,043,542)	3,668,808	-	-	-	-	3,668,808
	305,039,050	9,612,841	-	314,651,891	48,081,043	9,202,355	-	56,562,445	258,089,446
	$ 550,624,852	$ 16,477,433	$ (24,499)	$ 567,077,786	$ 137,681,694	$ 16,490,495	$ (24,500)	$ 152,836,719	$ 414,241,067

See Independent Auditor's Report on Supplementary Information

THE PRESBYTERIAN HOMES, INC. DBA BRIGHTSPIRE
Combining Statement of Operations and Changes in Net Assets
Year Ended September 30, 2024

	Scotia Village	River Landing	Management Services Office	The Presbyterian Homes Inc.	Glenaire, Inc.	Presbyterian Homes Foundation, Inc.	Obligated Group	PHI Management Services LLC	PHI Rehab Services LLC	Combining Entries	Total
Changes in net assets without donor restrictions:											
Operating revenues:											
Resident services:											
Amortized entry fees	$ 1,780,736	$ 6,992,503	$ -	$ 8,773,239	$ 10,917,743	$ -	$ 19,690,982	$ -	$ -	$ -	$ 19,690,982
Service fees, residential	5,998,027	22,394,284	-	28,392,311	22,168,640	-	50,560,951	-	-	-	50,560,951
Service fees, assisted living	1,513,602	4,345,583	-	5,859,185	3,610,269	-	9,469,454	-	-	-	9,469,454
Service fees, nursing	6,813,160	8,368,627	-	15,181,787	9,693,554	-	24,875,341	-	-	-	24,875,341
	16,105,525	42,100,997	-	58,206,522	46,390,206	-	104,596,728	-	-	-	104,596,728
Food service income	72,322	376,629	-	448,951	208,811	-	657,762	-	-	-	657,762
Reimbursed medical	696,064	879,678	-	1,575,742	1,793,431	-	3,369,173	-	-	-	3,369,173
Golf course revenue	-	128,802	-	128,802	-	-	128,802	-	-	-	128,802
Management fee	-	-	-	-	-	-	-	2,568,440	-	-	2,568,440
Other	11,166	163,111	-	174,277	146,089	-	320,366	-	-	-	320,366
Total operating revenues	16,885,077	43,649,217	-	60,534,294	48,538,537	-	109,072,831	2,568,440	-	-	111,641,271
Operating expenses:											
Routine services	5,329,020	8,098,472	-	13,427,492	8,696,533	-	22,124,025	-	-	-	22,124,025
Special services	450,902	623,672	-	1,074,574	854,337	-	1,928,911	-	-	-	1,928,911
Dining services	1,965,650	5,992,459	-	7,958,109	8,054,912	-	16,013,021	-	-	-	16,013,021
Environmental services	1,004,972	1,545,600	-	2,550,572	2,472,396	-	5,022,968	-	-	-	5,022,968
Maintenance	1,650,428	3,607,952	-	5,258,380	4,682,319	-	9,940,699	-	-	-	9,940,699
Project and development	-	-	340,664	340,664	-	-	340,664	-	-	-	340,664
Marketing	383,290	645,926	-	1,029,216	715,360	-	1,744,576	-	-	-	1,744,576
Administration	1,950,705	4,217,910	6,482,377	12,650,992	5,351,898	-	18,002,890	631,441	-	-	18,634,331
Depreciation and other charges	1,354,311	5,035,728	92,437	6,482,476	7,951,584	-	14,434,060	-	-	-	14,434,060
Bond and note interest, and amortization	165,438	2,903,438	-	3,068,876	5,603,578	-	8,672,454	-	-	-	8,672,454
Purchased medical services	793,274	713,591	-	1,506,865	1,780,462	-	3,287,327	-	-	-	3,287,327
Miscellaneous, net	426,235	615,636	12,899	1,054,770	1,341,696	53,662	2,450,128	-	484	-	2,450,612
Allocation of management services office expense, net	708,378	1,821,052	(6,502,974)	(3,973,544)	2,080,791	-	(1,892,753)	1,892,753	-	-	-
Golf course expense	-	1,252,743	-	1,252,743	-	-	1,252,743	-	-	-	1,252,743
Total operating expenses	16,182,603	37,074,179	425,403	53,682,185	49,585,866	53,662	103,321,713	2,524,194	484	-	105,846,391
Increase (decrease) in net assets without donor restrictions from operations	702,474	6,575,038	(425,403)	6,852,109	(1,047,329)	(53,662)	5,751,118	44,246	(484)	-	5,794,880

THE PRESBYTERIAN HOMES, INC. DBA BRIGHTSPIRE
Combining Statement of Operations and Changes in Net Assets (Continued)
Year Ended September 30, 2024

	Scotia Village	River Landing	Management Services Office	The Presbyterian Homes Inc.	Glenaire, Inc.	Presbyterian Homes Foundation, Inc.	Obligated Group	PHI Management Services LLC	PHI Rehab Services LLC	Combining Entries	Total
Nonoperating gains (losses):											
Contributions	$ -	$ -	$ -	$ -	$ -	$ 542,299	$ 542,299	$ -	$ -	$ -	$ 542,299
Grant income (expense)	376,782	2,484,245	155,082	3,016,109	638,868	(3,654,576)	401	-	-	-	401
Net realized investment income	733,460	3,455,341	3,544	4,192,345	1,593,794	3,826,721	9,612,860	-	-	-	9,612,860
Net unrealized gain on investments	1,231,953	11,637,735	-	12,869,688	3,728,145	5,093,695	21,691,528	-	-	-	21,691,528
Net assets released from restrictions	-	-	-	-	-	1,960,498	1,960,498	-	-	-	1,960,498
Transfers of assets between communities	(97,161)	(255,172)	595,795	243,462	(243,462)	-	-	-	-	-	-
Change in fair value of interest rate swap agreement	(114,213)	(2,385,463)	-	(2,499,676)	(136,573)	-	(2,636,249)	-	-	-	(2,636,249)
Other, net	(444,417)	11,224	47,934	(385,259)	741	-	(384,518)	-	372,000	-	(12,518)
Total nonoperating gains	1,686,404	14,947,910	802,355	17,436,669	5,581,513	7,768,637	30,786,819	-	372,000	-	31,158,819
Change in net assets without donor restrictions	2,388,878	21,522,948	376,952	24,288,778	4,534,184	7,714,975	36,537,937	44,246	371,516	-	36,953,699
Changes in net assets with donor restrictions:											
Contributions	-	-	-	-	-	1,591,271	1,591,271	-	-	-	1,591,271
Contributions in perpetual endowment	-	-	-	-	-	311,699	311,699	-	-	-	311,699
Net increase (decrease) in unrealized (gains) losses on investments	-	(146,979)	-	(146,979)	-	789,172	642,193	-	-	-	642,193
Net realized investment income	-	42,863	-	42,863	-	340,455	383,318	-	-	-	383,318
Net assets released from restrictions	-	-	-	-	-	(1,960,498)	(1,960,498)	-	-	-	(1,960,498)
Change in net assets with donor restrictions	-	(104,116)	-	(104,116)	-	1,072,099	967,983	-	-	-	967,983
Change in net assets	2,388,878	21,418,832	376,952	24,184,662	4,534,184	8,787,074	37,505,920	44,246	371,516	-	37,921,682
Net assets, beginning	18,364,132	71,130,575	2,277,199	91,771,906	58,224,558	46,455,013	196,451,477	(185,039)	170,099	-	196,436,537
Net assets, ending	$ 20,753,010	$ 92,549,407	$ 2,654,151	$ 115,956,568	$ 62,758,742	$ 55,242,087	$ 233,957,397	$ (140,793)	$ 541,615	$ -	$ 234,358,219

THE PRESBYTERIAN HOMES, INC. DBA BRIGHTSPIRE
Combining Statement of Cash Flows
Year Ended September 30, 2024

	Scotia Village	River Landing	Management Services Office	The Presbyterian Homes, Inc.	Glenaire, Inc.	Presbyterian Homes Foundation, Inc.	Obligated Group	PHI Management Services LLC	PHI Rehab Services LLC	Combining Entries	Total
Cash flows from operating activities:											
Change in net assets	$ 2,388,878	$ 21,418,832	$ 376,952	$ 24,184,662	$ 4,534,184	$ 8,787,074	$ 37,505,920	$ 44,246	$ 371,516	$ -	$ 37,921,682
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:											
Entrance fees received	2,098,576	6,188,268	-	8,286,844	5,327,896	-	13,614,740	-	-	-	13,614,740
Entrance fees received - initial units	-	-	-	-	49,730,935	-	49,730,935	-	-	-	49,730,935
Amortization of entrance fees	(1,780,736)	(6,992,503)	-	(8,773,239)	(10,917,743)	-	(19,690,982)	-	-	-	(19,690,982)
Forfeitures recognized	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	1,354,311	5,035,728	92,437	6,482,476	7,951,584	-	14,434,060	-	-	-	14,434,060
Change in fair value of interest rate swap agreement	116,997	2,385,463	-	2,502,460	136,573	-	2,639,033	-	-	-	2,639,033
Realized and unrealized losses on investments and investment income	(1,220,772)	(11,490,756)	-	(12,711,528)	(3,728,145)	(4,167,175)	(20,606,848)	-	-	-	(20,606,848)
Net realized investment income	(733,460)	(3,498,204)	-	(4,231,664)	(1,593,794)	-	(5,825,458)	-	-	-	(5,825,458)
Investment in perpetual endowment	-	-	-	-	-	-	-	-	-	-	-
Changes in working capital components:											
(Increase) decrease in:											
Trade and other receivables	119,859	(272,157)	705,507	553,209	(79,884)	20,000	493,325	160,893	-	-	654,218
Other assets	5,104	67,533	19,113	91,750	(51,512)	-	40,238	-	-	-	40,238
Due from other divisions	222,490	555	(36,360)	186,685	311,415	-	498,100	-	-	(498,100)	-
Increase (decrease) in:											
Accounts payable	1,538	815,540	(74,337)	742,741	(3,246,801)	250	(2,503,810)	(205,139)	(372,000)	-	(3,080,949)
Accrued expenses	38,513	119,771	341,504	499,788	2,424,053	-	2,923,841	-	-	-	2,923,841
Residents' cash deposits	34,408	-	-	34,408	3,050	-	37,458	-	-	-	37,458
Due to other divisions	-	(212,522)	(48,554)	(261,076)	-	(237,024)	(498,100)	-	-	498,100	-
Net cash provided by (used in) operating activities	2,645,706	13,565,548	1,376,262	17,587,516	50,801,811	4,403,125	72,792,452	-	(484)	-	72,791,968
Cash flows from investing activities:											
Purchases of property and equipment	(2,989,135)	(3,833,632)	(41,828)	(6,864,595)	(9,612,843)	-	(16,477,438)	-	-	-	(16,477,438)
Payments of issuance costs	-	-	-	-	-	-	-	-	-	-	-
Purchases of investments	(4,169,103)	(18,660,402)	(1,269,221)	(24,098,726)	(19,548,053)	(15,463,872)	(59,110,651)	-	-	-	(59,110,651)
Proceeds from investments	5,576,519	18,700,407	-	24,276,926	41,163,483	11,774,194	77,214,603	-	-	-	77,214,603
Net cash provided by (used in) investing activities	(1,581,719)	(3,793,627)	(1,311,049)	(6,686,395)	12,002,587	(3,689,678)	1,626,514	-	-	-	1,626,514
Cash flows from financing activities:											
Investment in perpetual endowment	-	-	-	-	-	-	-	-	-	-	-
Proceeds from issuance of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Principal payments of long-term debt	(965,283)	(7,636,982)	-	(8,602,265)	(75,585,714)	-	(84,187,979)	-	-	-	(84,187,979)
Refunds of refundable fees	(158,688)	(524,150)	-	(682,838)	(769,070)	-	(1,451,908)	-	-	-	(1,451,908)
Net cash used in financing activities	(1,123,971)	(8,161,132)	-	(9,285,103)	(76,354,784)	-	(85,639,887)	-	-	-	(85,639,887)
Net increase (decrease) in cash and cash equivalents	(59,984)	1,610,789	65,213	1,616,018	(13,550,386)	713,447	(11,220,921)	-	(484)	-	(11,221,405)
Cash and cash equivalents, beginning	295,785	1,657,021	854,569	2,807,375	17,532,529	2,391,744	22,731,648	8,633	4,099	-	22,744,380
Cash and cash equivalents, ending	$ 235,801	$ 3,267,810	$ 919,782	$ 4,423,393	$ 3,982,143	$ 3,105,191	$ 11,510,727	$ 8,633	$ 3,615	$ -	$ 11,522,975

See Independent Auditor's Report on Supplementary Information

Exhibit B

BRIGHTSPIRE

COMBINED FORECAST

FOR THE YEARS ENDING
SEPTEMBER 30, 2025 THROUGH 2029

BRIGHTSPIRE
Combined Forecast
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To the Board of Governors
Brightspire
High Point, North Carolina

Management is responsible for the accompanying combined financial forecast of Brightspire (the "Organization"), which comprises the forecasted combined statements of financial position as of September 30, 2025, 2026, 2027, 2028 and 2029, and the forecasted combined statements of operations and changes in net assets, and cash flows for the years then ending, including the related summaries of significant assumptions and accounting policies in accordance with guidelines for the presentation of a financial forecast established by the American Institute of Certified Public Accountants (AICPA). We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the financial forecast nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on the financial forecast.

The forecasted results may not be achieved as there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected and these differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Bernard Robinson & Company, L.L.P.

Greensboro, North Carolina
February 27, 2025

BRIGHTSPIRE
Forecasted Combined Statements of Financial Position
September 30, 2025 through 2029

(In Thousands of Dollars)

	2025	2026	2027	2028	2029
Assets					
Current Assets:					
Cash and cash equivalents	$ 5,750	$ 5,750	$ 5,750	$ 5,750	$ 5,750
Assets limited as to use, required for current liabilities	3,903	3,826	3,712	8,461	9,154
Accounts receivable, net	2,850	2,941	3,035	3,134	3,238
Other receivables	2,357	2,425	2,406	2,484	2,567
Other current assets	494	515	629	649	669
Total Current Assets	15,354	15,457	15,532	20,478	21,378
Assets Limited As to Use:					
Under bond agreement	3	3	3	3	3
Reserves required by state statute	24,894	25,712	26,213	25,621	26,498
Endowment funds	5,085	5,085	5,085	5,085	5,085
Residents' cash deposits	100	100	100	100	100
	30,082	30,900	31,401	30,809	31,686
Investments, Deferred Costs and Other Assets:					
Investments	151,591	161,264	173,270	187,363	207,400
Deferred CON costs, net	76	70	64	58	52
Interest rate swap agreement	1,262	1,262	1,262	1,262	1,262
	152,929	162,596	174,596	188,683	208,714
Property and Equipment:					
Land, buildings and equipment	581,155	592,991	605,481	614,345	622,300
	581,155	592,991	605,481	614,345	622,300
Less accumulated depreciation	171,414	192,556	214,023	235,592	257,006
	409,741	400,435	391,458	378,753	365,294
Total Assets	$ 608,106	$ 609,388	$ 612,987	$ 618,723	$ 627,072
Liabilities and Net Assets					
Current Liabilities:					
Current maturities of long-term debt	$ 10,543	$ 9,261	$ 8,363	$ 9,222	$ 9,663
Accounts payable	4,558	4,558	4,558	4,558	4,558
Accrued expenses	1,552	1,552	1,552	1,552	1,552
Accrued interest	3,218	2,993	2,972	2,854	2,774
Other accrued expenses	898	1,097	1,096	1,098	1,092
Estimated refundable entrance fees	1,170	1,170	1,170	1,170	1,170
Total Current Liabilities	21,939	20,631	19,711	20,454	20,809
Long-Term Debt	168,304	158,308	148,899	138,364	128,453
Deferred Revenue and Other Liabilities:					
Deferred revenue - nonrefundable fees	63,670	61,996	59,814	57,156	54,025
Deferred revenue - refundable fees	84,524	78,409	71,191	62,852	53,360
Refundable entrance fees	17,352	16,153	14,742	13,115	11,269
Admission deposits	3,006	2,925	2,818	2,688	2,534
Other accrued expenses	1,084	1,083	1,083	1,081	1,084
Interest rate swap agreement	103	103	103	103	103
	169,739	160,669	149,751	136,995	122,375
Total Liabilities	359,982	339,608	318,361	295,813	271,637
Net Assets:					
Assets without donor restrictions	238,083	259,739	284,585	312,869	345,394
Assets with donor restrictions	10,041	10,041	10,041	10,041	10,041
Total Net Assets	248,124	269,780	294,626	322,910	355,435
Total Liabilities and Net Assets	$ 608,106	$ 609,388	$ 612,987	$ 618,723	$ 627,072

BRIGHTSPIRE
Forecasted Combined Statements of Operations and Changes in Net Assets
Years Ending September 30, 2025 through 2029

(In Thousands of Dollars)

	2025	2026	2027	2028	2029
Changes in Net Assets without Donor Restrictions:					
Revenue:					
Amortization of advance fees	$ 24,998	$ 26,864	$ 28,712	$ 30,548	$ 32,415
Service fees, residential	55,696	58,202	60,821	63,559	66,419
Service fees, assisted living	10,631	13,168	13,760	14,380	15,028
Service fees, nursing	24,768	25,883	27,047	28,265	29,536
Adult day care	719	779	814	851	889
Food service income	615	615	615	615	615
Reimbursed medical	3,289	3,289	3,289	3,289	3,289
Golf course revenue	75	75	75	75	75
Other	296	296	296	296	296
Total operating revenue	121,087	129,171	135,429	141,878	148,562
Expenses:					
Routine services	23,534	24,475	25,453	26,471	27,531
Special services	2,102	2,186	2,273	2,365	2,459
Dining services	17,911	18,628	19,374	20,148	20,954
Environmental services	5,650	5,876	6,112	6,355	6,609
Maintenance	10,554	10,976	11,415	11,871	12,346
Marketing	1,800	1,862	1,926	1,994	2,064
Administration	12,424	12,921	13,438	13,974	14,534
Depreciation and amortization	19,892	20,392	20,715	20,937	20,780
Bond interest and amortization	7,450	7,159	6,887	6,597	6,222
Purchased medical services	3,548	3,548	3,548	3,548	3,548
Golf course and grounds expense	1,440	1,498	1,557	1,620	1,685
Miscellaneous, net	814	813	810	817	814
Management service fees	5,792	6,243	6,560	6,880	7,214
Total operating expenses	112,911	116,577	120,068	123,577	126,760
Operating income	8,176	12,594	15,361	18,301	21,802
Nonoperating income:					
Contributions	1,369	1,369	1,369	1,369	1,369
Net realized investment income	7,275	7,693	8,116	8,614	9,354
Net nonoperating income	8,644	9,062	9,485	9,983	10,723
Changes in net assets without donor restrictions	16,820	21,656	24,846	28,284	32,525
Net assets, beginning	231,304	248,124	269,780	294,626	322,910
Net assets, ending	$ 248,124	$ 269,780	$ 294,626	$ 322,910	$ 355,435

BRIGHTSPIRE
Forecasted Combined Statements of Cash Flows
Years Ending September 30, 2025 through 2029

(In Thousands of Dollars)

	2025	2026	2027	2028	2029
Cash flows from operating activities:					
Changes in net assets	$ 16,820	$ 21,656	$ 24,846	$ 28,284	$ 32,525
Adjustments to reconcile changes in net assets to net cash provided by operating activities:					
Entrance fees received	18,939	18,939	18,939	18,939	18,939
Amortization of entrance fees	(24,998)	(26,864)	(28,712)	(30,548)	(32,415)
Depreciation	20,641	21,142	21,467	21,579	21,426
Amortization of deferred CON costs	3	6	6	6	6
Amortization of deferred financing costs	158	144	135	126	115
Amortization of bond premium	(910)	(900)	(893)	(774)	(767)
Changes in working capital:					
(Increase) decrease in:					
Trade and other receivables	195	(159)	(75)	(177)	(187)
Unconditional promises to give	20	-	-	-	-
Other assets	(21)	(21)	(114)	(20)	(20)
Increase (decrease) in:					
Decrease in accounts payable and accrued expenses	(1,245)	(27)	(22)	(118)	(83)
Net cash provided by operating activities	29,602	33,916	35,577	37,297	39,539
Cash flows from investing activities:					
Purchases of property and equipment	(17,677)	(11,836)	(12,490)	(8,864)	(7,955)
Net proceeds (purchases) of investments	(3,647)	(10,392)	(12,681)	(18,925)	(21,217)
Net cash used in investing activities	(21,324)	(22,228)	(25,171)	(27,789)	(29,172)
Cash flows used in financing activities:					
Principal payments on long-term debt	(10,513)	(10,543)	(9,261)	(8,363)	(9,222)
Refunds of refundable fees	(1,145)	(1,145)	(1,145)	(1,145)	(1,145)
Net cash used in financing activities	(11,658)	(11,688)	(10,406)	(9,508)	(10,367)
Net decrease in cash and cash equivalents	(3,380)	-	-	-	-
Cash and cash equivalents, beginning	9,130	5,750	5,750	5,750	5,750
Cash and cash equivalents, ending	$ 5,750	$ 5,750	$ 5,750	$ 5,750	$ 5,750
Supplemental disclosure of cash flow information:					
Cash payments for interest	$ 7,326	$ 7,184	$ 6,908	$ 6,715	$ 6,302

NOTE 1 - BASIS OF PRESENTATION

The accompanying financial forecast presents, to the best of the knowledge and belief of the management ("Management") of The Presbyterian Homes, Inc. dba Brightspire and Glenaire, Inc.'s (collectively, the "Communities") expected combined financial position, changes in net assets, and cash flows as of and for each of the five years ending through September 30, 2029. Accordingly, the combined forecast reflects Management's judgment as of February 27, 2025, of the expected conditions and its expected course of action during the forecast period.

The assumptions disclosed herein are those which Management believes are significant to the combined forecast. Management recognizes there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Management's purpose in releasing this combined financial forecast is for inclusion in the Communities' disclosure statement in accordance with Chapter 58, Article 64, of the North Carolina General Statutes. Accordingly, this report should not be used for any other purpose.

Kintura was founded in 2024 through the affiliation of the former organizations The Presbyterian Homes, Inc., (d/b/a Brightspire) and Well-Spring Services, Inc. (d/b/a The Well-Spring Group). Kintura, located in Greensboro, N.C., is a North Carolina not-for-profit corporation chartered by the State of North Carolina in 2024. Kintura is the controlling corporate parent of each Kintura affiliated life plan community. As the corporate parent Kintura shall appoint the board of directors of each Kintura life plan community and shall serve as the sole corporate member of each life plan community.

While each Kintura life plan community has its own board, the common parent Kintura board and its life plan community boards follow a board members-in-common model which means that individuals who sit on the board of directors for the common parent Kintura board also sit on the boards of directors of the individual life plan community boards at the same time, essentially sharing their board membership. Decision-making for each life plan community is made by the life plan community board. The board of directors of the common parent, Kintura, as well as each life plan community board consists of fifteen members, two of which are residents of Kintura life plan communities. A Kintura Board of Directors-appointed Board of Advisors – made up of resident representatives of each Kintura life plan community – provides insight and feedback to help inform Kintura decision-making.

Currently within Kintura, there exists two financially obligated groups for any indebtedness by the life plan communities. One obligated group within Kintura is jointly obligated for the indebtedness of the Glenaire, River Landing at Sandy Ridge and Scotia Village life plan communities. The second obligated group is jointly obligated to pay the indebtedness of The Village at Brookwood and Well-Spring Retirement Community life plan communities. The two obligated groups are not combined and are not obligated to pay the indebtedness of the other.

All resident care contracts and agreements are made between the individual Kintura life plan community and the resident(s).

NOTE 2 - BACKGROUND OF THE ORGANIZATION

The Communities provide housing, health care and other related services to residents. Brightspire operates as River Landing at Sandy Ridge in Colfax, North Carolina and as Scotia Village in Laurinburg, North Carolina. Glenaire, Inc. operates in Cary, North Carolina. The Presbyterian Homes Foundation, Inc. is a foundation established to raise funds for support and the future needs of the Communities. PHI Management Services LLC was formed to provide management services to continuing care retirement communities which are not affiliated with Brightspire, Inc. PHI Rehab Services was formed to provide rehabilitation services to the Communities and other continuing care retirement communities. The Communities, the Foundation, PHI Management Services LLC, and PHI Rehab Services are collectively referred to as the "Organization".

The Board of The Presbyterian Homes Foundation, Inc. is appointed by and serves at the pleasure of the Board of Directors of Kintura.

Principles of Combination

The accompanying forecasted combined financial statements include the accounts of the above-named entities. All material related-party balances and transactions have been eliminated in combination.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES AND ASSUMPTIONS

Classification of Net Assets

The following classification of net assets is presented in the accompanying forecasted 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.

Changes in Assets Without Restrictions

The forecasted combined statement of operations and changes in net assets reflect operating income. Changes in net assets without restrictions that are excluded from operating income, consistent with industry practice, include realized gains and losses on investments, changes in unrealized gains and losses on investments, investment income, income from estates, wills, trusts and bequests, and contributions.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES AND ASSUMPTIONS (Continued)

Cash and Cash Equivalents

For purposes of reporting cash flows, 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.

Accounts Receivable

The Communities record accounts receivable at the total unpaid balance which approximates estimated fair value. The Communities determine past-due status on individual accounts based on the billing dates. The Communities estimate their allowance for doubtful accounts based on a combination of factors, including the past historical loss experience and any anticipated effects related to current economic conditions, as well as Management's knowledge of the current composition of accounts receivable. Accounts receivable that Management believes to be ultimately not collectible are written off upon such determination.

Assets Limited As To Use

Assets limited as to use include assets held by trustees under an indenture agreement, assets which must be held in perpetuity under endowment agreements, unconditional promises to give restricted for purchase of property and equipment, repayment of debt, or financial assistance, assets held as deposits, and the operating reserve required by State statute.

Resident Fees

Resident fees represent the estimated net realizable amounts from patients, third-party payors, and others for services rendered. Resident fees are recorded as revenue when earned.

Estimated Third-Party Payor Settlements

The Communities have agreements with third-party payors that provide for payments to the Communities at amounts different from their established rates. Payment arrangements include prospectively determined per diem payments. Revenue under third-party payor agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between the estimated amounts accrued and interim and final settlements are reported in operations in the year of settlement.

Investments

Investments in all debt and equity securities with a readily determinable market value are measured at fair value. The fair values of mutual funds and equity securities are determined based on quoted net asset values and share prices, respectively. The fair value of debt securities are based on quoted market prices. Changes in fair value of investments, including both realized and unrealized gains and losses, are included in the accompanying forecasted combined statements of operations and changes in net assets. In determining realized gains and losses, the cost of investments is determined using the first-in, first-out method.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES AND ASSUMPTIONS (Continued)

Investments (Continued)

Donated investments are stated at fair value at the date of the gift. Unrealized gains and losses on investments, except those determined to be other than temporarily impaired, are excluded from excess of revenue over expenses. Any other than temporary declines are accounted for as a nonoperating loss, whereby the historical cost of the related investment would be adjusted to the then-current fair market value.

Property and Equipment

Property and equipment are stated at cost or at estimated fair value at the date of donation. Depreciation is determined principally by the straight-line method over the estimated useful lives of the assets, ranging from 3 to 40 years. It is the policy of the Communities to review long-lived assets and intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Deferred Financing Costs

Financing costs relative to the permanent financing of the facilities have been deferred and are being amortized, using the effective interest method, over the terms of the related financing and are netted against the related outstanding debt associated with the financing cost.

Income Tax Status

The Communities are not-for-profit organizations exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and the Foundation is an organization exempt from income taxes under the 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 forecasted combined financial statements. No material uncertain tax positions are expected during the forecast period. Any changes in the amount of a tax position will be recognized in the period the change occurs.

Revenue Recognition

The Organization generates revenues, primarily by providing housing, amenities (recreational, dining, etc.) and access to health care services to its residents. 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 balance sheet 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 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 balance sheet.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES AND ASSUMPTIONS (Continued)

Revenue Recognition (Continued)

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 most likely amount to be received from the 3rd party payors.

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 non-routine or additional services are billed monthly in arrears and recognized when the service is provided.

Entrance Fees

Entrance fees are amortized into revenue on a straight-line basis, based on the actuarially determined remaining life expectancy of the resident. This actuarially determined remaining life expectancy of the resident is adjusted annually. The unamortized portion of the fee is shown on the forecasted combined statements of financial position as deferred revenue.

Refundable Fees

The Organization offers three alternative entrance fee plans which provide refunds to residents from re-occupancy proceeds. Under the standard entrance fee option, prior to 48 months of occupancy, the resident would receive a refund equal to the entrance fee, less 2% per month of occupancy less a 4% non-refundable fee.

The 50% refundable plan offers the resident a refund equal to 50% of the entrance fee after 23 months of occupancy. Prior to 23 months of occupancy, the resident is entitled to a refund of the entrance fee, less 2% per month of occupancy less a 4% non-refundable fee. The 90% refundable plan offers the resident a refund equal to 90% of the entrance fee after 6 months of occupancy. Prior to 6 months of occupancy, the resident is entitled to a refund of the entrance fee, less 1% per month of occupancy less a 4% non-refundable fee. The estimated amount of entrance fees that are expected to be refunded to current residents is shown on the forecasted combined statements of financial position as Estimated Refundable Entrance Fees. This amount is estimated using an average of the last five years' refunds. The total amount of contractual refund obligations under existing contracts is included in deferred revenue from entrance fees - refundable and refundable entrance fees on the forecasted combined statements of financial position.

Obligation to Provide Future Services

The Communities annually calculate 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.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES AND ASSUMPTIONS (Continued)

Paid Annual Leave

After an employee has worked at the Communities for 90 days, they begin to earn paid annual leave ("PAL") time. PAL time may be earned by regular-time employees who work at least 60 hours per pay period. For the first three years of employment, employees may earn up to 23 days of PAL each year, after three years and through five years employees may earn 26 days of PAL each year, and after five years employees may earn 31 days annually. Employees are required to use at least 15 days of PAL each year, with the remaining unused PAL being put into a reserve. Up to 60 days can be accumulated in the reserve. Remaining unused current and reserved PAL is paid to an employee upon proper resignation, retirement or illness. The first 30 days of an employee's PAL reserve can only be used for an extended illness. The second 30 days of an employee's PAL reserve can be used as the employee desires.

Property Tax Exemption

During 2001, the state of North Carolina passed legislation which provided a property tax exemption for continuing care retirement communities (CCRCs) that expend 5% or more of their operating revenues on charity care and community service or CCRCs that have financed their facilities with tax exempt bond financing. Partial exemptions are available for CCRCs which provide some charity care and community service and CCRCs that have facilities which are partially financed with tax-exempt bond financing. The property tax exemption must be requested each year. Based on the combination of the partial exemptions described above, Management believes that it will qualify for a full property tax exemption for the foreseeable future.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, receivables and other assets approximate fair value. Investments are reported at fair value as of the date of the forecasted combined financial statements. The carrying amount of accounts payable, accrued expenses and other liabilities approximate fair value. Fixed-rate long-term debt is carried at cost net of any unamortized premiums or discounts.

Benevolent Assistance

The Communities have a policy of providing benevolent assistance to residents who are unable to pay. Such residents are identified based on financial information obtained from the resident and subsequent review and analysis. Since the Communities do not expect to collect the normal charges for services provided, estimated charges for benevolent assistance are not included in revenue.

Social Accountability

The Communities provide building space to several religious and other non profit organizations rent free and to a childcare center at a reduced rate.

Revenues

Amortized entry fees: Residents' entry fees are amortized into revenue based on the actuarially determined remaining life expectancy of the resident, which is estimated to be ten years.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES AND ASSUMPTIONS (Continued)

Revenues (Continued)

Service fees: Forecasted service fee revenues from existing facilities are based on the forecasted utilization of the facility and the service fees assumed to be in effect during the forecast period. The following schedules of fees are currently in effect at the facilities:

Glenaire, Inc.

The following schedule summarizes the types of units, entrance fees, and the current monthly or daily fees at Glenaire, Inc.:

		Monthly Fees	
Unit Type	Entrance Fees	First Person	Second Person
Apartments:			
Studio	$81,000	$3,174	N/A
One bedroom	$186,000-$193,000	$3,717	$1,401
One bedroom w/study	$231,000	$4,346	$1,401
Two bedrooms	$256,000-$261,000	$4,346	$1,401
Two bedrooms w/den	$393,000-$544,000	$4,719-$5,782	$1,401
Expansion apartments:			
Ivy	$487,000	$5,032	$1,401
Camellia	$487,000	$5,032	$1,401
Tupelo	$544,000	$5,063	$1,401
Chestnut	$585,000	$5,193	$1,401
Birch	$606,000	$5,193	$1,401
Dogwood	$606,000	$5,193	$1,401
Bradford	$647,000	$5,323	$1,401
Leyland	$668,000	$5,454	$1,401
Hawthorne	$668,000	$5,454	$1,401
Sycamore	$741,000	$5,778	$1,401
Cypress	$949,000	$6,620	$1,401
Cottages:			
Two bedroom	$441,000	$4,504	$1,401
Two bedroom, Expanded	$508,000-$553,000	$4,986	$1,401
120 Bldg, Jasmine	$393,000	$4,719	$1,401
Gardenia	$399,000	$4,742	$1,401
Laurel	$439,000	$5,013	$1,401
Azalea	$487,000	$5,135	$1,401
Magnolia	$544,000	$5,782	$1,401
Health Center:			
Assisted living	$17,650-$40,000	$7,627-$9,987	N/A
Nursing	$12,475	$395/Day	N/A

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES AND ASSUMPTIONS (Continued)

Revenues (Continued)

Glenaire, Inc. (Continued)

Occupancy is forecasted at 97% in independent living, 62% to 85% in assisted living in 2025 and increasing to 94% thereafter, and 93% in nursing.

Service fees are forecasted to increase approximately 4.5%.

River Landing at Sandy Ridge

The following schedule summarizes the types of units, entrance fees, and the current monthly or daily fees at River Landing at Sandy Ridge:

		Monthly Fees	
Unit Type	Entrance Fees	First Person	Second Person
Apartments:			
One bedroom	$153,000	$3,817	$1,659
Two bedroom	$214,000	$4,693	$1,659
Three bedroom	$313,000	$4,990	$1,659
Three bedroom deluxe	$410,000-$438,000	$5,618	$1,659
Apartments (Hybrid):			
Two bedroom	$395,000-$434,000	$5,071-$5,139	$1,659
Two bedroom with den	$469,000	$5,208	$1,659
Three bedroom	$535,000	$5,784	$1,659
Townhouses:			
Two bedroom	$276,000	$4,719	$1,659
Three bedroom	$370,000	$5,041	$1,659
Villas:			
Two bedroom	$300,000	$4,786	$1,659
Three bedroom	$397,000	$5,104	$1,659
Cottages:			
Two bedroom	$360,000	$4,912	$1,659
Three bedroom	$500,000	$5,165	$1,659
Cottages (Expansion):			
Two bedroom	$485,000	$5,166	$1,659
Three bedroom	$591,000	$5,301	$1,659
Assisted Living:			
Studio	$20,000	$6,354	N/A
One bedroom	$25,000	$7,804	$5,850
Skilled nursing	$11,500	$434/day	N/A
Alzheimer's healthcare	$11,500	$10,064	N/A

Occupancy is forecasted at 96% in independent living, 89% to 95% in assisted living and 93% in nursing.

Service fees are forecasted to increase approximately 4.5%.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES AND ASSUMPTIONS (Continued)

Revenues (Continued)

Scotia Village

The following schedule summarizes the types of units, entrance fees, and the current monthly or daily fees at Scotia Village:

Unit Type	Entrance Fees	Monthly Fees First Person	Monthly Fees Second Person
Apartments:			
Studio	$51,000	$3,003	N/A
Expanded studio	$57,000	$3,225	N/A
One bedroom	$78,000	$3,413	$1,234
Expanded one bedroom	$96,000	$3,595	$1,234
Deluxe one bedroom	$120,000	$3,616	$1,234
Two bedroom	$160,000	$3,976	$1,234
Deluxe two bedroom	$170,000	$4,154	$1,234
Expanded two bedroom	$215,000	$4,306	$1,234
Garden Apartments:			
One bedroom	$118,000	$3,698	$1,234
Two bedroom	$186,000	$4,060	$1,234
Expanded two bedroom	$191,000	$4,441	$1,234
Villas:			
Two bedroom	$274,000	$4,288	$1,234
Three bedroom	$308,000	$4,432	$1,234
Single family home:			
Two bedroom	$319,000	$4,444	$1,234
Three bedroom	$386,000	$4,617	$1,234
Two bedroom - Edinburgh	$423,000	$4,619	$1,234
Three bedroom-Glasgow	$342,000	$4,429	$1,234
Assisted living:			
Assisted living I	$15,000	$5,505	N/A
Assisted living II	$20,000	$6,431-$7,381	$5,486
Skilled nursing	$10,000	$366/day	N/A
Alzheimer's healthcare	$10,000	$372/day	N/A

Occupancy is forecasted at 94% in independent living, 89% in assisted living and 91% in nursing.

Service fees are forecasted to increase approximately 4.5%.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES AND ASSUMPTIONS (Continued)

Other Revenues

Investment income is based on current rates of return on forecasted investment balances in each year.

Adult day care, after fill up of expanded space, food service income, golf course revenue and other revenue sources are forecasted to remain consistent during the forecast period.

Reimbursed medical reflects income on ancillaries in nursing and is forecasted to remain consistent during the forecast period.

Expenses

Operating expenses are projected to increase approximately 4% annually.

The provision for depreciation is based on the current depreciation schedule and projected property and equipment additions. The provision is computed on the straight-line method using a 40-year life on buildings, 30-year life on building improvements, 10-year life on furniture and equipment, and 3 years on other equipment.

Financing expenses of $131,250, $170,944, $751,205 and $1,844,736 incurred in conjunction with issuance of the 2015 bank-qualified debt, the 2016B bonds, the 2016C bonds, and 2020 bonds, respectively, have been deferred and are assumed to be amortized over the respective lives of the issues.

Nonoperating Gains

Forecasted amounts from contributions represent estimates of support from the Foundations and other fund-raising efforts.

Funds Held by Trustee

A summary of assets (in thousands of dollars) held by the trustee at the end of each year as required by the Loan and Security Agreement is as follows:

	2025	2026	2027	2028	2029
Interest	$ 3,020	$ 2,996	$ 2,976	$ 2,857	$ 2,809
Principal	886	833	739	5,607	6,348
	$ 3,906	$ 3,829	$ 3,715	$ 8,464	$ 9,157

NOTE 4 - LONG-TERM DEBT

For purposes of this combined forecast, it has been assumed that the historical carrying value of long-term debt equals the fair value of such debt.

Long-term debt, consists of the following:

On July 15, 2015, Brightspire entered into a Loan and Security Agreement with the North Carolina Medical Care Commission pursuant to a $14,712,108 First Mortgage Revenue Refunding Bond, Series 2015, to refinance part of the Series 2005 and Series 2010 existing indebtedness of Brightspire. This is a single bond which qualifies as Bank Qualified Debt and was purchased by BB&T Bank. Proceeds from this offering have been used to pay the expenses incurred in connection with the issuance of the bonds.

On April 1, 2016, Brightspire entered into a Loan and Security Agreement with the North Carolina Medical Care Commission pursuant to a $20,000,000 First Mortgage Revenue Bond, Series 2016, to refinance capital projects. Proceeds from this offering have been used to fund a construction reserve to pay costs related to capital improvements at the Communities, and to pay the expenses incurred in connection with the issuance of the bonds.

On September 29, 2016, Brightspire entered into a Loan and Security Agreement with the North Carolina Medical Care Commission pursuant to a $48,690,837 First Mortgage Revenue Refunding Bond, Series 2016B, to refinance part of the Series 2006A existing indebtedness of Brightspire. This is a single bond which qualifies as Bank Qualified Debt and was purchased by BB&T Bank. Proceeds from this offering have been used to pay the expenses incurred in connection with the issuance of the bonds.

On September 29, 2016, Brightspire entered into a Loan and Security Agreement with the North Carolina Medical Care Commission pursuant to a $29,220,000 bond offering, Series 2016C, to refinance the remaining Series 2006 A and B existing indebtedness of Brightspire. A portion of the proceeds from this offering have been used to pay a portion of the bond maturities due October 1, 2016, to fund a debt service reserve fund for the bonds and to pay the expenses incurred in connection with the issuance of the bonds.

The loan agreements contain certain required deposits, payments and covenants, which include limitations on liens, incurrence of additional indebtedness, certain long-term debt service coverage ratios, occupancy percentage, property transfer restrictions, limitations on use to finance operating deficits, and various other covenants and restrictions. All such required deposits are shown as assets limited as to use under bond agreement and are pledged on the loans.

Security for the bonds consists of a pledge and assignment to the trustee of all rights, title and interest in and to Brightspire, Glenaire, Inc. and The Presbyterian Homes Foundation, Inc.'s ("Obligated Group") promissory notes, which evidences the Obligated Group's obligation to repay the North Carolina Medical Care Commission ("Commission") dated July 15, 2015, April 1, 2016 and September 29, 2016. In addition, the Commission assigned to the Trustee its rights as beneficiary under the Obligated Group's deed of trust, which grants the trustee first priority deed of trust on the site and any buildings or improvements, and assigns its rights as a secured party with respect to its security interest.

NOTE 4 - LONG-TERM DEBT (Continued)

The Series 2016 bonds maturing on or after October 1, 2024, 2025 and 2026, are subject to redemption by the Commission, at the direction of the Obligated Group, at an option of 102%, 101% and 100% of par value, respectively. Additionally, the terms of the bonds maturing in 2031 and 2036 are subject to mandatory redemption without premium beginning in 2028 and 2032, respectively.

On June 28, 2018, Brightspire entered into a credit agreement with Branch Banking and Trust Company to finance the expansion and a renovation to the Wellness Center and Healthcare Center at River Landing at Sandy Ridge. The Entrance Fee Project loan, in the amount of $20,426,000, will be used to finance a portion of the construction of 58 independent living units. The Construction Project Loan, in the amount of $34,574,000, will be used to finance the costs of various expansion projects including a maintenance/transportation building; a clubhouse with dining facilities, meeting space, and a golf pro-shop; an expansion of the existing wellness space; and renovation of the existing healthcare center to convert the physical layout and spaces to the household model.

On October 1, 2020, Brightspire entered into Loan and Security agreements with the North Carolina Medical Care Commission pursuant to a $96,035,000 First Mortgage Revenue Bond, Series 2020A. The Series 2020A bonds have a final maturity of October 1, 2055. Proceeds from the debt have been used to fund construction of an expansion and to pay the expenses incurred in connection with the issuance of the bonds.

Bonds payable to the North Carolina Medical Care Commission and Bank Qualified Debt as of October 1, 2024 are expected to be as follows:

Series 2015	
Fixed rate of 3.42% per annum due July 1, 2031	$ 4,761,890
Series 2016A	
Variable rate swapped to fixed rate of 2.395% due April 1, 2027	$ 5,240,851
Series 2016B	
Variable rate swapped to fixed rate of 2.176% due October 1, 2027	$17,754,610
Series 2016C	
Term bonds at rates between 3 and 5% due October 1, 2037	$29,220,000
Series 2020A	
Term bonds at rates between 4 and 5% due October 1, 2055	$96,035,000
Construction Loan	
Forward rate swap agreement of 4.152% due July 1, 2035	$26,910,462

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

Under the terms of the initial contributions that were used to establish the endowments, only the income earned by the assets may be spent. The Investment Committee of the Board of Governors may buy, sell or otherwise change investments, but all proceeds from any sale are required to be reinvested.

NOTE 6 - CURRENT ASSETS AND CURRENT LIABILITIES

Balances in receivables and other assets and payables and accrued expenses are based on balances at September 30, 2024, adjusted for increases in revenues and expenses.

NOTE 7 - PROPERTY AND EQUIPMENT

The following table summarizes the activity related to property and equipment during the forecast period as follows (in thousands of dollars):

	2025	2026	2027	2028	2029
Beginning balance, cost	$ 563,478	$ 581,155	$ 592,991	$ 605,481	$ 614,345
Purchases:					
Routine	10,677	11,836	12,490	8,864	7,955
Glenaire Projects	7,000	-	-	-	-
Property and equipment, cost	581,155	592,991	605,481	614,345	622,300
Accumulated depreciation	171,414	192,556	214,023	235,592	257,006
	$ 409,741	$ 400,435	$ 391,458	$ 378,753	$ 365,294

NOTE 8 - EXPENSES BY NATURE AND FUNCTION

Expenses by nature and functions (excluding depreciation and amortization, bond and note interest) consist of the following for the forecasted periods:

	2025	2026	2027	2028	2029
Salaries and wages	$ 46,906	$ 48,862	$ 50,808	$ 52,834	$ 54,934
Payroll taxes and employee benefits	11,564	12,046	12,526	13,025	13,543
Supplies	3,956	4,120	4,285	4,455	4,633
Contracted outside services	2,528	2,634	2,739	2,848	2,961
Raw food and nourishments	5,601	5,835	6,067	6,309	6,560
Repairs and maintenance, equipment	490	510	530	551	573
Repairs and maintenance, buildings	1,421	1,480	1,539	1,601	1,664
Repairs and maintenance, grounds	454	473	492	511	532
Gas	388	404	420	437	455
Electricity	1,693	1,764	1,834	1,907	1,983
Water	785	817	850	884	919
Telephone	134	140	145	151	157
Dues and subscriptions	157	163	170	177	184
Insurance, general	1,562	1,627	1,692	1,759	1,829
Printing	183	191	198	206	214
Promotions	282	294	305	318	330

NOTE 8 - EXPENSES BY NATURE AND FUNCTION (Continued)

Expenses by nature and functions (excluding depreciation and amortization, bond and note interest) consist of the following for the forecasted periods (Continued):

	2025	2026	2027	2028	2029
Postage	$ 70	$ 73	$ 76	$ 79	$ 82
Legal and accounting	212	221	230	239	249
Consultant's fees	500	521	542	563	586
Travel and seminars	291	303	315	328	341
Employee recruitment and retention	449	468	486	506	526
Meetings and special events	204	213	221	230	239
Purchased medical	2,670	2,670	2,670	2,670	2,670
Outside services	2,132	2,221	2,310	2,402	2,497
Rent, buildings and equipment	172	179	186	194	201
Miscellaneous	765	797	830	859	896
Total expenses by function	$ 85,569	$ 89,026	$ 92,466	$ 96,043	$ 99,758

Expenses by function for the forecasted periods is expected to be utilized by nature as 40% for direct services and 60% for general and administration.

THE PRESBYTERIAN HOMES, INC.
AND ITS COMBINED AFFILIATES

FORECASTED COMBINING STATEMENTS OF
BALANCE SHEETS

SEPTEMBER 30
(IN THOUSANDS OF DOLLARS)
SEE ACCOUNTANT'S REPORT

	Scotia Village 2025	Glenaire 2025	River Landing at Sandy Ridge 2025	Foundation 2025	2025
ASSETS					
Current Assets					
Cash and cash equivalents	$ 250	$ 500	$ 3,000	$ 2,000	$ 5,750
Assets limited as to use, required for current liabilities	128	2,395	1,380	-	3,903
Accounts receivable, net	968	1,037	845	-	2,850
Other receivables	162	1,360	835	-	2,357
Other	66	168	260	-	494
Total current assets	1,574	5,460	6,320	2,000	15,354
Assets Limited as to Use					
Unconditional promises to give, net	-	-	-	-	-
Under bond agreement	3	-	-	-	3
Reserves required by state statute	4,129	10,608	10,157	-	24,894
By donors for permanent endowment funds	-	-	304	4,781	5,085
Residents' cash deposits	97	3	-	-	100
	4,229	10,611	10,461	4,781	30,082
Investments, Deferred Costs and Other Assets					
Investments	6,828	18,247	76,212	50,304	151,591
Deferred CON costs, net	28	27	21	-	76
Interest rate swap agreement	66	75	1,121	-	1,262
	6,922	18,349	77,354	50,304	152,929
Property and Equipment					
Land, buildings and equipment	53,333	324,416	203,406	-	581,155
Construction in Progress	-	-	-	-	-
	53,333	324,416	203,406	-	581,155
Less accumulated depreciation	28,003	70,055	73,356	-	171,414
Total assets	$ 38,055	$ 288,781	$ 224,185	$ 57,085	$ 608,106
LIABILITIES AND NET ASSETS					
Current Liabilities					
Current maturities of long-term debt	$ 982	$ 1,621	$ 7,940	$ -	$ 10,543
Accounts payable	531	1,437	2,590	-	4,558
Accrued payroll and related expenses	310	645	597	-	1,552
Accrued interest	248	2,247	723	-	3,218
Other accrued expenses	48	345	505	-	898
Estimated refundable entrance fees	300	383	487	-	1,170
Total current liabilities	2,419	6,678	12,842	-	21,939
Long-Term Debt. Less current maturities	2,882	107,393	58,029	-	168,304
Deferred Revenue and Other Liabilities					
Deferred revenue from entrance fees - non-refundable portion	6,319	24,235	33,116	-	63,670
Deferred revenue from entrance fees - refundable	4,388	69,032	11,104	-	84,524
Refundable entrance fees	-	13,315	4,037	-	17,352
Admission deposits	334	1,187	1,485	-	3,006
Other accrued expenses	208	321	555	-	1,084
Residents' cash deposits	97	6	-	-	103
	11,346	108,096	50,297	-	169,739
Net Assets					
Unrestricted	21,408	66,614	101,818	48,243	238,083
Temporarily Restricted	-		-	8,842	8,842
Permanently restricted	-	-	1,199	-	1,199
Total net assets	21,408	66,614	103,017	57,085	248,124
Total liabilities and net assets	$ 38,055	$ 288,781	$ 224,185	$ 57,085	$ 608,106

See Summary of Significant Accounting Policies and Assumptions.

THE PRESBYTERIAN HOMES, INC.
AND ITS COMBINED AFFILIATES

FORECASTED COMBINING STATEMENTS OF OPERATIONS

YEARS ENDED SEPTEMBER 30
(IN THOUSANDS OF DOLLARS)
SEE ACCOUNTANT'S REPORT

	Scotia Village 2025	Glenaire 2025	River Landing at Sandy Ridge 2025	Foundation 2025	2025
Changes in unrestricted net assets:					
Operating revenues:					
Resident services:					
Amortized entry fees	$ 1,710	$ 15,332	$ 7,956	$ -	$ 24,998
Service fees, residential	6,372	26,255	23,069	-	55,696
Service fees, assisted living	1,646	4,374	4,611	-	10,631
Service fees, nursing	6,904	9,430	8,434	-	24,768
Adult day care	-	719	-	-	719
Food service income	65	200	350	-	615
Reimbursed medical	535	1,880	874	-	3,289
Golf course revenue	-	-	75	-	75
Other	12	164	120	-	296
Total operating revenues	17,244	58,354	45,489	-	121,087
Operating expenses:					
Routine services	5,659	9,399	8,476	-	23,534
Special services	506	895	701	-	2,102
Dining services	2,069	9,290	6,552	-	17,911
Environmental services	1,128	2,848	1,674	-	5,650
Maintenance	1,748	5,116	3,690	-	10,554
Development	-	-	-	-	-
Marketing	492	575	733	-	1,800
Administration	2,281	5,237	4,906	-	12,424
Depreciation, amortization and other charges	1,480	12,953	5,459	-	19,892
Bond and note interest	142	4,625	2,683	-	7,450
Purchased medical services	812	1,821	915	-	3,548
Golf course expense	-	-	1,440	-	1,440
Miscellaneous, net	18	575	167	54	814
Management Services Fees	819	2,735	2,238	-	5,792
Total operating expenses	17,154	56,069	39,634	54	112,911
Change in unrestricted net assets from operations	90	2,285	5,855	(54)	8,176
Nonoperating gains (losses):					
Contributions	360	450	1,209	(650)	1,369
Net realized investment income	205	1,120	3,403	2,547	7,275
Other, net	-	-	-	-	-
Total nonoperating gains	565	1,570	4,612	1,897	8,644
Excess of revenues and gains over expenses and losses	655	3,855	10,467	1,843	16,820
Other changes in net assets:					
Transfers of assets between communities	-	-	-		-
Change in net assets	655	3,855	10,467	1,843	16,820
Beginning net assets	20,753	62,759	92,550	55,242	231,304
Ending net assets	21,408	66,614	103,017	57,085	248,124

See Summary of Significant Accounting Policies and Assumptions.

THE PRESBYTERIAN HOMES, INC.
AND ITS COMBINED AFFILIATES

FORECASTED COMBINING STATEMENTS OF
CASH FLOWS

YEARS ENDED SEPTEMBER 30
(IN THOUSANDS OF DOLLARS)
SEE ACCOUNTANT'S REPORT

	Scotia Village 2025	Glenaire 2025	River Landing at Sandy Ridge 2025	Foundation 2025	2025
Cash Flows From Operating Activities					
Change in net assets	$ 655	$ 3,855	$ 10,467	$ 1,843	$ 16,820
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:					
Entrances fees received	2,517	7,286	9,136	-	18,939
Amortization of entrance fees	(1,710)	(15,332)	(7,956)	-	(24,998)
Depreciation	1,480	13,493	5,668	-	20,641
Amortization of deferred CON costs	-	2	1		3
Amortization of deferred financing costs	7	92	59	-	158
Amortization of bond premium	(7)	(634)	(269)	-	(910)
Changes in working capital components:					
(Increase) decrease in:					
Trade and other receivables	309	(114)	-	-	195
Unconditional promises to give	-	-	-	20	20
Other assets	(3)	(8)	(10)	-	(21)
Increase (decrease) in accounts payable and accrued expenses	(2)	(3)	129	(1,369)	(1,245)
Net cash provided (used) by operating activities	3,246	8,637	17,225	494	29,602
Cash Flows From Investing Activities					
Purchase of property and equipment	(805)	(9,765)	(7,107)	-	(17,677)
Net proceeds of investments	(1,241)	(400)	(407)	(1,599)	(3,647)
Net cash provided (used) by investing activities	(2,046)	(10,165)	(7,514)	(1,599)	(21,324)
Cash Flows From Financing Activities					
Principal payments on long-term borrowings	(970)	(1,712)	(7,831)	-	(10,513)
Proceeds from long-term borrowings	-	-	-		-
Refunds of refundable fees	(243)	(365)	(537)	-	(1,145)
Net cash provided (used) by financing activities	(1,213)	(2,077)	(8,368)	-	(11,658)
Net increase (decrease) in cash and cash equivalents	(13)	(3,605)	1,343	(1,105)	(3,380)
Cash and cash equivalents:					
Beginning	263	4,105	1,657	3,105	9,130
Ending	$ 250	$ 500	$ 3,000	$ 2,000	$ 5,750
Cash payments for interest	144	4,628	2,554	-	7,326

See Summary of Significant Accounting Policies and Assumptions.

THE PRESBYTERIAN HOMES, INC.
AND ITS COMBINED AFFILIATES

FORECASTED COMBINING STATEMENTS OF
BALANCE SHEETS

SEPTEMBER 30
(IN THOUSANDS OF DOLLARS)
SEE ACCOUNTANT'S REPORT

	Scotia Village 2026	Glenaire 2026	River Landing at Sandy Ridge 2026	Foundation 2026	2026
ASSETS					
Current Assets					
Cash and cash equivalents	$ 250	$ 500	$ 3,000	$ 2,000	$ 5,750
Assets limited as to use, required for current liabilities	125	2,350	1,351	-	3,826
Accounts receivable, net	1,007	1,089	845	-	2,941
Other receivables	162	1,428	835	-	2,425
Other	69	176	270	-	515
Total current assets	1,613	5,543	6,301	2,000	15,457
Assets Limited as to Use					
Unconditional promises to give, net	-	-	-	-	-
Under bond agreement	3	-	-	-	3
Reserves required by state statute	4,278	11,004	10,430	-	25,712
By donors for permanent endowment funds	-	-	304	4,781	5,085
Residents' cash deposits	97	3	-	-	100
	4,378	11,007	10,734	4,781	30,900
Investments, Deferred Costs and Other Assets					
Investments	7,748	22,636	78,997	51,883	161,264
Deferred CON costs, net	25	25	20	-	70
Interest rate swap agreement	66	75	1,121	-	1,262
	7,839	22,736	80,138	51,883	162,596
Property and Equipment					
Land, buildings and equipment	54,350	328,761	209,880	-	592,991
Construction in Progress	-	-	-	-	-
	54,350	328,761	209,880	-	592,991
Less accumulated depreciation	29,504	83,722	79,330	-	192,556
Total assets	$ 38,676	$ 284,325	$ 227,723	$ 58,664	$ 609,388
LIABILITIES AND NET ASSETS					
Current Liabilities					
Current maturities of long-term debt	$ 686	$ 800	$ 7,775	-	$ 9,261
Accounts payable	531	1,437	2,590	-	4,558
Accrued payroll and related expenses	310	645	597	-	1,552
Accrued interest	46	2,243	704	-	2,993
Other accrued expenses	248	345	506	-	1,097
Estimated refundable entrance fees	300	383	487	-	1,170
Total current liabilities	2,121	5,853	12,659	-	20,631
Long-Term Debt. Less current maturities	2,205	106,056	50,047	-	158,308
Deferred Revenue and Other Liabilities					
Deferred revenue from entrance fees - non-refundable portion	6,592	21,986	33,418	-	61,996
Deferred revenue from entrance fees - refundable	4,578	62,626	11,205	-	78,409
Refundable entrance fees	-	12,079	4,074	-	16,153
Admission deposits	349	1,077	1,499	-	2,925
Other accrued expenses	208	321	554	-	1,083
Residents' cash deposits	97	6	-	-	103
	11,824	98,095	50,750	-	160,669
Net Assets					
Unrestricted	22,526	74,321	113,068	49,822	259,739
Temporarily Restricted	-	-	-	8,842	8,842
Permanently restricted	-	-	1,199	-	1,199
Total net assets	22,526	74,321	114,267	58,664	269,780
Total liabilities and net assets	$ 38,676	$ 284,325	$ 227,723	$ 58,664	$ 609,388

See Summary of Significant Accounting Policies and Assumptions.

THE PRESBYTERIAN HOMES, INC.
AND ITS COMBINED AFFILIATES

FORECASTED COMBINING STATEMENTS OF OPERATIONS

YEARS ENDED SEPTEMBER 30
(IN THOUSANDS OF DOLLARS)
SEE ACCOUNTANT'S REPORT

	Scotia Village 2026	Glenaire 2026	River Landing at Sandy Ridge 2026	Foundation 2026	2026
Changes in unrestricted net assets:					
Operating revenues:					
Resident services:					
Amortized entry fees	$ 1,796	$ 16,922	$ 8,146	$ -	$ 26,864
Service fees, residential	6,659	27,436	24,107	-	58,202
Service fees, assisted living	1,720	6,630	4,818	-	13,168
Service fees, nursing	7,215	9,854	8,814	-	25,883
Adult day care	-	779	-	-	779
Food service income	65	200	350	-	615
Reimbursed medical	535	1,880	874	-	3,289
Golf course revenue	-	-	75	-	75
Other	12	165	120	-	297
Total operating revenues	18,001	63,866	47,304	-	129,171
Operating expenses:					
Routine services	5,885	9,775	8,815	-	24,475
Special services	526	931	729	-	2,186
Dining services	2,152	9,662	6,814	-	18,628
Environmental services	1,173	2,962	1,741	-	5,876
Maintenance	1,818	5,321	3,837	-	10,976
Development	-	-	-	-	-
Marketing	509	595	758	-	1,862
Administration	2,372	5,446	5,103	-	12,921
Depreciation, amortization and other charges	1,500	13,132	5,760	-	20,392
Bond and note interest	119	4,578	2,462	-	7,159
Purchased medical services	812	1,821	915	-	3,548
Golf course expense	-	-	1,498	-	1,498
Miscellaneous, net	18	575	166	54	813
Management Services Fees	869	3,081	2,294	-	6,243
Total operating expenses	17,753	57,879	40,892	54	116,577
Change in unrestricted net assets from operations	248	5,987	6,412	(54)	12,594
Nonoperating gains (losses):					
Contributions	360	450	1,209	(650)	1,369
Net realized investment income	510	1,270	3,630	2,283	7,693
Other, net	-	-	-	-	-
Total nonoperating gains	870	1,720	4,839	1,633	9,062
Excess of revenues and gains over expenses and losses	1,118	7,707	11,251	1,579	21,656
Other changes in net assets:					
Transfers of assets between communities					-
Change in net assets	1,118	7,707	11,251	1,579	21,656
Beginning net assets	21,408	66,614	103,017	57,085	248,124
Ending net assets	22,526	74,321	114,267	58,664	269,780

See Summary of Significant Accounting Policies and Assumptions.

THE PRESBYTERIAN HOMES, INC.
AND ITS COMBINED AFFILIATES

FORECASTED COMBINING STATEMENTS OF
CASH FLOWS

YEARS ENDED SEPTEMBER 30
(IN THOUSANDS OF DOLLARS)
SEE ACCOUNTANT'S REPORT

	Scotia Village 2,026	Glenaire 2,026	River Landing at Sandy Ridge 2,026	Foundation 2,026	2026
Cash Flows From Operating Activities					
Change in net assets	$ 1,118	$ 7,707	$ 11,251	$ 1,579	$ 21,657
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:					
Entrances fees received	2,517	7,286	9,136	-	18,939
Amortization of entrance fees	(1,796)	(16,922)	(8,146)	-	(26,864)
Depreciation	1,501	13,667	5,974	-	21,142
Amortization of deferred CON costs	3	2	1		6
Amortization of deferred financing costs	3	90	59	-	152
Amortization of bond premium	(7)	(627)	(266)	-	(900)
Changes in working capital components:					
(Increase) decrease in:					
Trade and other receivables	(40)	(120)	-	-	(160)
Unconditional promises to give	-	-	-	-	-
Other assets	(3)	(8)	(10)	-	(22)
Increase (decrease) in accounts payable and accrued expenses	(1)	(4)	(20)	-	(26)
Net cash provided (used) by operating activities	3,295	11,071	17,979	1,579	33,924
Cash Flows From Investing Activities					
Purchase of property and equipment	(1,018)	(4,345)	(6,474)	-	(11,837)
Net proceeds of investments	(1,052)	(4,740)	(3,028)	(1,579)	(10,399)
Net cash provided (used) by investing activities	(2,070)	(9,085)	(9,502)	(1,579)	(22,236)
Cash Flows From Financing Activities					
Principal payments on long-term borrowings	(982)	(1,621)	(7,940)	-	(10,543)
Proceeds from long-term borrowings		-	-		-
Refunds of refundable fees	(243)	(365)	(537)	-	(1,145)
Net cash provided (used) by financing activities	(1,225)	(1,986)	(8,477)	-	(11,688)
Net increase (decrease) in cash and cash equivalents	0	-	-	-	0
Cash and cash equivalents:					
Beginning	250	500	3,000	2,000	5,750
Ending	$ 250	$ 500	$ 3,000	$ 2,000	$ 5,750
Cash payments for interest	121	4,582	2,481		7,184

See Summary of Significant Accounting Policies and Assumptions.

THE PRESBYTERIAN HOMES, INC.
AND ITS COMBINED AFFILIATES

FORECASTED COMBINING STATEMENTS OF
BALANCE SHEETS

SEPTEMBER 30
(IN THOUSANDS OF DOLLARS)
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	Scotia Village 2027	Glenaire 2027	River Landing at Sandy Ridge 2027	Foundation 2027	2027
ASSETS					
Current Assets					
Cash and cash equivalents	$ 250	$ 500	$ 3,000	$ 2,000	$ 5,750
Assets limited as to use, required for current liabilities	78	2,290	1,344	-	3,712
Accounts receivable, net	1,047	1,143	845	-	3,035
Other receivables	72	1,499	835	-	2,406
Other	162	185	281	-	629
Total current assets	1,609	5,617	6,305	2,000	15,532
Assets Limited as to Use					
Unconditional promises to give, net	-	-	-	-	-
Under bond agreement	3	-	-	-	3
Reserves required by state statute	4,364	11,198	10,651	-	26,213
By donors for permanent endowment funds	-	-	304	4,781	5,085
Residents' cash deposits	97	3	-	-	100
	4,464	11,201	10,955	4,781	31,401
Investments, Deferred Costs and Other Assets					
Investments	8,511	26,722	84,511	53,526	173,270
Deferred CON costs, net	22	23	19	-	64
Interest rate swap agreement	66	75	1,121	-	1,262
	8,599	26,820	85,651	53,526	174,596
Property and Equipment					
Land, buildings and equipment	55,775	335,111	214,595	-	605,481
Construction in Progress	-	-	-	-	-
	55,775	335,111	214,595	-	605,481
Less accumulated depreciation	31,047	97,470	85,506	-	214,023
Total assets	$ 39,400	$ 281,279	$ 232,000	$ 60,307	$ 612,987
LIABILITIES AND NET ASSETS					
Current Liabilities					
Current maturities of long-term debt	$ 18	$ 5,791	$ 2,554	$ -	$ 8,363
Accounts payable	531	1,437	2,590	-	4,558
Accrued payroll and related expenses	310	645	597	-	1,552
Accrued interest	44	2,241	687	-	2,972
Other accrued expenses	248	345	505	-	1,098
Estimated refundable entrance fees	300	383	487	-	1,170
Total current liabilities	1,451	10,842	7,420	-	19,713
Long-Term Debt. Less current maturities	1,887	99,732	47,280	-	148,899
Deferred Revenue and Other Liabilities					
Deferred revenue from entrance fees - non-refundable portion	6,822	19,371	33,621	-	59,814
Deferred revenue from entrance fees - refundable	4,738	55,180	11,273	-	71,191
Refundable entrance fees	-	10,643	4,099	-	14,742
Admission deposits	361	949	1,508	-	2,818
Other accrued expenses	208	321	555	-	1,083
Residents' cash deposits	97	6	-	-	103
	12,226	86,470	51,056	-	149,751
Net Assets					
Unrestricted	23,836	84,235	125,047	51,465	284,585
Temporarily Restricted	-	-	-	8,842	8,842
Permanently restricted	-	-	1,197	-	1,197
Total net assets	23,836	84,235	126,244	60,307	294,624
Total liabilities and net assets	$ 39,400	$ 281,279	$ 232,000	$ 60,307	$ 612,987

See Summary of Significant Accounting Policies and Assumptions.

THE PRESBYTERIAN HOMES, INC.
AND ITS COMBINED AFFILIATES

FORECASTED COMBINING STATEMENTS OF OPERATIONS

YEARS ENDED SEPTEMBER 30
(IN THOUSANDS OF DOLLARS)
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	Scotia Village 2027	Glenaire 2027	River Landing at Sandy Ridge 2027	Foundation 2027	2027
Changes in unrestricted net assets:					
Operating revenues:					
Resident services:					
Amortized entry fees	$ 1,872	$ 18,546	$ 8,294	$ -	$ 28,712
Service fees, residential	6,958	28,671	25,192	-	60,821
Service fees, assisted living	1,797	6,928	5,035	-	13,760
Service fees, nursing	7,539	10,298	9,210	-	27,047
Adult day care		814	-	-	814
Food service income	65	200	350	-	615
Reimbursed medical	535	1,880	874	-	3,289
Golf course revenue	-	-	75	-	75
Other	12	164	120	-	296
Total operating revenues	18,778	67,501	49,150	-	135,429
Operating expenses:					
Routine services	6,120	10,166	9,167	-	25,453
Special services	547	968	758	-	2,273
Dining services	2,238	10,049	7,087	-	19,374
Environmental services	1,220	3,081	1,811	-	6,112
Maintenance	1,891	5,533	3,991	-	11,415
Development	-	-	-	-	-
Marketing	527	616	783	-	1,926
Administration	2,467	5,664	5,307	-	13,438
Depreciation, amortization and other charges	1,541	13,217	5,957	-	20,715
Bond and note interest	98	4,545	2,244	-	6,887
Purchased medical services	812	1,821	915	-	3,548
Golf course expense	-	-	1,557	-	1,557
Miscellaneous, net	17	574	167	54	810
Management Services Fees	908	3,263	2,387	-	6,560
Total operating expenses	18,386	59,497	42,131	54	120,068
Change in unrestricted net assets from operations	392	8,004	7,019	(54)	15,361
Nonoperating gains (losses):					
Contributions	360	450	1,209	(650)	1,369
Net realized investment income	558	1,460	3,751	2,347	8,116
Other, net	-	-	-	-	-
Total nonoperating gains	918	1,910	4,960	1,697	9,485
Excess of revenues and gains over expenses and losses	1,310	9,914	11,979	1,643	24,846
Other changes in net assets:					
Transfers of assets between communities				-	-
Change in net assets	1,310	9,914	11,979	1,643	24,846
Beginning net assets	22,526	74,321	114,267	58,664	269,780
Ending net assets	23,836	84,235	126,246	60,307	294,626

See Summary of Significant Accounting Policies and Assumptions.

THE PRESBYTERIAN HOMES, INC.
AND ITS COMBINED AFFILIATES

FORECASTED COMBINING STATEMENTS OF
CASH FLOWS

YEARS ENDED SEPTEMBER 30
(IN THOUSANDS OF DOLLARS)
SEE ACCOUNTANT'S REPORT

	Scotia Village 2027	Glenaire 2027	River Landing at Sandy Ridge 2027	Foundation 2027	2027
Cash Flows From Operating Activities					
Change in net assets	$ 1,310	$ 9,914	$ 11,979	$ 1,643	$ 24,847
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:					
Entrances fees received	2,517	7,286	9,136		18,939
Amortization of entrance fees	(1,872)	(18,546)	(8,294)		(28,712)
Depreciation	1,543	13,748	6,176		21,467
Amortization of deferred CON costs	3	2	-		5
Amortization of deferred financing costs	2	89	52		143
Amortization of bond premium	(7)	(622)	(264)		(893)
Changes in working capital components:					
(Increase) decrease in:					
Trade and other receivables	(39)	(126)	-		(165)
Unconditional promises to give	-	-	-	-	-
Other assets	(3)	(10)	(14)	-	(28)
Increase (decrease) in accounts payable and accrued expenses	(2)	-	(17)		(19)
Net cash provided (used) by operating activities	3,452	11,735	18,754	1,643	35,584
Cash Flows From Investing Activities					
Purchase of property and equipment	(1,425)	(6,350)	(4,715)		(12,490)
Net proceeds of investments	(1,098)	(4,220)	(5,727)	(1,643)	(12,688)
Net cash provided (used) by investing activities	(2,523)	(10,570)	(10,442)	(1,643)	(25,178)
Cash Flows From Financing Activities					
Principal payments on long-term borrowings	(686)	(800)	(7,775)		(9,261)
Proceeds from long-term borrowings		-			-
Refunds of refundable fees	(243)	(365)	(537)		(1,145)
Net cash provided (used) by financing activities	(929)	(1,165)	(8,312)	-	(10,406)
Net increase (decrease) in cash and cash equivalents	-	-	-	-	-
Cash and cash equivalents:					
Beginning	250	500	3,000	2,000	5,750
Ending	$ 250	$ 500	$ 3,000	$ 2,000	$ 5,750
Cash payments for interest	100	4,547	2,261		6,908

See Summary of Significant Accounting Policies and Assumptions.

THE PRESBYTERIAN HOMES, INC.
AND ITS COMBINED AFFILIATES

FORECASTED COMBINING STATEMENTS OF
BALANCE SHEETS

SEPTEMBER 30
(IN THOUSANDS OF DOLLARS)
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	Scotia Village 2028	Glenaire 2028	River Landing at Sandy Ridge 2028	Foundation 2028	2028
ASSETS					
Current Assets					
Cash and cash equivalents	$ 250	$ 500	$ 3,000	$ 2,000	$ 5,750
Assets limited as to use, required for current liabilities	46	7,516	899	-	8,461
Accounts receivable, net	1,089	1,200	845	-	3,134
Other receivables	75	1,574	835	-	2,484
Other	162	195	292	-	649
Total current assets	1,622	10,985	5,871	2,000	20,478
Assets Limited as to Use					
Unconditional promises to give, net	-	-	-	-	-
Under bond agreement	3	-	-	-	3
Reserves required by state statute	4,362	11,516	9,743	-	25,621
By donors for permanent endowment funds	-	-	304	4,781	5,085
Residents' cash deposits	97	3	-	-	100
	4,462	11,519	10,047	4,781	30,809
Investments, Deferred Costs and Other Assets					
Investments	10,387	24,348	97,394	55,234	187,363
Deferred CON costs, net	19	21	18	-	58
Interest rate swap agreement	66	75	1,121	-	1,262
	10,472	24,444	98,533	55,234	188,683
Property and Equipment					
Land, buildings and equipment	56,595	338,166	219,584	-	614,345
Construction in Progress	-	-	-	-	-
	56,595	338,166	219,584	-	614,345
Less accumulated depreciation	32,591	111,230	91,771	-	235,592
Total assets	$ 40,560	$ 273,884	$ 242,264	$ 62,015	$ 618,723
LIABILITIES AND NET ASSETS					
Current Liabilities					
Current maturities of long-term debt	$ 418	$ 606	$ 8,198	$ -	$ 9,222
Accounts payable	531	1,437	2,590	-	4,558
Accrued payroll and related expenses	310	645	597	-	1,552
Accrued interest	44	2,133	677	-	2,854
Other accrued expenses	248	345	504	-	1,098
Estimated refundable entrance fees	300	383	487	-	1,170
Total current liabilities	1,851	5,549	13,053	-	20,454
Long-Term Debt. Less current maturities	796	98,703	38,865	-	138,364
Deferred Revenue and Other Liabilities					
Deferred revenue from entrance fees - non-refundable portion	7,016	16,381	33,759	-	57,156
Deferred revenue from entrance fees - refundable	4,872	46,661	11,319	-	62,852
Refundable entrance fees	-	9,000	4,115	-	13,115
Admission deposits	371	803	1,514	-	2,688
Other accrued expenses	208	320	555	-	1,081
Residents' cash deposits	97	6	-	-	103
	12,564	73,171	51,262	-	136,995
Net Assets					
Unrestricted	25,349	96,461	137,885	53,173	312,869
Temporarily Restricted	-	-	-	8,842	8,842
Permanently restricted	-	-	1,199	-	1,199
Total net assets	25,349	96,461	139,084	62,015	322,910
Total liabilities and net assets	$ 40,560	$ 273,884	$ 242,264	$ 62,015	$ 618,723

See Summary of Significant Accounting Policies and Assumptions.

THE PRESBYTERIAN HOMES, INC.
AND ITS COMBINED AFFILIATES

FORECASTED COMBINING STATEMENTS OF OPERATIONS

YEARS ENDED SEPTEMBER 30
(IN THOUSANDS OF DOLLARS)
SEE ACCOUNTANT'S REPORT

	Scotia Village 2028	Glenaire 2028	River Landing at Sandy Ridge 2028	Foundation 2028	2028
Changes in unrestricted net assets:					
Operating revenues:					
Resident services:					
Amortized entry fees	$ 1,936	$ 20,220	$ 8,392	$ -	$ 30,548
Service fees, residential	7,272	29,961	26,326	-	63,559
Service fees, assisted living	1,878	7,240	5,262	-	14,380
Service fees, nursing	7,879	10,761	9,625	-	28,265
Adult day care	-	851	-	-	851
Food service income	65	200	350	-	615
Reimbursed medical	535	1,880	874	-	3,289
Golf course revenue	-	-	75	-	75
Other	12	164	120	-	296
Total operating revenues	19,577	71,277	51,024	-	141,878
Operating expenses:					
Routine services	6,365	10,572	9,534	-	26,471
Special services	569	1,007	789	-	2,365
Dining services	2,328	10,450	7,370	-	20,148
Environmental services	1,268	3,204	1,883	-	6,355
Maintenance	1,966	5,755	4,150	-	11,871
Development	-	-	-	-	-
Marketing	546	638	810	-	1,994
Administration	2,565	5,890	5,519	-	13,974
Depreciation, amortization and other charges	1,542	13,339	6,056	-	20,937
Bond and note interest	90	4,426	2,081	-	6,597
Purchased medical services	812	1,821	915	-	3,548
Golf course expense	-	-	1,620	-	1,620
Miscellaneous, net	19	575	166	54	817
Management Services Fees	948	3,452	2,480	-	6,880
Total operating expenses	19,018	61,129	43,373	54	123,577
Change in unrestricted net assets from operations	559	10,148	7,651	(54)	18,301
Nonoperating gains (losses):					
Contributions	360	450	1,209	(650)	1,369
Net realized investment income	594	1,628	3,980	2,412	8,614
Other, net	-	-	-	-	-
Total nonoperating gains	954	2,078	5,189	1,762	9,983
Excess of revenues and gains over expenses and losses	1,513	12,226	12,840	1,708	28,284
Other changes in net assets:					
Transfers of assets between communities				-	-
Change in net assets	1,513	12,226	12,840	1,708	28,284
Beginning net assets	23,836	84,235	126,244	60,307	294,626
Ending net assets	25,349	96,461	139,084	62,015	322,910

See Summary of Significant Accounting Policies and Assumptions.

THE PRESBYTERIAN HOMES, INC.
AND ITS COMBINED AFFILIATES

FORECASTED COMBINING STATEMENTS OF
CASH FLOWS

YEARS ENDED SEPTEMBER 30
(IN THOUSANDS OF DOLLARS)
SEE ACCOUNTANT'S REPORT

	Scotia Village 2028	Glenaire 2028	River Landing at Sandy Ridge 2028	Foundation 2028	2028
Cash Flows From Operating Activities					
Change in net assets	$ 1,513	$ 12,226	$ 12,837	$ 1,708	$ 28,284
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:					
Entrances fees received	2,517	7,286	9,136	-	18,939
Amortization of entrance fees	(1,936)	(20,220)	(8,392)	-	(30,548)
Depreciation	1,544	13,760	6,265	-	21,569
Amortization of deferred CON costs	3	1	-		4
Amortization of deferred financing costs	2	84	45	-	131
Amortization of bond premium	(7)	(506)	(261)	-	(774)
Changes in working capital components:					
(Increase) decrease in:					
Trade and other receivables	(42)	(132)	-	-	(174)
Unconditional promises to give	-	-	-	-	-
Other assets	(3)	(9)	(11)	-	(23)
Increase (decrease) in accounts payable and accrued expenses	-	(108)	(8)	-	(116)
Net cash provided (used) by operating activities	3,591	12,382	19,611	1,708	37,292
Cash Flows From Investing Activities					
Purchase of property and equipment	(820)	(3,055)	(4,989)	-	(8,864)
Net proceeds of investments	(2,510)	(3,171)	(11,531)	(1,708)	(18,920)
Net cash provided (used) by investing activities	(3,330)	(6,226)	(16,520)	(1,708)	(27,784)
Cash Flows From Financing Activities					
Principal payments on long-term borrowings	(18)	(5,791)	(2,554)	-	(8,363)
Proceeds from long-term borrowings					-
Refunds of refundable fees	(243)	(365)	(537)	-	(1,145)
Net cash provided (used) by financing activities	(261)	(6,156)	(3,091)	-	(9,508)
Net increase (decrease) in cash and cash equivalents	-	-	-	-	-
Cash and cash equivalents:					
Beginning	250	500	3000	2000	5,750
Ending	$ 250	$ 500	$ 3,000	$ 2,000	$ 5,750
Cash payments for interest	90	4,534	2,091		6,715

See Summary of Significant Accounting Policies and Assumptions.

THE PRESBYTERIAN HOMES, INC.
AND ITS COMBINED AFFILIATES

FORECASTED COMBINING STATEMENTS OF
BALANCE SHEETS

SEPTEMBER 30
(IN THOUSANDS OF DOLLARS)
SEE ACCOUNTANT'S REPORT

	Scotia Village 2029	Glenaire 2029	River Landing at Sandy Ridge 2029	Foundation 2029	2029
ASSETS					
Current Assets					
Cash and cash equivalents	$ 250	$ 500	$ 3,000	$ 2,000	$ 5,750
Assets limited as to use, required for current liabilities	440	2,313	6,401	-	9,154
Accounts receivable, net	1,133	1,260	845	-	3,238
Other receivables	78	1,654	835	-	2,567
Other	162	204	303	-	669
Total current assets	2,063	5,931	11,384	2,000	21,378
Assets Limited as to Use					
Unconditional promises to give, net	-	-	-	-	-
Under bond agreement	3	-	-	-	3
Reserves required by state statute	4,527	11,912	10,059	-	26,498
By donors for permanent endowment funds	-	-	304	4,781	5,085
Residents' cash deposits	97	3	-	-	100
	4,627	11,915	10,363	4,781	31,686
Investments, Deferred Costs and Other Assets					
Investments	12,931	38,266	99,192	57,011	207,400
Deferred CON costs, net	16	19	17	-	52
Interest rate swap agreement	66	75	1,121	-	1,262
	13,013	38,360	100,330	57,011	208,714
Property and Equipment					
Land, buildings and equipment	57,010	341,321	223,969	-	622,300
Construction in Progress	-	-	-	-	-
	57,010	341,321	223,969	-	622,300
Less accumulated depreciation	33,949	124,914	98,143	-	257,006
Total assets	$ 42,764	$ 272,613	$ 247,903	$ 63,792	$ 627,072
LIABILITIES AND NET ASSETS					
Current Liabilities					
Current maturities of long-term debt	$ 437	$ 656	$ 8,570	$ -	$ 9,663
Accounts payable	531	1,437	2,590	-	4,558
Accrued payroll and related expenses	310	645	597	-	1,552
Accrued interest	40	2,130	604	-	2,774
Other accrued expenses	248	345	503	-	1,092
Estimated refundable entrance fees	300	383	487	-	1,170
Total current liabilities	1,866	5,596	13,351	-	20,809
Long-Term Debt. Less current maturities	754	97,627	30,072	-	128,453
Deferred Revenue and Other Liabilities					
Deferred revenue from entrance fees - non-refundable portion	7,173	13,000	33,852	-	54,025
Deferred revenue from entrance fees - refundable	4,981	37,029	11,350	-	53,360
Refundable entrance fees	-	7,142	4,127	-	11,269
Admission deposits	379	637	1,518	-	2,534
Other accrued expenses	208	321	555	-	1,084
Residents' cash deposits	97	6	-	-	103
	12,838	58,135	51,402	-	122,375
Net Assets					
Unrestricted	27,306	111,255	151,879	54,950	345,394
Temporarily Restricted	-	-	-	8,842	8,842
Permanently restricted	-	-	1,199	-	1,199
Total net assets	27,306	111,255	153,078	63,792	355,435
Total liabilities and net assets	$ 42,764	$ 272,613	$ 247,903	$ 63,792	$ 627,072

See Summary of Significant Accounting Policies and Assumptions.

THE PRESBYTERIAN HOMES, INC.
AND ITS COMBINED AFFILIATES

FORECASTED COMBINING STATEMENTS OF OPERATIONS

YEARS ENDED SEPTEMBER 30
(IN THOUSANDS OF DOLLARS)
SEE ACCOUNTANT'S REPORT

	Scotia Village 2029	Glenaire 2029	River Landing at Sandy Ridge 2029	Foundation 2029	2029
Changes in unrestricted net assets:					
Operating revenues:					
Resident services:					
Amortized entry fees	$ 2,000	$ 21,957	$ 8,458	$ -	$ 32,415
Service fees, residential	7,599	31,310	27,510	-	66,419
Service fees, assisted living	1,963	7,566	5,499	-	15,028
Service fees, nursing	8,233	11,245	10,058	-	29,536
Adult day care		889	-	-	889
Food service income	65	200	350	-	615
Reimbursed medical	535	1,880	874	-	3,289
Golf course revenue	-	-	75	-	75
Other	12	164	120	-	296
Total operating revenues	20,407	75,211	52,944	-	148,562
Operating expenses:					
Routine services	6,620	10,995	9,916	-	27,531
Special services	592	1,047	820	-	2,459
Dining services	2,421	10,868	7,665	-	20,954
Environmental services	1,319	3,332	1,958	-	6,609
Maintenance	2,045	5,985	4,316	-	12,346
Development	-	-	-	-	-
Marketing	566	660	838	-	2,064
Administration	2,668	6,126	5,740	-	14,534
Depreciation, amortization and other charges	1,355	13,266	6,159		20,780
Bond and note interest	81	4,297	1,844	-	6,222
Purchased medical services	812	1,821	915	-	3,548
Golf course expense	-	-	1,685	-	1,685
Miscellaneous, net	18	577	168	54	814
Management Services Fees	990	3,648	2,576	-	7,214
Total operating expenses	19,487	62,622	44,600	54	126,760
Change in unrestricted net assets from operations	920	12,589	8,344	(54)	21,802
Nonoperating gains (losses):					
Contributions	360	450	1,209	(650)	1,369
Net realized investment income	677	1,755	4,441	2,481	9,354
Other, net	-	-	-	-	-
Total nonoperating gains	1,037	2,205	5,650	1,831	10,723
Excess of revenues and gains over expenses and losses	1,957	14,794	13,994	1,777	32,525
Other changes in net assets:					
Transfers of assets between communities			-	-	-
Change in net assets	1,957	14,794	13,994	1,777	32,525
Beginning net assets	25,349	96,461	139,084	62,015	322,910
Ending net assets	27,306	111,255	153,078	63,792	355,435

See Summary of Significant Accounting Policies and Assumptions.

THE PRESBYTERIAN HOMES, INC.
AND ITS COMBINED AFFILIATES

FORECASTED COMBINING STATEMENTS OF
CASH FLOWS

YEARS ENDED SEPTEMBER 30
(IN THOUSANDS OF DOLLARS)
SEE ACCOUNTANT'S REPORT

	Scotia Village 2029	Glenaire 2029	River Landing at Sandy Ridge 2029	Foundation 2029	2029
Cash Flows From Operating Activities					
Change in net assets	$ 1,957	$ 14,794	$ 13,995	$ 1,777	$ 32,523
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:					
Entrances fees received	2,517	7,286	9,136	-	18,939
Amortization of entrance fees	(2,000)	(21,957)	(8,458)	-	(32,415)
Depreciation	1,358	13,684	6,372	-	21,414
Amortization of deferred CON costs	2	1	-		3
Amortization of deferred financing costs	2	83	36	-	121
Amortization of bond premium	(7)	(502)	(258)	-	(767)
Changes in working capital components:					
(Increase) decrease in:					
Trade and other receivables	(44)	(139)	-	-	(183)
Unconditional promises to give	-	-	-	-	-
Other assets	(3)	(12)	(12)	-	(27)
Increase (decrease) in accounts payable and accrued expenses	(4)	(4)	(75)	-	(83)
Net cash provided (used) by operating activities	3,778	13,234	20,736	1,777	39,525
Cash Flows From Investing Activities					
Purchase of property and equipment	(415)	(3,155)	(4,385)	-	(7,955)
Net proceeds of investments	(2,702)	(9,108)	(7,616)	(1,777)	(21,203)
Net cash provided (used) by investing activities	(3,117)	(12,263)	(12,001)	(1,777)	(29,158)
Cash Flows From Financing Activities					
Principal payments on long-term borrowings	(418)	(606)	(8,198)	-	(9,222)
Proceeds from long-term borrowings					-
Refunds of refundable fees	(243)	(365)	(537)	-	(1,145)
Net cash provided (used) by financing activities	(661)	(971)	(8,735)	-	(10,367)
Net increase (decrease) in cash and cash equivalents	-	-	-	-	-
Cash and cash equivalents:					
Beginning	250	500	3,000	2,000	5,750
Ending	$ 250	$ 500	$ 3,000	$ 2,000	$ 5,750
Cash payments for interest	85	4,300	1,917		6,302

River Landing at Sandy Ridge

A Division of The Presbyterian Homes, Inc.

RESIDENCE AND CARE AGREEMENT

THIS RESIDENCE AND CARE AGREEMENT ("Agreement"), is made and entered into this ____ day of ________________, 20_____ by and between ___________________________________ residents of _____________________ County, State of ____________________, hereinafter referred to as "Resident" (if husband and wife, or two other persons enter into this Agreement, the term "Resident" shall apply to them collectively unless the context otherwise requires) and THE PRESBYTERIAN HOMES, INC., a North Carolina non-profit corporation, hereinafter referred to as "PHI."

WITNESSETH:

WHEREAS, PHI, is associated with the Synod of the Mid-Atlantic of the Presbyterian Church (U.S.A.) (the "Synod") by a covenant relationship. The covenant relationship provides that the Synod on behalf of the church offers its encouragement in The Presbyterian Homes, Inc.'s ministry. The Presbyterian Homes, Inc. affirms its purpose and commitment to its mission of services to older adults on behalf of the church; and

WHEREAS, the Resident agrees to pay to PHI an initial entrance fee and other fees upon the terms and conditions as provided in this Agreement; and

WHEREAS, PHI, in consideration of the foregoing and the execution of this agreement by Resident, agrees that the Resident may occupy a Living Accommodation (as hereafter defined) for residential purposes only at the continuing care retirement community known as "River Landing at Sandy Ridge" located at 1575 John Knox Drive, Colfax, North Carolina (hereafter "RLSR") and Resident may use and enjoy the facilities, programs and services provided at RLSR subject to the terms and conditions of this Agreement; and

WHEREAS, PHI is certified in the Medicare/Medicaid Programs, PHI reserves the right to withdraw from one or both programs if deemed advisable by PHI. Additionally, the provisions of this Agreement are subject to changes in State and Federal Law, as may be applicable.

NOW, THEREFORE, Resident and PHI agree as follows:

1. **ACCOMMODATIONS AND SERVICES**

Subject to the terms and conditions set forth in this Agreement including PHI's right to change such Living Accommodation as provided herein, PHI agrees to provide the Resident the Living Accommodation, services and programs at RLSR described as follows:

(a) **Living Accommodation**.
Type: ____
Residence Number: ____
Description: ____

(b) **Utilities**. PHI will furnish heating, air conditioning, water, sewer, electricity, and trash removal to all Residents in apartment buildings. Residents in cottages, villas, and town homes will be responsible for the cost of heating, air conditioning, and electricity. The Resident is responsible for all television, telephone, and internet installation charges and all related monthly service charges (collectively "Communication Services") whether provided by independent third party providers or provided by PHI on behalf of residents. If any Communication Services are provided by PHI on behalf of Resident, Resident agrees to pay PHI's standard monthly service charges applicable for such services which Resident agrees are subject to adjustment from time to time. Any Communication Services not included within PHI's standard package shall be the sole responsibility of Resident.

(c) **Furnishings**. PHI will provide standard flooring in the Living Accommodation, a television system, emergency signal equipment, and other fixtures and appliances as described in the literature published by PHI regarding RLSR. All other furniture and furnishings for the Living Accommodation shall be provided by the Resident.

(d) **Meals**. PHI will make available to Residents three nutritionally well-balanced meals each day. PHI provides a meal allowance to each Resident in Independent Living which is subject to change from time to time as determined by PHI. The meal allowance is included in the Monthly Charge. The amount of the meal allowance for each Resident may vary depending on where the Resident resides in Independent Living. The meal allowance will be charged each month based on meals consumed by the Resident at the current prevailing meal prices as published or posted for Residents. If Resident exceeds the meal allowance in any given month, the additional cost incurred by Resident above the current meal allowance will be added to Resident's next monthly statement in addition to the standard Monthly Charge. Any unused portion of the meal allowance remaining at the end of any month is forfeited and cannot be carried over to subsequent months. An extra charge may be made at PHI's discretion for special dietary meals.

In the event the Resident resides outside PHI's facilities for a period of fourteen (14) or more consecutive days, PHI shall provide a meal credit beginning with the 15th day. The amount of credit shall be determined by PHI.

(e) **Housekeeping Services**. PHI will provide housekeeping services such as vacuum cleaning, dusting, cleaning of baths and kitchens, and trash removal on a weekly basis.

(f) **Laundry**. PHI will change Resident's bed and bath linens on a regular basis. Convenient laundry facilities will be provided free of charge for personal laundry.

(g) **Maintenance and Repairs**. PHI will maintain and keep in repair the improvements, furnishings and equipment owned by PHI. The Resident will be responsible for the cost of repairing any damage to property of PHI caused by the negligence or other act of the Resident or any guest or invitee of the Resident, ordinary wear and tear excepted. Any structural or physical change or redecoration of any kind to the Living Accommodation will require the written approval of PHI.

The cost of any change, including any subsequent cost to return the Living Accommodation to its original condition in the event of such change, or cost of redecoration, will be paid by the Resident upon ten (10) days written notice. Any such improvement or change will be owned by PHI and will not be considered in determining the amount of any refund to the Resident upon termination of this Agreement.

(h) **Groundskeeping**. PHI will furnish basic groundskeeping service for the grounds of RLSR, including lawn, tree, and shrubbery care. Subject to approval by PHI, Resident may plant and maintain certain areas designated by PHI for such purpose.

(i) **Parking**. PHI will provide parking areas for the Residents' personal vehicle (limited to one vehicle for each individual Resident) and parking for guests.

(j) **Common Facilities**. PHI will provide common facilities for the use and benefit of all Residents such as a central dining room, central kitchen, living room, post office, multi-purpose room, Chapel, lounges, and sitting areas.

(k) **Transportation**. PHI will provide limited local transportation for residents on a regular, scheduled basis. Certain charges may apply depending on the destination. Additional charges may be made for transportation for special, personal, or group trips.

(l) **Activities**. Social, recreational, spiritual, educational, and cultural activities will be planned for the Residents.

(m) **Nursing and Health Care**. PHI will provide nursing and health care for each Resident as follows:

(i) A Health Center will be provided for the benefit of the Residents. The Health Center will consist of accommodations, equipment, and staffing necessary for assisted living and skilled nursing care. PHI will use its best efforts to provide private accommodations when the Resident requires assisted living care. Depending on availability, private or semi-private accommodations will be provided when the resident requires skilled nursing care. Notwithstanding the foregoing, PHI reserves the right from time to time to temporarily place Resident in reasonably comparable healthcare facilities outside of River Landing in the event either assisted living or skilled nursing accommodations are not currently available due to demand.

(ii) A twenty-four (24) hour nursing staff will be maintained in the Health Center. The Health Center is staffed to provide general duty nursing care which means that nurses and other staff must attend to multiple residents with various needs. The nursing care is not intended to provide individual attention to any one specific Resident on a regular basis or for prolonged periods of time. The Resident, subject to approval of PHI, is responsible for acquiring (hiring, termination, and compensation) the assistance of private duty sitters or nurses if the Resident requires or prefers individual and/or full-time care and assistance. Private duty sitters, nurses, or other third parties hired by Resident must abide by all rules and regulations of PHI and PHI reserves the right to bar any such parties from PHI's facilities at any time.

(iii) The overall coordination and provision of health care services by PHI will be provided by a Medical Director who will be a licensed physician selected by PHI.

(iv) Charges for Health Care accommodations and services in this Paragraph shall be set forth in Paragraph 2(e). of this Agreement. Other health care services will be made available to the Resident at the Resident's expense including, but not limited to, pharmacy services, laboratory tests, physical therapy, occupational therapy, and rehabilitative treatments.

(v) RLSR has open staff privileges and a Resident may select a duly licensed physician of their choice; however, a Medical Director is provided by the facility for those wishing to use their services. Resident is responsible for all charges for services provided by the Medical Director or any other physicians.

(vi) Residents have the right by law (NC General Statute 90-21.16(6)) to elect the officially recognized "Do Not Resuscitate Order" as certified by the Resident's attending physician.

2. FINANCIAL ARRANGEMENTS

(a) **Entrance Fee Options.** Resident agrees to pay PHI an Entrance Fee as a condition of becoming a Resident at RLSR. Resident shall choose one of the following options, amounts, and amortization schedules as to the Entrance Fee to be paid:

Entrance Fee Option	Amount of Entrance Fee	Amortization Schedule
1. Standard	$__________________	2% per month for 48 months less a 4% non-refundable fee
2. 50% Refundable	$__________________	2% per month for 23 months less a 4% non-refundable fee. Refund never less than 50%, except for those possible offsets and reductions described in this Agreement.
3. 90% Refundable	$__________________	1% per month for 6 months less a 4% non-refundable fee. Refund never less than 90%, except for those possible

		offsets and reductions described in this Agreement.

Resident agrees to pay PHI an Entrance Fee deposit of $_________________ which shall be ten percent (10%) of the required Entrance Fee as designated above. The Entrance Fee deposit will be due and payable upon signing of this Agreement. The balance of the Entrance Fee will be due and payable no later than ten (10) days prior to Residents projected Admission Date. Residents projected Admission Date is ___________________, 20____. Resident must take occupancy of the Living Accommodation no later than **thirty (30)** days after the projected Admission Date.

(b) **Monthly Charge**. In addition to the Entrance Fee and any other charges provided for under this Agreement, Resident agrees to pay a monthly charge during the term of this Agreement which shall be payable in advance by the 15th day of each month ("Monthly Charge"). As of the date of this Agreement, PHI projects that the Monthly Charge associated with the Living Accommodation will be approximately $________ per month, and an additional $_______ per month if a second Resident occupies the Living Accommodation. The Monthly Charge may be adjusted by PHI prior to occupancy of the Living Accommodation by the Resident if changes in the projected costs of providing the services at RLSR so require. The Monthly Charge is also subject to change during the term of this Agreement as described in Paragraph 2(c) below.

(c) **Adjustments in the Monthly Charge**. The Monthly Charge is assessed to provide the Living Accommodations, facilities, meals, programs and services described in this Agreement and is intended to meet the cost of insurance, maintenance, administration, staffing, and other expenses including debt service associated with the operation and management of PHI and RLSR. PHI shall have the authority to adjust the Monthly Charge from time to time during the term of this Agreement as PHI in its discretion deems necessary in order to reflect changes in the costs of providing the facilities, programs and services described herein consistent with operating on a sound financial basis and maintaining the quality of services called for herein. PHI shall have the right to adjust the Monthly Charge pursuant to this Agreement notwithstanding Resident's voluntary or involuntary absence from the facility. In the event that it should be determined that PHI is required to pay ad valorem taxes upon its property, the Monthly Charge may be adjusted to reflect the amount of such taxes. Any increase in the Monthly Charge may be made by PHI upon thirty (30) days written notice to the Resident. In the event Resident resides outside of PHI's facilities for a period of fourteen (14) or more consecutive days, PHI shall provide credit for meals. The amount of credit shall be determined by PHI in its sole discretion.

(d) **Monthly Statement.** PHI will furnish the Resident with a monthly statement on or about the tenth of the month showing the total amount of fees and other charges owed by the Resident, which shall be payable by the 15th day of the month. PHI may charge interest at the rate of 1½% per month (18% APR) or the maximum annual rate as allowed by law on any unpaid balance owed by the Resident thirty (30) days after the monthly statement is furnished.

(e) **<u>Health Center Fees and Charges</u>**

(i) PHI shall establish and publish per diem rates for accommodations and services in the Health Center, such rates will take into account rates being charged in other comparable nursing centers and the costs of operation of RLSR.

(ii) If a Resident is transferred to the Health Center for nursing care, Resident shall continue to pay the Monthly Charge associated with the type of Living Accommodation described in Paragraph 1(a) of this Agreement for the first 14 days (whether or not consecutive) of occupancy (to be known as "grace days") in the Health Center each year (the term "year" as used herein means each applicable calendar year during the continuance of this Agreement). During such 14-day period ("grace days"), the Resident will not be required to pay a per diem charge for occupancy in the Health Center but shall pay for other services not normally covered by the Monthly Charge or by the per diem charge for Residents. Credit for any unused portion of the 14 "grace days" per year may not be carried forward to successive years. However, in those circumstances where Resident has insurance (including but not limited to Medicare) that will pay the per diem charge for occupancy in the Health Center, Resident shall first be required to use all applicable insurance benefits to satisfy the customary per diem charge for occupancy prior to the application of any grace days in any given year.

(iii) In the event that a Resident shall occupy an accommodation for nursing care within the Health Center for more than 14 "grace days" in any year, then upon the expiration of such 14 "grace days", Resident shall thereafter pay 80 percent of the amount of the published per diem rate for nursing care accommodation occupied by the Resident, plus charges for other services not included in such per diem rate. Following the 14 "grace days", the Resident shall have the option of surrendering the Living Accommodation, at which time the Monthly Charge shall be terminated. If the Living Accommodation is not surrendered, the Resident shall be responsible for both the Living Accommodation Monthly Charge and the applicable per diem rate for the nursing care accommodations. The Resident shall have no right to occupy the Living Accommodation more than ninety (90) days after the expiration of the 14 "grace days" without the approval of PHI and Resident agrees to surrender the Living Accommodation to PHI upon request on or after such ninety (90) day period unless otherwise approved by PHI. If required to vacate the Living Accommodation, as determined in the sole discretion of PHI, Resident agrees to fully cooperate in relocating his/her personal property and effects from such residence. Should PHI subsequently determine upon the opinion of the Medical Director and the Executive Director of RLSR that Resident can resume occupancy in a residential living accommodation, the Resident will have priority to a comparable accommodation, as determined by PHI, as soon as it becomes available. When one of two Residents occupying the same Living Accommodation is transferred to the Health Center, the Resident remaining in the Living Accommodation shall continue to pay the Monthly Charge in effect associated with such Living Accommodation based on single occupancy.

(f) **Non-Refundable Pet Fee**. Resident agrees to abide by River Landing's rules and regulations concerning pets as amended or adopted from time to time. Resident agrees that if Resident is entitled to have a pet in their Living Accommodation and elects to do so, Resident agrees to pay PHI a $500.00 **non-refundable** pet fee ("Pet Fee") for purposes of refurbishing the Living Accommodation after termination of this Agreement. The Pet Fee shall be due and payable at the time Resident is required to pay the balance of their Entrance Fee.

3. ADMISSIONS REQUIREMENTS

A Resident will become qualified for admission to RLSR upon satisfaction of the following provisions:

(a) **Age**. The admission requirements for residence at RLSR are nondiscriminatory except as to age, and RLSR is open to both married and single men and women of all races and religions and without regard to place of former residence. Admission is restricted to persons sixty-two (62) years of age or older, except that in the case of a married couple or roommates, one spouse/roommate must have attained the age of at least sixty-two (62) years old and the other spouse/roommate must have attained the age of at least fifty-five (55) years old.

(b) **Personal Interview**. Resident agrees to interview with representatives of RLSR prior to consideration for residency at RLSR. Upon review of all information required to be furnished under this Agreement, additional personal interviews may be requested by PHI and Resident agrees to fully cooperate with PHI's representatives and employees during such process.

(c) **Application, Health History, and Financial Statement**. Resident shall submit within 30 days of execution of this Agreement for review by the Admissions Committee appointed by PHI, an Application for Admission, a Personal Health History, and a Confidential Financial Statement, all on forms furnished by PHI. During the term of this Agreement, PHI reserves the right to require Resident and Resident agrees to provide PHI with an updated Confidential Financial Statement within 60 days upon written request, provided however, PHI will not require Resident to provide an updated Confidential Financial Statement more than one time in any 12 month period.

(d) **Notification**. PHI shall review the Application for Admission, the Personal Health History, the Confidential Financial Statement, and the results of the personal interviews and will notify Resident whether Resident meets the admission requirements as determined in PHI's sole discretion. If Resident does not meet PHI's admissions requirements, this Agreement shall be null and void and Resident shall receive a refund of any Entrance Fee deposit previously paid.

(e) **Health Requirements**. Prior to admission for residency at RLSR, Resident shall submit a report of a physical examination of the Resident made by a physician selected by the Resident within sixty (60) days of the projected occupancy date. Such report shall include a statement by such physician that the Resident is in good health and is able to take care of himself or herself in normal living activities. PHI may require the Resident to have another physical examination by the Medical Director or by another physician approved by PHI. The Resident shall be responsible for the costs of such physical examinations. If the health of Resident as disclosed by such physical examination differs materially from that disclosed in any Resident's Application for Admission or Personal Health History, PHI shall have the right to decline admission of the Resident and/or to terminate this Agreement, or at the discretion of PHI, permit Resident to take occupancy at RLSR in suitable accommodations to the needs of Resident.

(f) **Financial Requirements**. The Resident must have assets and income which will be sufficient under foreseeable circumstances to pay the financial obligations of the Resident under this Agreement and to meet ordinary living expenses of the Resident. PHI may require the Resident to furnish current financial information at any time prior to occupancy.

(g) **Representations**. The Resident affirms that the representations made in the Application for Admission, Personal Health History and Confidential Financial Statement are true, correct, and complete and will be relied upon by PHI as a basis for entering into this Agreement.

4. **TERMS OF RESIDENCY**

(a) **Rights of Resident**. The Resident has the right to occupy and enjoy the Living Accommodation described in Paragraph 1(a) of this Agreement subject to Resident's transfer to the Health Center pursuant to Paragraphs 2(e) and 5(a), or the termination provisions of this Agreement, or any other term or condition of this Agreement. It is understood that this Agreement does not transfer or grant any interest in the real or personal property owned by PHI other than the right to use or occupy the Living Accommodation in accordance with the terms hereof. The Resident agrees that the rights of the Resident under this Agreement are subject to and subordinate to the rights of a lender under any mortgage or deed of trust now or hereafter executed by PHI or its affiliates creating a lien on any property of PHI.

(b) **Rules and Regulations**. The Resident will abide by PHI's rules and regulations and such reasonable amendments, modifications, and changes of the rules and regulations as may hereafter be adopted by PHI in the exercise of its sole discretion. Resident acknowledges that PHI has a "Tobacco Free Campus Policy" which prohibits the use of tobacco products anywhere on PHI's campuses including Resident's Living Accommodation.

(c) **Changes in Living Accommodations**. PHI has the right to change the Living Accommodation to meet the requirements of any applicable statutes, laws, rules or regulations. The Living Accommodation may not be used in any manner in violation of any zoning ordinances or other governmental law or regulation.

(d) **Visitors**. Except for short term visitors or guests, no person other than the Resident may reside in the Living Accommodation without the written approval of PHI.

(e) **Loss of Property**. PHI 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 is understood that the Resident will have the responsibility of providing any desired insurance protection covering any such loss.

(f) **Occupancy by Two Residents**. In the event that two Residents occupy a Living Accommodation under the terms of this Agreement, upon the permanent transfer to the Health Center or the death of one such Resident, or in the event of the termination of this Agreement with respect to one of such Resident, the Agreement shall continue in effect as to the remaining or surviving Resident. The remaining Resident may request a transfer to another type of living accommodation, subject to availability, pursuant to Paragraph 5(e) of this Agreement. The remaining or surviving Resident will thereafter pay the Monthly Charge for one Resident associated with the independent Living Accommodation occupied by the Resident.

(g) **Medical Insurance**. The Resident shall maintain Medicare Part A, Medicare Part B, and one supplemental health insurance policy or equivalent insurance coverage acceptable to PHI with evidence of such coverage to be provided to PHI upon execution of this Agreement and thereafter from time to time upon request.

(h) **Marriage During Occupancy**. If a Resident while occupying a Living Accommodation marries another Resident or elects to share a Living Accommodation with a person who is also a Resident, the two Residents may occupy the Living Accommodation of either Resident and shall surrender the Living Accommodation not to be occupied by them. No refund will be payable with respect to the Living Accommodation surrendered. Such Residents will pay the Monthly Charge for double occupancy associated with the Living Accommodation occupied by them. In the event that a Resident shall marry or elect to share a Living Accommodation with a person who is not a Resident of RLSR, the non-resident spouse/cohabitant may become a Resident if such spouse/cohabitant meets all of the then current requirements for admission to RLSR, enters into a then current version of the Residence and Care Agreement with PHI and pays an Entrance Fee in an amount determined by PHI in its discretion but in any event no more than two-thirds (2/3) of the then current Entrance Fee associated with the type of Living Accommodation to be occupied by the Resident and non-resident spouse/cohabitant. If the Resident's spouse/cohabitant shall not meet the requirements of RLSR for admission as a Resident, the current Resident may terminate this Agreement pursuant to Paragraph 7.

(i) **<u>Right of Entry</u>**. Resident hereby authorizes PHI, including its employees and agents of RLSR, to enter the Living Accommodation for purposes of housekeeping, repairs, maintenance, inspection, and in the event of an emergency.

5. TRANSFER OR CHANGES IN LEVELS OF CARE

(a) **<u>Transfer to Health Center</u>**. The Resident agrees that PHI shall have the authority to determine whether the Resident should be transferred from the Resident's Living Accommodation to the Health Center or from one level of care to another level of care within the Health Center. Such determination shall be based on the professional opinion of RLSR's Medical Director and the Executive Director of RLSR and shall be made only after consultation to the extent practical with the Resident, a representative of the Resident's family or the sponsor of the Resident, and Resident's attending physician.

(b) **<u>Transfer to Hospital or Other Facility</u>**. If it is determined that the Resident needs care beyond that which can be provided by the facility and personnel of RLSR, the Resident may be transferred to a hospital, center or institution equipped to give such care, which care will be at the expense of the Resident. Such transfer of the Resident will be made upon orders from RLSR's Medical Director after consultation to the extent possible with the Resident, a representative of the Resident's family or the sponsor of the Resident, and the Resident's attending physician.

(c) **<u>Surrender of Living Accommodation</u>**. If a determination is made by PHI that any transfer described in Paragraph 5(a) or 5(b) is permanent, the Resident agrees to surrender the Living Accommodation or the accommodation in the Health Center occupied by the Resident upon 30 days prior written notice from PHI to Resident. If PHI subsequently determines upon the opinion of the Medical Director and the Executive Director that the Resident can resume occupancy in accommodations comparable to those occupied by the Resident prior to such transfer, the Resident shall have priority to such accommodations as soon as they become available.

(d) **<u>No Refund for Changes in Levels of Care</u>**. Resident acknowledges and agrees that any transfer from one level of care to another within RLSR (including without limitation a transfer from Resident's current Living Accommodation to assisted or skilled nursing) shall not be deemed a termination of this Agreement nor entitle Resident to a refund or partial refund of their Entrance Fee.

(e) **<u>Requests for Moves Within Independent Living</u>**. PHI will evaluate and consider a Resident's request to move from one Living Accommodation to another within Independent Living. The determination to allow a Resident to move is within the sole discretion of PHI.

6. RIGHT OF RESCISSION

(a) **First Thirty Days**. Notwithstanding anything herein to the contrary, Resident may rescind this Agreement within thirty (30) days following the execution of this Agreement (the "Rescission Period"), in which event Resident shall receive a refund of any money paid to PHI except for any such other nonstandard charges the Resident and PHI agree in advance shall be nonrefundable. Resident acknowledges that he/she has received, prior to execution of this Agreement, a copy of RLSR's current Disclosure Statement that meets the requirements of Section 58-64-20, et seq. of the North Carolina General Statutes. Resident is not required to move into the Living Accommodation before the expiration of the Rescission Period. If Resident moves into the Living Accommodation during the Rescission Period and rescinds this Agreement during such thirty (30) day period, Resident will receive a refund of any money paid to PHI less a service charge as follows:

(i) **Entrance Fee**. Resident shall receive a refund of the Entrance Fee paid to PHI less a service charge as determined by PHI not to exceed the greater of one thousand dollars ($1,000) or two percent (2%) of the Entrance Fee.

(ii) **Monthly Charge**. Resident's refund shall be further reduced by the prorated Monthly Charge applicable for the period Resident occupied his/her Living Accommodation.

(iii) **Nonstandard Costs**. Resident's refund shall be further reduced by any nonstandard costs, if any, specifically incurred by PHI at the request of Resident consistent with terms and conditions of this Agreement.

Any refund due under this paragraph 6(a), shall be paid within sixty (60) days of termination of this agreement.

7. **TERMINATION AND REFUND PROVISIONS**

(a) **Termination After Rescission Period, Prior to Occupancy**. This Agreement may be terminated by Resident at any time for any reason prior to Resident taking occupancy at RLSR and after the Rescission Period as set forth in Paragraph 6 by Resident giving written notice to PHI. This Agreement may be terminated by PHI at any time prior to the date that the Resident takes occupancy if PHI determines that the Resident does not meet the physical, mental, or financial requirements for admission. In the event of such termination, Resident shall receive a refund of the Entrance Fee paid by the Resident, less four percent (4%) of the total Entrance Fee as described in Paragraph 2(a) which is the nonrefundable portion of the Entrance Fee: However, if the Resident or the Resident's spouse or roommate dies prior to occupancy, or if on account of illness, injury, incapacity, or financial reversal is precluded from occupying the living accommodation, the contract is automatically terminated. In the event of such termination the full amount of the Entrance Fee paid will be refunded. Any refund due under this paragraph 7(a), shall be paid within sixty (60) days of termination of this Agreement.

(b) **Termination During Residency Trial Period**. The first sixty (60) days of residency at RLSR will be considered to be on a trial basis. During such sixty (60) day period, the Resident will have the right to terminate this Agreement by giving PHI written notice of such termination and Resident shall receive a refund of the Entrance Fee paid less four percent (4%) thereof as a non-refundable fee. During such sixty (60) day period, PHI shall have the right to terminate this Agreement based on PHI's determination that Resident's physical or mental condition or emotional adjustment will not permit adaptation to the living environment at RLSR. In the event of such termination by PHI as previously described, PHI will refund the full Entrance Fee paid to PHI within sixty (60) days after the Living Accommodation has been vacated.

(c) **Termination After Trial Period**. At any time after the expiration of the first sixty (60) days of residence at RLSR, the Resident may terminate the Agreement by giving PHI thirty (30) days prior written notice of such termination. In the event of such termination, the Resident may be entitled to receive a partial refund. Any partial refund shall be determined and paid as follows: Resident shall receive a refund in an amount equal to the Entrance Fee paid to PHI less the applicable Amortization percentage set forth in Paragraph 2(a) for the type of Entrance Fee Option selected by Resident thereof for each full calendar month or portion thereof which has elapsed from Resident's Admission Date to the effective date of termination and less four percent (4%) which is the nonrefundable portion of the Entrance Fee. For avoidance of doubt, all Entrance Fee refunds are calculated assuming and based upon full calendar months. Any portion of a calendar month (whether relating to the month of Resident's Admission Date or the month of Resident's termination date of this Agreement) shall be deemed to be full and separate calendar months for purposes of calculating any Entrance Fee refund.

The refund shall be made in accordance with the terms set forth in Paragraph 7(f) below. Subject to Paragraph 7(g), Residents who selected the 50% or 90% Refund Option shall receive a refund of no less than 50% or 90%, as applicable, of the Entrance Fee paid to PHI.

(d) **Termination Upon Death**. This Agreement shall automatically terminate upon the death of the Resident, provided, however, in the event that two Residents occupy a Living Accommodation under the terms of this Agreement, the Agreement shall continue in effect as to the remaining or surviving Resident. A refund, if applicable, shall be determined in accordance with Paragraph 7(c) above and shall be paid to the Estate of the Resident in accordance with Paragraph 7(f) below.

(e) **Termination By PHI**. PHI may terminate this Agreement at any time if there has been a material misrepresentation or omission made by the Resident in the Resident's Application for Admission, Personal Health History or Confidential Financial Statement; if a material change in the Resident's health takes place before occupancy (Admission Date); if the Resident fails to make payment to PHI of any fees or charges due RLSR within sixty (60) days of the date when due; if the Resident does not abide by the rules and regulations adopted by PHI as determined by PHI; or Resident breaches any of the terms and conditions of this Agreement. In the event of termination for any of such causes the Resident may be entitled to a partial refund of the Entrance Fee paid by the Resident determined in accordance and paid in the same manner as provided in Paragraph 7(c) above.

(f) **Refund After Living Accommodation Reserved.** Any refund due the Resident under Paragraphs 7(c), 7(d), or 7(e) above will be made at such time as such Resident's Living Accommodation shall have been reserved by a prospective Resident and such prospective Resident shall have paid to PHI such prospective Resident's Entrance Fee. No interest shall be due or payable on any amount refunded pursuant to this Paragraph 7.

(g) **Monthly Charge & Nonstandard Costs**. Resident's refund under Paragraphs 7(a) through 7(e) shall be reduced and offset by the amount of all unpaid Monthly Charges and other amounts due and owing PHI applicable for the period Resident occupied his/her Living Accommodation. Resident's refund shall also be reduced by any nonstandard costs, if any, specifically incurred by PHI at the request of Resident consistent with terms and conditions of this Agreement. Notwithstanding the termination of this Agreement, Resident (including a deceased Resident) shall be deemed to occupy their Living Accommodation so long as Resident's possessions remain in their Living Accommodation and Resident's Monthly Charge shall continue to accrue as normal. In the event of the death of a Resident, Resident's family or sponsor shall have no more than sixty (60) days to remove Resident's possessions from the Living Accommodation.

(h) **Condition of Accommodation**. At the effective date of termination of this Agreement, the Resident shall vacate the Living Accommodation and shall leave it in good condition except for normal wear and tear. The Resident shall be liable to PHI for any cost incurred in restoring the Living Accommodation to good condition, except for normal wear and tear, and such cost may at the election of PHI be offset against any refund due, if any.

(i) **Additions and/or Renovations to Facility; Facility Closing**. From time to time, PHI may require additions and/or renovations to the RLSR facility. PHI will use reasonable efforts to minimize the disturbance to its residents, provided however, Resident agrees to cooperate with PHI in such efforts and if necessary relocate to substantially comparable living accommodations under the terms and conditions of this Agreement. In addition, if it shall become necessary to close or otherwise cease ordinary operations at the RLSR facility, as determined in the sole discretion of PHI's management, Resident agrees to allow PHI to relocate Resident to substantially comparable facilities managed by PHI within the same general locality and Resident agrees that this Agreement shall remain in full force and effect with respect to such continuing care retirement facility. Resident agrees that any transfer of residency under this paragraph 7(i) shall not cause a termination of this Agreement nor entitle Resident to a full or partial refund of their Entrance Fee.

8. **FINANCIAL ASSISTANCE**

(a) **Policy**. PHI declares that it is the policy of PHI that this Agreement will not be terminated solely because of the Resident's financial inability to continue to pay the Monthly Charge or other charges payable hereunder by reasons of circumstances beyond the Resident's control, provided, however, this declaration shall not be construed as qualifying the right of PHI to terminate this Agreement in accordance with the terms hereof. In the event that a Resident presents facts which in the sole opinion of PHI justify special financial consideration, PHI will give careful consideration to subsidizing in whole or in part the Monthly Charge and other charges payable by the Resident hereunder so long as such subsidy can be made without impairing the ability of PHI to attain its objectives while operating on a sound financial basis. Any determination by PHI with regard to the granting of financial assistance shall be within the sole discretion of PHI as set forth under a separate written agreement between PHI and the Resident regarding such financial assistance. If PHI requests, Resident agrees to apply for Medicaid, public assistance, or any other reasonably available public benefit program to offset Resident's Monthly Charge or other charges payable hereunder.

(b) **Endowment**. PHI has an endowment fund, the income of which will be used to assist Residents who would otherwise not be able to live at RLSR because of financial considerations. The income from such fund may be used for the purposes of providing financial assistance in accordance with the provision of this section.

9. **MISCELLANEOUS PROVISIONS**

(a) **Will, Durable Power of Attorney**. Resident is responsible for having made and executed a valid will providing for the distribution of his/her assets and personal effects, such will or other document of instruction shall include adequate provisions regarding proper burial or cremation. Resident shall notify the Executive Director of RLSR as to the name, address, and telephone number of his/her personal representative. Resident further agrees to execute a valid continuing durable Power-of-Attorney and a health care Power-of-Attorney. Resident shall notify the Executive Director as to the name, address, and telephone number of such designated Attorney(s)-in-Fact.

(b) **Assignment**. The rights and privileges of the Resident under this Agreement to the facilities, services and programs of RLSR are personal to the Resident and may not be transferred or assigned by the Resident or otherwise. PHI reserves the right to transfer or assign this Agreement without the consent of Resident. Except as set forth herein, this Agreement shall bind and inure to the benefit of the successors and assigns of PHI and the heirs, executors, personal representatives, any Attorney-In-Fact, and administrators of the Resident.

(c) **Management of RLSR**. The absolute rights of management of RLSR are reserved by PHI, its Board of Governors and its administrators as delegated by said Board of

Governors. PHI reserves the right to accept or reject any person for residency. Residents do not have the right to determine admissions or terms of admission of any other Resident.

(d) **Entire Agreement**. This Agreement constitutes the entire agreement between PHI and Resident relating to the subject matter hereof and supersedes all prior negotiations and agreements relative thereto. This Agreement may not be modified or amended except in writing signed by each of the parties. PHI shall not be liable or bound in any manner by any statements, representations or promises made by any person representing or assuming to represent PHI, unless such statements, representations or promises are set forth in this Agreement.

(e) **Waiver**. Any provision herein may be waived only in writing signed by the party or parties against whom or which enforcement of such waiver is sought. The failure of either party at any time to require the performance by the other party of any provision shall in no way affect the full right to require such performance at any time thereafter, nor shall the waiver by either party of a breach of any provision be taken or held to be a waiver of any succeeding breach of such provision or a waiver of the provision itself or a waiver of any other provision of this Agreement.

(f) **Guardianship**. If the Resident becomes legally incompetent, or is unable to properly care for himself or herself or his or her property, and if the Resident has made no other designation of a person or legal entity to serve as his or her guardian, then the Resident hereby agrees that PHI or its designee may initiate legal proceedings relating to Resident's competence and may act as Resident's legal guardian when qualified according to law. Resident agrees to pay to PHI and its designee any attorneys' fees and other expenses incurred in connection with any such guardianship upon demand.

(g) **Transfer of Property**. The Resident agrees not to make any gift or other transfer of property for less than adequate consideration for the purpose of evading the Resident's obligations under this Agreement or if such gift or transfer would render such Resident unable to meet such obligations.

(h) **Attorney's Fees, Costs of Collection**. Resident acknowledges and agrees that he/she shall be obligated to reimburse PHI for all costs associated with collection of any charges or fees due pursuant to this Agreement, including the cost of reasonable attorney's fees incurred by PHI as allowed by applicable law.

(i) **Savings Clause**. If any provision of this Agreement in any way contravenes the laws of any state or jurisdiction, such provision shall be deemed not to be a part of this Agreement in that jurisdiction, and Resident agrees to remain bound by all remaining provisions. If any portion of this Agreement shall be deemed to be illegal or should it violate public policy, it is agreed that it shall be interpreted to be legally binding and enforceable to the maximum reasonable extent allowed by law.

(j) **Survival**. The termination of this Agreement shall not affect the rights and remedies of PHI and the obligations of Resident under this Agreement incurred prior to such termination, all of the foregoing shall survive such termination including but not limited to all payment obligations of Resident.

(k) **Governing Law; Venue**. This Agreement shall be governed by the laws of the State of North Carolina. Resident agrees that venue for any legal action or proceeding relating to this Agreement shall be solely in the state or federal courts sitting in Guilford County, North Carolina, and Resident hereby knowingly and voluntarily submits to the jurisdiction of each such court in any such action or proceeding.

(l) **Notices**. Any notices, consents, or other communications to PHI or RLSR (collectively "notices") shall be in writing and addressed as follows:

The Presbyterian Homes, Inc.
Attn: President
2109 Sandy Ridge Road
Colfax, NC 27235

The address of Resident for purposes of giving notice is the address appearing after the signature of the Resident below prior to Resident taking occupancy of the Living Accommodation. Following occupancy, Resident's notice address shall be the address of the Living Accommodation as set forth in Paragraph 1(a).

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year above written.

THE PRESBYTERIAN HOMES, INC.

By:__________________________________

Name: _________________________

Title: __________________________

River Landing at Sandy Ridge,
an operating division of
The Presbyterian Homes, Inc.

____
Witness

RESIDENT(S):

_____________________________________(Seal)
Print Name:____________________________

____
Witness

RESIDENT(S):

_____________________________________(Seal)
Print Name:____________________________

____
Witness

____
Current Address (Number and Street)

____
City, State, Zip Code

____
Telephone Number

THE PRESBYTERIAN HOMES, INC. DBA BRIGHTSPIRE
CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2024
UNAUDITED

Exhibit D

ASSETS		
Current Assets:		
Cash	**$**	**10,168,785**
Trustee held funds, required for current liabilities		**2,249,843**
Accounts receivable		**4,536,104**
Refundable sales tax		**647,125**
Inventory		**133,823**
Prepaid expenses		**369,660**
Total current assets		**18,105,340**
Trustee Held Funds:		
Principal fund		**9,028**
Interest fund		**44,593**
Total trustee held funds		**53,621**
Investments, Deferred Costs and Other Assets:		
Investments		**174,631,852**
Deferred financing costs		**1,862,553**
Residents' cash deposits		**209,013**
Swap asset		**2,185,967**
Total investments, deferred costs and other assets		**178,889,385**
Property, Plant and Equipment, net		**415,248,601**
Total assets		**$612,296,947**
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Current maturities of long-term debt	**$**	**10,005,358**
Accounts payable		**5,808,197**
Accrued payroll		**1,129,639**
Accrued PAL		**180,924**
Accrued personnel costs and withholdings		**402,587**
Accrued interest		**1,458,574**
Total current liabilities		**18,985,279**
Long-Term Debt:		
Bonds payable		**179,093,058**
Total long-term debt		**179,093,058**
Deferred Revenue and Other Liabilities:		
Refundable fees		**115,308,498**
Deferred revenue from advance fees		**59,911,754**
Reserve PAL		**2,079,062**
Residents' cash deposits		**209,013**
Swap liability		**-**
Total deferred revenue and other liabilities		**177,508,327**
Total liabilities		**375,586,664**
Net Assets:		
Unrestricted		**231,476,540**
Permanently restricted		**5,233,743**
Total net assets		**236,710,283**
Total liabilities and net assets		**$612,296,947**

THE PRESBYTERIAN HOMES, INC. DBA BRIGHTSPIRE
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2024
UNAUDITED

Operating Revenue:		
Resident fees, including amortization of Entrance Fees	$	**27,204,171**
Food service income		**189,242**
Reimbursed medical		**912,773**
Golf course		**27,380**
Other		**89,543**
Total operating revenue		**28,423,109**
Operating Expenses:		
Routine services		**5,448,027**
Special services		**633,337**
Dining services		**4,388,577**
Environmental services		**1,265,430**
Maintenance		**2,549,632**
Project and development		**1,448,127**
Marketing		**391,360**
Administrative		**2,842,017**
Depreciation and other charges		**3,726,839**
Bond and note interest, and amortization		**1,889,769**
Purchased medical services		**827,297**
Miscellaneous, net		**254,576**
Golf course and grounds		**331,795**
Total operating expense		**25,996,783**
Operating income (loss)		**2,426,326**
Nonoperating revenue (expenses):		
Contributions		**321,093**
Net realized investment income		**3,356,722**
Net unrealized appreciation (depreciation) of investments		**(4,275,996)**
Change in fair value of interest rate swaps		**923,298**
Other, net		**1,437**
Total nonoperating revenue (expense)		**326,554**
Excess (deficit) of revenue over expenses and nonoperating income (expense)	**$**	**2,752,880**

THE PRESBYTERIAN HOMES, INC. DBA BRIGHTSPIRE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2024
UNAUDITED

Cash Flows From Operating Activities		
Operating income (loss)	$	**2,426,326**
Adjustments to reconcile change in net assets to		
net cash provided by (used in) operating activities:		
Entrance fees received, net of refunds		**4,617,524**
Amortization of entrance fees		**(4,899,063)**
Depreciation and amortization		**3,726,839**
Net change in trustee held funds required for current liabilities		**1,454,597**
Changes in working capital components:		
(Increase) decrease in:		
Trade and other receivables		**(1,025,967)**
Other assets		**115,624**
Increase (decrease) in accounts payable and		
accrued expenses		**(1,890,348)**
Net cash provided by (used in)		
operating activities		**4,525,532**
Cash Flows From Investing Activities		
Purchases of property and equipment		**(4,921,542)**
Net change in trustee held funds		**(6,607)**
Dividend and interest income		**1,759,222**
Proceeds from (purchases of) investments		**(955,813)**
Net cash provided by (used in)		
investing activities		**(4,124,740)**
Cash Flows From Financing Activities		
Net, principal receipts (payments) on long-term borrowings		**(2,610,233)**
Donations		**321,093**
Other, net		**1,437**
Net cash provided by (used in)		
financing activities		**(2,287,703)**
Net increase (decrease) in cash		
and cash equivalents		**(1,886,911)**
Cash and cash equivalents:		
Beginning		**12,055,726**
Ending	**$**	**10,168,815**

Exhibit E

Conflict of Interest Policy

Dated January 2025

KINTURA

Conflict of Interest Policy

Article I
Purpose

The purpose of the conflict of interest policy is to protect the tax-exempt interest of KINTURA, a North Carolina nonprofit corporation (the "Organization") when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article II
Definitions

I. **Interested Person.** Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. **Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

a. An ownership or investment interest m any entity with which the Organization has a transaction or arrangement,

b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or

c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists in accordance with Article Ill, Section 2.

Article III
Procedures

1. **Duty to Disclose.** In connection with any actual or possible conflict of interest an interested person must disclose the existence and nature of the financial interest (and be given the opportunity to disclose all material facts) to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. **Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists under applicable law, customary industry practices, or existing organizational policies.

3. **Procedures for Addressing the Conflict of Interest**

a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of Interest.

b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. **Violations of the Conflicts of Interest Policy.**

a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV
Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed; And

b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V
Compensation

a. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI
Annual Statements

Each director, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement that affirms such person:

a. Has received a copy of the conflicts of interest policy,
b. Has read and understands the policy,
c. Has agreed to comply with the policy, and
d. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

Such director, principal officer, or member of a committee shall detail any actual or potential conflicts of interest they have in such annual statement.

Article VII
Periodic Reviews

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

a. Whether compensation arrangements and benefits are reasonable based on competent survey information and are the result of arm's length bargaining;

b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

Article Vin
Use of Outside Experts

When conducting the periodic reviews as provided for in Article VJI, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

This Conflict of Interest Policy is adopted effective January 1, 2025.

Kintura
LIVING. LIFE. WELL.

Kintura Board of Directors

Annual Conflict of Interest Acknowledgement Statement

I, ____ (printed name) affirm that I have received a copy of the conflict-of-interest policy, have read and understand the policy, and agree to comply with the policy. I understand that Kintura is a charitable organization and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

____ ____________________________

Signature Date