

# Lake Prince Woods



## Disclosure Statement

March 1, 2024

This Disclosure Statement is provided in accordance with Title 38.2, Chapter 49 of the Code of Virginia. However, the filing thereof with the State Corporation Commission does not constitute approval, recommendation or endorsement of Lake Prince Center, Inc. by the State Corporation Commission.

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

**Lake Prince Center, Inc., d/b/a, Lake Prince Woods**  
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This Disclosure Statement is for a Continuing Care Retirement Community located in Suffolk, Virginia and known as Lake Prince Center, Inc.

## Section I: Continuing Care Provider

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Lake Prince Center, Inc. (herein referred to as “Lake Prince Woods”, the “Community” and/or the “Corporation”) is a not-for-profit Corporation chartered by the State of North Carolina. A Certificate of Authority to transact business in Virginia was issued to the Corporation by the State Corporation Commission on August 9, 1999. Lake Prince Center, Inc. is a wholly controlled subsidiary of EveryAge.

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

EveryAge and Lake Prince Center, Inc. are tax-exempt under Section 501(c)(3) of the Internal Revenue Code. If EveryAge and/or Lake Prince Center, Inc. is assessed sales or use tax on Monthly and/or Daily Fees and/or fees for other services, the Resident will be responsible for all such taxes.

A volunteer Board of Directors elected by the Board of EveryAge governs the Corporation. The current Lake Prince Center, Inc. Board members also serve as Board members of EveryAge. The Conference Minister of the Southern Conference, with offices in Burlington, North Carolina, serves as an ex-officio member of the Board, with voice but no vote. The Board of Directors of Lake Prince Center, Inc. is solely responsible for the governance of Lake Prince Woods. Lake Prince Center, Inc. is responsible for all its financial and contractual obligations.

Lake Prince Center, Inc. contracts with EveryAge to provide management services to Lake Prince Center, Inc. and to employ Lake Prince Woods’ staff. EveryAge also owns and operates two continuing care retirement communities (CCRCs) – Abernethy Laurels, Newton, North Carolina, and Piedmont Crossing, Thomasville, North Carolina. The home offices of both Lake Prince Center, Inc. and EveryAge are located at One Hundred Leonard Avenue, Newton, Catawba County, North Carolina 28658. Lake Prince Center, Inc. also maintains administrative offices at 100 Anna Goode Way, Suffolk, Virginia 23434. EveryAge and Lake Prince Center, Inc. employ a President and Chief Executive Officer who is authorized by the Corporation to have full executive power to carry out policies and directives of the Board of Directors on a day-to-day basis. Each CCRC (Lake Prince Woods, Abernethy Laurels, and Piedmont Crossing) has an Executive Director employed and authorized to carry out the day-to-day operations of their respective campus.

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

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

## **Mission Statement**

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

## **Our Vision**

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

## **Our Values**

- ❖ **Compassion** .. we treat all individuals with understanding, care, and respect
- ❖ **Innovation**..... we are continually changing in order to meet new needs
- ❖ **Integrity**..... we are honest, accountable, and transparent in our services, communications, and the fulfillment of our mission
- ❖ **People** ..... we are committed to hiring and investing in dedicated, passionate people
- ❖ **Quality**..... we strive to provide excellent service surpassing ordinary standards and expectations
- ❖ **Value** ..... we aim to be the provider of choice making services accessible to as many as possible

## Section II

### **Officers, directors, trustees, management staff, and certain persons who hold equity or beneficial interest:**

Lake Prince Center, Inc. is a non-stock, not-for-profit corporation governed by a Board of Directors that elects its own officers. EveryAge has a “beneficial interest” in the Corporation in as much as (1) the Corporation is a wholly controlled subsidiary of EveryAge; (2) the Corporation’s Board of Directors is elected by the Board of Directors of EveryAge for three-year terms; and (3) the Corporation is managed by EveryAge. No other entities have “beneficial interest” in the Corporation. Current members of the Lake Prince Center, Inc. Board of Directors are as follows:

**EXECUTIVE COMMITTEE:** Parker D. Howell, III, Chairperson  
Brad Thie, Vice Chairperson  
Gregory M. Alcorn, Secretary  
Jeffrey S. Gilliam, Treasurer  
Linda J. Morris, Past Board Chairperson

| <b>BOARD MEMBERS</b>  | <b>TELEPHONE NUMBER</b>              | <b>TERM EXPIRES</b>                                   |
|---|--------------------------------------|---|
| <b>Parker D. Howell, III</b><br>Post Office Box 2278<br>Suffolk, VA 23432             | 757.255.4721<br>757.620.9264 (M)     | 2024<br>3 <sup>rd</sup> Term *Extended<br>Chairperson |
| <b>Allen Gray</b><br>307 Church Street<br>Wilmington, NC 28401                        | 910.620.1754(M)<br>910.251.8518(H)   | 2026<br>1 <sup>st</sup> Term                          |
| <b>Anthony J. Branch</b><br>2737 NE 1 <sup>st</sup> Street<br>Pompano Beach, FL 33062 | 704.467.5851 (C)<br>704.655.2343 (B) | 2026<br>3 <sup>rd</sup> Term                          |
| <b>Hunter March</b><br>908 West Washington Street<br>Suffolk, VA 23434                | 757.934.0755                         | 2026<br>3 <sup>rd</sup> Term                          |
| <b>Lawrence Bolick</b><br>329 Summit Avenue, Apt. A<br>Salisbury, NC 28144            | 828.612.8146                         | 2026<br>2 <sup>nd</sup> Term                          |
| <b>Jeffrey S. Gilliam</b><br>3799 Love Road<br>Claremont, NC 28610                    | 704.682.8897 (M)<br>828.241.5152 (H) | 2026<br>2 <sup>nd</sup> Term<br>Treasurer             |
| <b>Cory S. Tobin</b><br>3993 2B Clubhouse Court<br>High Point, NC 27265               | 336.905.0203                         | 2026<br>2 <sup>nd</sup> Term                          |
| <b>Brad Thie</b><br>53 Pineland Street<br>Chapel Hill, NC 27516                       | 828.234.3389 (M)                     | 2024<br>3 <sup>rd</sup> Term<br>Vice Chairperson      |

| BOARD MEMBERS  | TELEPHONE NUMBER   | TERM EXPIRES                              |
|--|--|---|
| <b>Gregory M. Alcorn</b><br>c/o GCS Agents<br>118-B South Main Street<br>Salisbury, NC 28144   | 704.647.9621 (B)<br>704.232.2354 (M)   | 2024<br>1 <sup>st</sup> Term<br>Secretary |
| <b>Vacancy</b>   |  | 2025<br><br>Unexpired Term                |
| <b>Julius W. Abernethy, IV</b><br>3781 Dockside Lane<br>Sherrills Ford, NC 28673   | 828.461.8701 (M)   | 2025<br>1 <sup>st</sup> Term              |
| <b>Margie Wiley</b><br>2000 Hillpoint Blvd. N, Ste. 200<br>Suffolk, VA 23434   | 757.809.2130(W)<br>914.409.8395(M)   | 2025<br>1 <sup>st</sup> Term              |
| <b>Shane L. Smith</b><br>1700 Dominion Tower<br>999 Waterside Drive<br>Norfolk, VA 23510   | 757.629.0706 (B)   | 2025<br>1 <sup>st</sup> Term              |
| <b>Linda J. Morris</b> , Past Board Chairperson<br>4948 Sentinel Drive, #305<br>Bethesda, MD 20816<br>336.545.7866<br>336.541.2838 (M) | <b>Edward Davis</b> , Southern Conference Minister<br>Southern Conference – UCC<br>252-B West Fifth Street<br>Burlington, NC 27215<br>336.343.4066 |   |

**ADVISORY COUNCIL:**

| Abernethy Laurels  | Piedmont Crossing  | Lake Prince Woods  |
|--|--|--|
| <b>Jody Street</b><br>c/o Peoples Bank<br>518 W C Street, PO Box 467<br>Newton, NC 28658<br>828.302.1270 (M)<br>828.464-5620 (W) | <b>Terri Fisher</b><br>159 Myrtle Drive<br>Thomasville, NC 27360<br>336.472.7217 | <b>Michelle Horton</b><br>907 Craig Drive<br>Suffolk, VA 23434<br>757.319.1476 (W) |

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

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

### Section III

## **Business experience and management information regarding acquisition of goods and services; criminal, civil and regulatory proceedings against the provider, officers, directors, trustees, managing and general partners; certain persons who hold equity or beneficial interests; the management profile.**

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A. Lake Prince Woods is operated and managed by EveryAge. EveryAge has operated a Continuing Care Retirement Community in Newton, Catawba County, North Carolina since 1971, and in Thomasville, Davidson County, North Carolina since 1986. Following is a list of the business experience of the current senior staff members responsible for the day-to-day business of Lake Prince Center, Inc. and EveryAge. There is no "non-employee" management.

### **Home Office Administration**

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

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

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

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



***Tammy H. Jones –Chief Financial Officer***

- ◆ Employed by EveryAge since November of 2010 and appointed as Chief Financial Officer, effective February 1, 2023.
- ◆ Previously served for 12 years as Corporate Controller of EveryAge, a multi-site senior living provider headquartered in Newton, North Carolina.
- ◆ Previously served as Senior General Accountant with Kewaunee Scientific Corporation in Statesville, NC from 2007 – 2010 where she performed a full spectrum of accounting services for this recognized global leader in the design, manufacture, and installation of laboratory, healthcare, and technical furniture products.
- ◆ Was previously employed with Hanesbrands, Inc. (May 2006 – Feb. 2007) as Senior Cost and International Accountant, Winston-Salem, NC. Prior to her promotion, from Dec. 1999 to May 2006, she worked as Plant Accountant/Accounts Payable Supervisor for Hanesbrands, Inc. in Statesville, NC. She was previously the Accounting Coordinator for Hanesbrands from Oct. 1997 to Dec. 1999.
- ◆ Served as Legal Assistant and Office Manager for the Law Office of Minor & Brown, Statesville, NC from Feb 1996 – Oct. 1997.
- ◆ Earned a Bachelor of Science degree in Business Management from Gardner-Webb University in Boiling Springs, North Carolina, and an A.A.S degree in Computer Programming from Mitchell Community College in Statesville, NC.

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

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

***Cathy Cooper –Chief Human Resources Officer***

- ◆ Has worked as Chief Human Resources Officer since June 22, 2015.
- ◆ Was previously Senior Director Human Resources and Transitions of Richfield Hospitality from 2004-2015.

- ◆ Served in Human Resources and Operations with Hilton Knoxville from 1998-2004 and with Old Town Resorts, Key West, FL in Operations from 1995-1998.
- ◆ Earned the Senior Professional Human Resources (SPHR) designation from the HR Certification Institute (HRCI) in 2004.
- ◆ Received the SHRM-SCP (Society Human Resources Management Senior Certified Professional) designation in January 2015.
- ◆ Earned a Bachelor of Science in Business Administration degree from LaSalle University.

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

- ◆ Has worked as Chief Marketing and Public Relations Officer at EveryAge since April 2021.
- ◆ Was Regional Director of Sales and Marketing at Principle LTC from 2020-2021.
- ◆ Was Vice President of Sales and Marketing at Liberty Healthcare Management for nine years.
- ◆ Has previously worked as the Regional Director of Marketing for Care One Virginia.
- ◆ Was employed as NC West Region Sales & Marketing Consultant for Shoreline Healthcare Management from 2007-2008.
- ◆ Earned a Master’s degree in Data Marketing Communication from West Virginia University, a Master of Business Administration Degree with a concentration in Health Administration from Pfeiffer University, and a Bachelor of Science Degree in Business with a concentration in Marketing from Clarion University of Pennsylvania.
- ◆ Holds a North Carolina Insurance license for Life, Health, and Long-Term Care.

**Community Administration**

***Judith O. Raymond - Executive Director, Lake Prince Woods***

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

*No Board Member, Officer, Committee Member, or Employee has any ownership interest in the Corporation or in EveryAge.*

The only known related party transactions will be by EveryAge providing management services to the Corporation and the Corporation reimbursing EveryAge for those services as is described in III. A (1) and (2). EveryAge has a beneficial interest in the Corporation as is disclosed in Section II of this Disclosure Statement, “Officers, Directors, Trustees, and persons who hold beneficial interest”. The specific services the Corporation receives from EveryAge through a management contract include, but are not limited to:

1. Act as owner's representative and chief liaison with architect and contractor during design and construction of major projects at the Community.

Manage and operate Community in compliance with all applicable Federal, State, and local laws, and in accordance with the Articles of Incorporation and Bylaws.

Recommend goals and policy initiatives to the Board of Directors.

Present reports on operations and financial performance to the Board of Directors on periodic basis.

Perform treasury functions, including billing residents for services provided, receiving income and accounting for same, paying staff, vendors, mortgage invoices, and managing investments. Perform accounting functions including doing necessary bookkeeping for accounts receivable, accounts payable, payroll, general ledger, and preparation/publication of required financial statements.

Perform human resource and benefit administration functions, including hiring, training, promoting, encouraging, disciplining, and firing of employees according to the Corporation's human resources policies.

Perform marketing functions, including preparing marketing plan and budget, preparation of collateral materials, making presentations, and maintaining website.

Perform management functions, including planning, organizing, directing, supervising, coordinating, as well as preparing budget forecasts as required by the Board and government agencies, recommending policy, implementing approved policy with the Corporation's procedures, acting as liaison with government agencies, contractors, and the Corporation's various publics. The cost of providing these management services will be approximately six-and one-half percent (6.5%) of annual budgeted gross resident revenue generated by the Corporation. It is corporate policy that EveryAge provides management services for each project/Community it develops and/or owns.

2. The Corporation did not advertise nor seek any request for proposal to other firms to provide management services.

B. Neither the Corporation, EveryAge, nor any of their Officers or Board Members:

1. has been convicted of a felony or pleaded nolo contendere to a criminal charge, or been held liable or enjoined in a civil action by final judgment, if the crime or civil action involved fraud, embezzlement, fraudulent conversion, or misappropriation of property; or moral turpitude; or
2. is subject to an injunctive or restrictive order of a court of record, 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, arising out of or relating to business activity or healthcare, including without limitation actions affecting a license to operate a foster care facility, nursing home, retirement home, home for the aged or facility registered under Virginia law or similar laws in another state; or

3. is currently the subject of any state or federal prosecution, or administrative investigation involving allegations of fraud, embezzlement, fraudulent conversion, or misappropriation of property.

## Section IV

### **Ownership of Real Property**

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Lake Prince Center, Inc. owns, in fee simple title, a 172-acre site in the City of Suffolk, Virginia, upon which it has developed a Continuing Care Retirement Community. The campus, with frontage on Kings Fork Road, east of Pruden Boulevard in Suffolk, Virginia, is approximately three miles from the center of downtown Suffolk. The Continuing Care Retirement Community is constructed on the property, with the buildings and land provided as collateral for the loans.

## Section V

### **Location and Description of Real Property**

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The real property of Lake Prince Center, Inc. consists of 172-acres located on Kings Fork Road near highways 460 to Richmond, Virginia, and 58 and to the various cities of the Tidewater Area and is approximately three miles from the center of downtown Suffolk.

The Continuing Care Retirement Community consists of a Health Center, Assisted Living, and Residential Living Units. The Community was officially opened in November 2002.

The Health Center has forty (40) licensed nursing beds. The campus also offers fifty-two (52) licensed Assisted Living Units, of which there is a sixteen (16) bed Memory Care Unit for the care of residents with Alzheimer's and related dementia, and thirty-six (36) assisted living apartments.

The Residential Living Units are those units where residents arrange for their own assistance with activities of daily living. Currently, these units include fifty-eight (58) single-family houses (cottages), forty-two (42) villa homes, and ninety-two (92) apartment units.

There is adequate land available to permit the continued expansion of this campus, as the market demands. The master site development plan is designed for 123 additional Resident Living Units, with the expansion to be completed in separate phases of construction. Phase I construction was completed in 2009 and included twenty-eight (28) units. Phase II construction was completed in 2023 and included thirty-three (33) units. The additional units planned for the campus have been developed as there is sufficient market demand and are funded through a line of credit which is paid off using the proceeds of the first-generation residency fees.

## Section VI

### **Affiliation with Religious, Charitable or Other Nonprofit Organizations; Tax Status of Provider**

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The Corporation is a wholly controlled subsidiary of EveryAge. The Corporation and EveryAge are responsible for bond-related indebtedness incurred by EveryAge or the Corporation.

Lake Prince Center, Inc. and EveryAge are affiliated with the Southern Conference of the United Church of Christ, 252-B West Fifth Street, Burlington, NC 27215. Boundaries of the Southern Conference include all of North Carolina and Eastern Virginia. Neither the Southern Conference of the United Church of Christ nor any other unit of the United Church of Christ is responsible for the financial and/or contractual obligations of the Corporation or of EveryAge.

Lake Prince Center, Inc. is a member of LeadingAge Virginia, LeadingAge, and the Council for Health and Human Service Ministries (CHHSM) of the United Church of Christ.

Lake Prince Center, Inc. and EveryAge are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. If EveryAge and/or Lake Prince Center, Inc. is assessed sales or use tax on Monthly and/or Daily Fees and/or fees for other services, the Resident will be responsible for all such taxes related to accommodations, amenities and applicable services provided to the Resident.

## Section VII

### **Services Provided Under Continuing Care Contract**

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The services provided at Lake Prince Woods are set forth in Section 4 of the “Residency Agreement”.  
(See Exhibits 1 and 2 – Residency Agreements)

#### **Other Services on a Fee-for-Service Basis**

**1. Wellness Clinic:**

The Wellness Clinic is available to all residential living residents and is staffed by health professionals. The Wellness Clinic is used for consultation, medication review, and outpatient treatments. The Wellness Clinic conducts screenings, vaccinations and tests for residents as needed.

**2. Assisted Living:**

Assisted Living provides help with routine activities of daily living such as bathing, personal hygiene, and medication administration. Staff is available on a twenty-four hour per-day basis. A distinct level of Assisted Living is also available to cater to and provide specific services for residents who may have signs or symptoms of dementia.

**3. Nursing Care:**

Long-term nursing and short-term rehabilitative services are available on campus. The Health Center has Medicare certified beds. Residents are cared for by licensed nursing professionals under the supervision of a Medical Director and licensed Administrator. On December 14, 2023, the State Health Commissioner approved the Lake Prince Center, Inc.’s request for a three-year open admission period. The open-admission period will end on December 13, 2026, unless an extension is applied for and granted by the State Health Commissioner.

#### 4. Other Services:

Transportation, hair care, guest meals, etc., are available on a fee-for-service basis. Lake Prince At Home, LLC offers home care and home health services on a fee-for-service basis.

## Section VIII

### Fees Required of Residents

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#### Residency Fee Deposits

In accordance with Virginia law, Residency Fees more than \$1,000 per person received prior to the Residential Living Unit being made available to the Resident for occupancy will be set aside in a fund controlled by an approved escrow agent. These funds remain the property of the prospective Resident until released to the Corporation. The funds in escrow shall not be subject to any liens, judgments, garnishments, or creditor's claims against the Corporation.

Interest earned from escrowed funds, less investment fees, accrues and is added to the Resident's deposit. If the Resident dies before occupying the unit, or is precluded through illness, injury or incapacity from becoming a resident under the terms of the continuing care contract, the contract is automatically rescinded and the Resident or their legal representative receives a full refund of all money paid to the provider, except those costs specifically incurred by the provider at the request of the Resident and set forth in writing in a separate addendum, and signed by both parties to the contract. The Resident has the right to rescind the Agreement, without penalty or forfeiture of any amount of money, within seven (7) days after making an initial deposit or executing the Agreement to occupy a unit. The Resident is not required to move into the Community designated in the contract before the expiration of the seven-day period.

The parties have a maximum period of ninety (90) days from the time of occupancy of a unit to withdraw from any agreement. In the case of such withdrawal, 90% of the Residency Fee for the Fully Declining Residency Agreement or the 50% Refundable Residency Agreement will be returned to the Resident.

In such case of withdrawal, costs specifically incurred by the Community, at the request of the Resident, set forth in writing, and signed by both parties to the Residency Agreement, will be deducted from the final refund balance to the Resident.

#### Residency Fee

The Resident is required to pay a Residency Fee (Entrance Fee) and a Monthly Fee based on the chosen Residential Living Unit. The Residency Fee for Fiscal Year 2024 Residential Living Units ranges currently from \$67,500 to \$739,500. These fees are paid at the time of occupancy and are refundable according to Section 3 of the Residency Agreement. The Resident is given a minimum of thirty (30) days advance notice of any change in fees, charges or the scope of care or services, except for changes required by the state or federal assistance programs. Usually changes in fees are effective October 1 of each year. *(See Exhibits 1 and 2 – Residency Agreements and Exhibit 5 Entrance Fee and Monthly Fee Schedule)*

Changes in Residency Fees due to marriage, changing units, or moving from one level of living to another, for any reason, are fully disclosed in Section 2 of the Residency Agreement.

A Residency Agreement is contracted with each resident at the time of admission. Upon termination of the Agreement, the Agreement provides for a refund of the Residency Fee, less those costs specifically incurred by the Community at the request of the Resident, set forth in writing in an addendum to the Residency Agreement, and signed by both parties to the Residency Agreement, on a declining basis set forth in an amortization schedule. Dependent upon the selected Residency Agreement, the Residency Fee will be either a minimum of 50% refundable or will decline to zero (*See Residency Agreement, refund schedule, Section 3*).

A life expectancy based on actuarial projections is used to amortize contracts. The refundable portion of the fee is recorded as a liability and refunded to the Resident in accordance with Section 3 of the Residency Agreement. (*See Exhibits 1– and 2 – Residency Agreements*). Residency Fees (*Entrance Fees*) as projected for Lake Prince Woods are calculated based on experience in existing Communities operated by EveryAge.

## **Monthly Fee**

The Monthly Fee is due and payable at the beginning of each month. This fee helps underwrite administrative/programmatic costs and a variety of support services including some meals. It covers the cost of property insurance, except for the Resident's personal contents of the unit. The Resident is required to insure their own personal property. This fee also covers exterior maintenance on the unit and on all furnished appliances. (*See Section 4, Exhibits 1 and 2 – Residency Agreements*.)

A Monthly Fee Schedule is published annually. Changes usually take effect October 1 of each year and are adjusted based on changes in costs. (*See Exhibit 5 for Entrance Fee and Monthly Fee Schedule*)

## **Fee Schedule**

A Fee Schedule is published annually to cover such items as transportation, extra meals and housekeeping and other services as posted. (*See Exhibit 6 - Fee Schedules*)

## **Section IX**

### **Reserve Funding**

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The Residency Agreement offered by Lake Prince Center, Inc. provides a residential living unit to the Resident for as long as they are able to meet the residency requirements. The document is a "fee-for-service" agreement where, except for the upkeep and maintenance on the unit, the Resident pays for services as needed. This means that while healthcare is available to persons under the Residency Agreement, such care is paid for on a per diem basis. To assure that money is available when the Resident needs long-term healthcare, any refund due under the agreement is escrowed for payment of healthcare costs.

To protect the financial status of the Community and thus the security of all residents, those approved for admission are asked to have sufficient income and assets to pay for all necessary fees and still be able to continue in their present lifestyle. If the applicant has a long-term care insurance policy that covers nursing home care, this will be considered in determining financial eligibility. Such a policy may reduce the requirement of enough assets to pay for needed healthcare costs over the projected lifetime of the applicant.

A financial analysis is completed utilizing actuarial data. Marginal applicants will be reviewed for the possibility of other alternatives including other EveryAge campuses, other accommodations on the desired campus, and other options available for payment of fees.

## Section X **Certified Financial Statements**

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Audited Financial Statements of Lake Prince Center, Inc. and EveryAge, (*See Exhibit 3*).

## Section XI **Proforma Statement of Operations**

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**Proforma Statement of Operations for Lake Prince Center, Inc. for the period ending 9/30/2023. The projections are accompanied by a listing of underlying assumptions.** (*See Exhibit 4 Projected Statement of Activities and Change in Net Assets*)

## Section XII **Admission of New Residents**

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

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

### **Health Insurance**

The Resident will maintain eligible Medicare Coverage and one supplemental insurance policy or equivalent insurance coverage, which adequately covers hospital, medical and skilled nursing deductibles and copayments required of the primary insurance plan.

The Resident will be responsible for ensuring that the health insurance coverage does not lapse and, upon request, will provide Lake Prince Center, Inc. with evidence of such coverage. Should the health insurance coverage lapse, Lake Prince Center, Inc. may require the Resident to reapply for suitable coverage.

If the Resident is unable to obtain adequate new coverage, Lake Prince Center, Inc. will bill the Resident for any costs related to medical or other healthcare services that would have otherwise been covered by the health insurance coverage policy.

Lake Prince Center, Inc. reserves the right and sole discretion to eliminate and/or change its participation in all insurance plans.



## **Health Needs**

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

## **Social Interests**

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

## **Financial Requirements**

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

## **Age Requirements**

The age for admission is at least sixty-two (62) years. If application is for two individuals to occupy one living unit, at least one of the two individuals must be at least sixty-two (62) years of age.

## **Section XIII**

### **Access to Facility by Non-Residents**

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Lake Prince Center, Inc. will not provide access to the Community's services to non-residents with the exception of (1) direct admission to the Health Center and/or Assisted Living Unit, including memory care, on a space available basis, in order to maintain a financially adequate level of operation, (2) meals and overnight lodging to guests of residents or to prospective residents, (3) access to certain amenities of the community from time to time, such as Bistro dining meals, fitness/wellness center access, and/or wellness programs, and (3) services provided by Lake Prince At Home, LLC. The Community may, from time to time, make other services available to non-residents and will give the Resident adequate notice regarding the intent to offer such services.

## Section XIV

### **Procedure for Resident to file a complaint or disclose a concern**

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Lake Prince Woods has an active Resident Association that encourages resident participation. This body acts as a channel for residents' concerns and suggestions to administration. In addition, the Executive Director of Lake Prince Woods and staff maintain an "open door" policy encouraging residents to meet with staff to discuss concerns and ideas for amicable resolution.

Each resident, upon admission, is provided with a copy of the **Residential Grievance Procedure**. A copy of this procedure is signed by the Resident, acknowledging that a copy of the procedure has been received and understood. A copy of this signed statement is kept in the Resident's personal file. *See Sample Form Below:*

#### **Resident Grievance Form**

Dear Resident:

Although the staff of Lake Prince Woods works hard to meet your needs, we recognize that there may be times you disagree with policies or feel your rights have been infringed upon. In such cases, you are encouraged to voice your concern in the following manner:

- 1) If you determine your concern is of a simple nature and can be resolved easily, share any relevant details with a staff person, who will assist you in resolving the issue as quickly as possible.
- 2) If you feel that a staff person cannot address your concern, you should share details with the Executive Director, who will discuss any grievance openly with you and make every effort to resolve the matter.
- 3) If your concern remains unresolved to your satisfaction, details should be submitted in writing to the Chief Operating Officer, One Hundred Leonard Avenue, Newton, NC 28658. The Chief Operating Officer will inform you of the decision and/or recommendation for resolution of the matter in question.
- 4) If, after taking the forgoing action you still feel your concerns have not been sufficiently addressed, you may submit your concern in writing to the President and CEO to discuss with the Board of Directors.

I, \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, have acknowledged and understand Lake Prince Woods' Resident Grievance Procedure.

## Section XIV

### **Other Material Information**

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Management of the Corporation is of the opinion that there is no litigation or any proceedings of any nature pending or, to its knowledge, threatened against the Corporation, which if decided adversely to the Corporation, are reasonably expected to have a material adverse effect on the financial position of the Corporation.

**Exhibit 1: Fully Declining Residential Living Unit Residency Agreement**

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Between

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and

Lake Prince Center, Inc., d/b/a Lake Prince Woods  
100 Anna Goode Way, Suffolk, VA 23434

**Effective: March 1, 2024**

Lake Prince Center, Inc., d.b.a.,  
**Lake Prince Woods**  
100 Anna Goode Way, Suffolk, Virginia 23434

## Residential Living Residency Agreement

### 1. Basic Requirements

- (a) This Agreement is made this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between \_\_\_\_\_, hereinafter referred to as the “Resident”, and Lake Prince Center, Inc., d.b.a., Lake Prince Woods, a not-for-profit Corporation chartered by the State of North Carolina, hereinafter referred to as the “Corporation”. The Corporation is chartered to carry on ministry among aging persons within the bounds of the Southern Conference of the United Church of Christ. A Certificate of Authority to transact business in Virginia was issued to the Corporation by the State Corporation Commission August 9, 1999. Lake Prince Center, Inc. is a wholly controlled subsidiary of EveryAge. The Corporation’s facilities, located in Suffolk, Virginia, are sometimes referred to as the “Community”. This Residency Agreement is made between the Corporation and the Resident for occupancy of a \_\_\_\_\_ numbered \_\_\_\_\_, hereinafter referred to as the “Residential Living Unit”, located at the Community. This Residency Agreement is made binding with payment by the Resident of a Residency Fee in the amount of \$ \_\_\_\_\_ and a Monthly Fee.
- (b) If the Resident dies before occupying the unit, or is precluded through illness, injury or incapacity from becoming a resident under the terms of this Agreement, this Agreement is automatically rescinded and the Resident or Resident’s legal representative shall receive a full refund of all money paid under this Agreement, except those costs specifically incurred by the Community at the request of the Resident and set forth in writing in a separate addendum, and signed by both parties to this Agreement.
- (c) Notwithstanding any other provision of this Agreement, the Resident may rescind this Agreement without penalty or forfeiture, within seven (7) days after making an initial deposit or executing the contract. The Resident is not required to move into the Residential Living Unit before the expiration of this seven-day period.
- (d) During the first ninety (90) days of occupancy, the Resident will have the right to terminate this agreement by serving the Corporation with written notice of such termination. During the ninety-day period, the Corporation also has the right to terminate this Agreement based on its judgment regarding the Resident's ability to adjust to this lifestyle. Any money paid will be refunded in full, other than: 1) A ten percent (10%) reduction in the initial Residency Fee paid; 2) the Monthly Fee applicable to the period a Residential Living Unit was under contract or occupied by the Resident; 3) any damage caused to the Residential Living Unit during occupancy or in moving; and 4) any nonstandard costs specifically incurred by the Corporation at the request of the Resident. Any refund due the Resident for termination

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

during this period will be made within thirty (30) days after the living unit is vacated and made available for marketing.

- (e) After the ninety (90) day period, this Agreement may be terminated by the Resident at any time by serving the Corporation a sixty (60) day advance written notice of such termination.
- (f) If another individual (“Other Resident”) signs a separate Residency Agreement to share occupancy of the same Residential Living Unit with the Resident, in the event of the death of the Other Resident, or the removal of the Other Resident from the Residential Living Unit on a permanent basis for any reason, the remaining Resident will continue to enjoy all rights, privileges, and obligations of this Agreement. Any refund of the Residency Fee due under either of said Residency Agreements will not be computed until the termination of both Residency Agreements due to death or otherwise, and any refund due under either Residency Agreement will be paid to the Resident or Other Resident who is the last to terminate his or her Residency Agreement.
- (g) At the effective date of termination of this Agreement, the Resident shall vacate the Residential Living Unit, and shall leave it in good condition except for reasonable wear and tear. Damage due to smoking or having household pets, if approved, will not be considered as reasonable wear and tear. The Resident shall be responsible to the Corporation for any costs incurred in restoring the living accommodations to good condition and repair any damage beyond reasonable wear and tear.
- (h) Upon termination of this Agreement and upon complying with the provisions of this Agreement, the Corporation shall have no further obligation to the Resident or their heirs, executors, administrators, or assigns.

## **2. Changes in Occupancy**

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

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

complete the normal admission process including the payment of all fees. If the application for admission is approved, either the original agreement shall be amended, or new agreements shall be executed which specify the new fees and terms established by the Corporation.

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

### 3. Residency

- (a) The Corporation agrees the Resident may occupy the Residential Living Unit described above, subject to the conditions of this Agreement.
- (b) Upon termination of this Agreement by either party, or upon the death of the Resident, after a new Residency Agreement has been executed by another party for the last Residential Living unit to have been occupied by the Resident, and all fees due have been paid in full, the Resident or the Resident's estate will be entitled to a refund of the Residency Fee during the initial thirty-six (36) months of this Agreement. The amount of the refund shall be based upon the length of time that has elapsed from the date the Residency Agreement was signed to the effective date of termination as follows:

First ninety (90) days or portion thereof      90% of total fee

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

The total fee, which is subject to refund as set forth in this schedule, is reduced by any costs specifically incurred by the Community at the request of the Resident and set forth in writing in a separate addendum and signed by both parties to this Agreement.

- (c) If the Resident, because of changes in circumstances, chooses to move into a different living unit where a lesser Residency Fee is required, the Resident may do so but without a refund. If the Resident should choose to move into a different living unit where a larger Residency Fee is required, the Resident will pay the difference between the Residency Fee and

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

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

- (d) If the Resident occupies the residence for less than ninety (90) days and then moves into the Health Center, the Corporation will retain six (6) percent of the Residency Fee. The remainder will be set aside for use by the Resident for healthcare expenses.
- (e) If the Resident should move into the Health Center and vacate the Residential Living Unit, regardless of the length of residence in the Residential Living Unit, this Agreement will remain in effect.
- (f) If two persons sign a Residency Agreement for the same Residential Unit and one of them should need to move into the Health Center on a permanent basis, the Resident remaining in the Residential Living Unit will continue to enjoy all the rights, privileges, and obligations of this Agreement. The prevailing cost of healthcare for the person moving into the Health Center shall be paid from that person's available assets including assets transferred by the Resident to a revocable trust or to any trust in which the Resident is a beneficiary. The person remaining in the Residential Living Unit becomes solely entitled to any refund of the Residency Fee, which may later be due under this Agreement.
- (g) After the first ninety (90) days of occupancy of the Residential Living Unit, any refund due the Resident under this Residency Agreement will be made only when the last Residential Living Unit to have been occupied by the Resident is covered by a new Residency Agreement with another person or persons and all new fees have been paid in full.
- (h) Continued occupancy of a suitable Residential Living Unit will be determined by the Resident's health needs. *(See Section 7 for clarification.)*

#### 4. Monthly Fee

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

- (a) Outside maintenance and inside routine maintenance of the Residential Living Unit as described in the Resident Handbook.
- (b) Twelve (12) noncumulative nurse visits per year if needed. *(See Paragraph 7 (f) for clarification.)*
- (c) Emergency call system to Nursing Station on 24-hour basis plus night security services.
- (d) Twenty (20) meals per month per occupant for those who reside in the apartment building and Ten (10) meals per month per occupant for those who reside in cottage or villa homes.
- (e) The option to purchase extra meals singly or through a monthly rate.

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

- (f) Access to programs and transportation of the Community. A minimum charge will be made for certain activities and items. The Resident will be informed of all charges.
- (g) Access to a variety of types of support services. A minimum charge will be made for these services. The Resident will be informed of all charges.
- (h) Other as herein listed: \_\_\_\_\_

**5. Financial Requirements**

- (a) The Resident must have assets and income, which will be sufficient under foreseeable circumstances, to pay the financial obligations under this Agreement and to meet their ordinary living expenses. The Resident shall be required at specific times to present the Corporation with an updated confidential financial statement.
- (b) The Resident, Resident’s current and/or future representatives (i.e., power of attorney, executor, etc.,) will abide by any and all financial arrangements made with the Corporation for the purpose of securing the Resident’s ability to pay any and all charges for residing at the Community. The Resident agrees not to make any gift or other transfer of assets for the purpose of evading the Resident’s obligations under this Agreement if such gift or transfer would render the Resident unable to meet their financial obligations under this Agreement. Gifts or transfers of assets in this manner, which result in the Resident’s inability to meet Resident’s financial obligations in accordance with this Agreement, would entitle the Corporation to terminate this Agreement, and the Resident or Resident’s representative, as applicable, would be liable for any unpaid amounts to the Corporation.
- (c) If requested by the Corporation, the Resident will apply for any or all federal, state, and local benefits for which the Resident may be eligible or entitled; and if requested by the Corporation, the Resident will apply any or all such benefits toward the cost of Resident’s care at the Community. These benefits may include, but would not be limited to: Medicare, prescription, and Veteran benefits.
- (d) The Corporation will carry fire insurance on the Residential Living Unit. The Resident will be responsible for insurance on contents and personal liability.
- (e) The current Monthly Fee is as follows:€\$\_\_\_\_\_. It is understood this fee will be adjusted from time-to-time by the Corporation. A thirty (30) day advance notice will be given to the Resident before any changes in fees, charges or scope of care and services becomes effective. The Monthly Fee is charged as long as the Resident and/or Resident’s possessions are occupying the unit.
- (f) The Corporation will furnish a monthly statement to the Resident for the Monthly Fee and all chargeable items incurred by the Resident.
- (g) The Resident’s Monthly Fee and charges for additional services shall be paid on or before the tenth (10<sup>th</sup>) day of each month, except that the first Monthly Fee is due on the occupancy

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date. Payments not received by the due date will result in an assessment of the late fee listed in the Fee Schedule.

- (h) If after a period of sixty (60) days the Resident has not paid applicable fees and charges, the Corporation may terminate this Residency Agreement.
- (i) The Corporation will make available to the Resident a copy of its Virginia Disclosure Statement, which includes information regarding the financial status of the Corporation.
- (j) In the event it is necessary for the Corporation to take action for the purpose of enforcing this Agreement or the collecting of any sums of money due under this Agreement, the Corporation shall be entitled to recover routine attorney's fees, out-of-pocket expenses, and court costs.

## **6. Health Insurance**

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

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- (d) The Resident will be responsible for ensuring that the health insurance coverage does not lapse and, upon request, will provide Lake Prince Center, Inc. with evidence of such coverage. Should the health insurance coverage lapse, Lake Prince Center, Inc. may require the Resident to reapply for suitable coverage.
- (e) If the Resident is unable to obtain adequate new coverage, Lake Prince Center, Inc. will bill the Resident for any costs related to medical or other healthcare services that would have otherwise been covered by the health insurance coverage policy.
- (f) Lake Prince Center, Inc. reserves the right and sole discretion to eliminate and/or change its participation in all insurance plans.

## **7. Health Needs**

- (a) The Resident will provide the Community with appropriate medical records thirty (30) days prior to occupancy and will, within sixty (60) days after taking occupancy, have a medical examination by a private physician or the Community's Medical Director. In matters of health, the Community's Medical Director will recommend to the administrative staff continued occupancy of a suitable Residential Living Unit. The administrative staff would make a final decision on occupancy of said Residential Living Unit after consultation with the Resident, the Resident's physician, and/or the Resident's Power-of-Attorney/Resident Representative.
- (b) The following conditions of physical and mental health may result in the need for the Resident to relinquish the Residential Living Unit and move to a level of living which would best meet their needs (such determinations to be made by the Community's administrative staff): limited mobility; limited vision; failing general health that precludes the Resident from residential living due to inability to cook, clean, wash, bathe, maintain continence hygiene, secure groceries and supplies; loss of mental faculties to a degree where living independently poses a hazard to their health or to the health of the community.
- (c) When the Resident's health condition changes, an assessment team is assigned to evaluate the Resident utilizing the Corporation's Level of Living Guidelines, a copy of which is available to all residents. A formal appeal process is available to the Resident if the assessment team recommends changes to the Resident's living accommodations and/or level of living status with which the Resident disagrees.
- (d) If at any time the Medical Director, in consultation with the administrative staff, determines the Resident is no longer able to function in a Residential Living Unit or needs care beyond the scope of the Corporation, the Resident will abide by that decision.
- (e) If the Resident becomes unable to care for their business and financial affairs, the Corporation reserves the right, because of its financial and moral involvement, to institute action for the determination of the Resident's competence and, if necessary, facilitate the appointment of a guardian to fulfill the terms of this Agreement, unless such needed arrangements have already been made.

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

- (f) The Resident is provided with twelve (12) nurse visits per year as part of the Monthly Fee. Nurse visits are noncumulative. These (12) visits can include visits to the Wellness Clinic but exclude services that qualify for coverage by Medicare Part B or another third (3<sup>rd</sup>) party insurance that may be provided by a licensed home health agency. The administrative staff, in consultation with the Medical Director and/or the Resident's physician, shall determine the need for such services. The Resident will be charged a routine fee for nurse visits in excess of twelve (12) per year.
- (g) The Corporation agrees that if the Resident should need assisted living or nursing services, such services will be made available by the Corporation at fees current at such time as said services are needed and according to available space.

## 8. Resident Obligations

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

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

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

## 9. Financial Assistance

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

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

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

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

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

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

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

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

- (a) This Agreement constitutes the entire Contract by and between the Corporation and the Resident. The Corporation is not liable in any manner by any statements, representations, or promises made by persons representing or purporting to represent the Corporation, unless such statements, representations, or promises are set forth in this Agreement or as set forth in a subsequent agreement signed by the parties.
- (b) Notwithstanding any other provisions of this Agreement, the Corporation shall have the right to alter the living accommodations of the Resident to meet the requirement of law, or regulation of the Fire Department, Department of Public Health, or other duly constituted authorities or agencies.
- (c) Except as set forth herein, this Agreement shall bind and inure to the benefit of the successors and assigns of the Corporation and the heirs, executors, and administrators, and assigns of the Resident.
- (d) The Corporation shall not cancel this Agreement with the Resident without good cause. Good cause shall be limited to: proof that the Resident is a danger to himself/herself or others; nonpayment of the Monthly Fee; repeated conduct by the Resident that interferes with other residents' enjoyment of the Community; persistent refusal to comply with the Corporation's written policies and procedures; a material misrepresentation made intentionally or recklessly by the Resident in the application for residency, or related materials, regarding information which if accurately provided, would have resulted in either a failure of the Resident to qualify

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

for residency or a material increase in the cost of providing to the Resident the care and services provided under this Agreement; or a material breach of the terms and conditions of this Agreement by the Resident. A written notice of intent to cancel this Agreement by the Corporation will be provided to the Resident. Where applicable, an opportunity will be given to cure, within a thirty (30) day period, whatever conduct is alleged to warrant the cancellation of this Agreement.

- (e) No breach of the Corporation's obligations under this Agreement and no liability of injury to the Resident or Resident's property shall result from an interruption of, or failure to provide, contracted services due to an act of God or other cause beyond the control of the Corporation, specifically including (without limitation) strikes or other forms of labor disturbances, government regulations and/or embargoes, shortages of labor or materials, fire, flood, earthquakes, inclement weather or acts of the Resident. The Corporation shall make reasonable efforts to continue to provide the usual services in such event.

## **11. Other Considerations**

- (a) This Agreement supersedes any previous agreements between said parties.
- (b) The Resident has been given, as an Addendum to this Agreement, a current copy of the Resident Handbook. The Resident understands that these documents will change from time to time but that they are the procedural documents for those occupying Residential Living Units at the Community.
- (c) The Corporation is a wholly controlled subsidiary of EveryAge, which is affiliated with the Southern Conference of the United Church of Christ. The Boards of Directors of the Corporation and of EveryAge consist of members selected for three-year terms. The Board of Directors of EveryAge elects the Board of Directors of the Corporation. The Corporation, operating under its Articles of Incorporation, is solely responsible for the management of the Community and for its financial and contractual obligations. Neither the Southern Conference of the United Church of Christ or any other unit of the United Church of Christ is responsible for such obligations.
- (d) All items in this Agreement are binding as of the date signed.

## **12. Escrow of Fees**

- (a) In accordance with Virginia law, Residency Fees in excess of \$1,000 per person received prior to the Residential Living Unit being made available to the Resident for occupancy will be set aside in a fund controlled by an approved escrow agent. These funds remain the property of the prospective Resident until released to the Corporation. The funds in escrow shall not be subject to any liens, judgments, garnishments, or creditor's claims against the Corporation.
- (b) All funds deposited in escrow as described above shall be released to the Corporation when the Corporation presents to the escrow agent evidence that a unit is ready to be occupied by the Resident or a unit of the type reserved is available for immediate occupancy by the Resident or prospective Resident on whose behalf the fee was received.

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

- (c) Notwithstanding any other provision of this section, all funds deposited in escrow pursuant to this section shall be released according to the terms of the escrow agreement to the prospective Resident from whom it was received (i) if such funds have not been released within three (3) years after placement in escrow or within three (3) years after construction has started, whichever, is later, but in any event, in not more than six (6) years after placement in escrow, (ii) if the prospective Resident dies before occupying a unit, or (iii) upon rescission of this Agreement pursuant to provision herein. However, funds released to the Corporation as described above may be held in escrow for an additional period by mutual consent of the provider and the prospective Resident; however, the prospective Resident may consent to such additional period only after their deposit has been held in escrow for at least two (2) years.
- (d) Charges by the escrow agent shall be deducted from the earnings on amounts held in escrow. Net interest accrued will be added to the Resident's deposit.
- (e) All funds in the escrow account shall be invested in instruments authorized for the investment of public funds as set forth in applicable Virginia law and not in default as to principal or interest.

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

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

The parties hereby execute this Residency Agreement:

**Lake Prince Center, Inc.**

\_\_\_\_\_

Date

\_\_\_\_\_

Authorized Community Representative/Title

\_\_\_\_\_

Date

\_\_\_\_\_

Resident



**Exhibit 2: 50% Refundable Residential Living Unit Residency Agreement**

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Between

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and

Lake Prince Center, Inc., d.b.a. Lake Prince Woods  
100 Anna Goode Way, Suffolk, VA 23434

**Effective: March 1, 2024**

Lake Prince Center, Inc., d.b.a.,  
**Lake Prince Woods**  
100 Anna Good Way, Suffolk, Virginia 23434

**Residential Living Residency Agreement**

**1. Basic Requirements**

- (a) This Agreement is made this \_\_\_\_\_ day of \_\_\_\_\_, by and between \_\_\_\_\_, hereinafter referred to as the “Resident”, and Lake Prince Center, Inc., d.b.a., Lake Prince Woods, a not-for-profit Corporation chartered by the State of North Carolina, hereinafter referred to as the “Corporation”. The Corporation is chartered to carry on ministry among aging persons within the bounds of the Southern Conference of the United Church of Christ. A Certificate of Authority to transact business in Virginia was issued to the Corporation by the State Corporation Commission August 9, 1999. Lake Prince Center, Inc. is a wholly controlled subsidiary of EveryAge. The Corporation’s facilities, located in Suffolk, Virginia, are sometimes referred to as the “Community”. This Residency Agreement is made between the Corporation and the Resident for occupancy of a \_\_\_\_\_ numbered \_\_\_\_\_, hereinafter referred to as the “Residential Living Unit”, located at the Community. This Residency Agreement is made binding with payment by the Resident of a Residency Fee in the amount of \$\_\_\_\_\_ and a Monthly Fee.
- (b) If the Resident dies before occupying the unit, or is precluded through illness, injury or incapacity from becoming a resident under the terms of this Agreement, this Agreement is automatically rescinded and the Resident or the Resident’s legal representative shall receive a full refund of all money paid under this Agreement, except those costs specifically incurred by the Community at the request of the Resident and set forth in writing in a separate addendum, and signed by both parties to this Agreement.
- (c) Notwithstanding any other provision of this Agreement, the Resident may rescind this Agreement without penalty or forfeiture, within seven (7) days after making an initial deposit or executing the contract. The Resident is not required to move into the Residential Living Unit before the expiration of this seven-day period.
- (d) During the first ninety (90) days of occupancy, the Resident will have the right to terminate this agreement by serving the Corporation with written notice of such termination. During the ninety-day period, the Corporation also has the right to terminate this Agreement based on its judgment regarding the Resident's ability to adjust to this lifestyle. Any money paid will be refunded in full, other than: 1) A ten percent (10%) reduction in the initial Residency Fee paid; 2) the Monthly Fee applicable to the period a Residential Living Unit was under contract or occupied by the Resident; 3) any damage caused to the Residential Living Unit during occupancy or in moving; and 4) any nonstandard costs specifically incurred by the Corporation at the request of the Resident. Any refund due the Resident for termination during this period will be made within thirty (30) days after the living unit is vacated and made available for marketing.

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

- (e) After the ninety (90) day period, this Agreement may be terminated by the Resident at any time by serving the Corporation a sixty (60) day advance written notice of such termination.
- (f) If another individual (“Other Resident”) signs a separate Residency Agreement to share occupancy of the same Residential Living Unit with the Resident, in the event of the death of the Other Resident, or the removal of the Other Resident from the Residential Living Unit on a permanent basis for any reason, the remaining Resident will continue to enjoy all rights, privileges, and obligations of this Agreement. Any refund of the Residency Fee due under either of said Residency Agreements will not be computed until the termination of both Residency Agreements due to death or otherwise, and any refund due under either Residency Agreement will be paid to the Resident or Other Resident who is the last to terminate his or her Residency Agreement.
- (g) At the effective date of termination of this Agreement, the Resident shall vacate the Residential Living Unit, and shall leave it in good condition except for reasonable wear and tear. Damage due to smoking or having household pets, if approved, will not be considered as reasonable wear and tear. The Resident shall be responsible to the Corporation for any costs incurred in restoring the living accommodations to good condition and repair any damage beyond reasonable wear and tear.
- (h) Upon termination of this Agreement and upon complying with the provisions of this Agreement, the Corporation shall have no further obligation to the Resident or their heirs, executors, administrators, or assigns.

## 2. Changes in Occupancy

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

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

### 3. Residency

- (a) The Corporation agrees the Resident may occupy the Residential Living Unit described above, subject to the conditions of this Agreement.
- (b) Upon termination of this Agreement by either party, or upon the death of the Resident, after a new Residency Agreement has been executed by another party for the last Residential Living Unit to have been occupied by the Resident, and all fees due have been paid in full, the Resident or the Resident's estate will be entitled to a refund of the Residency Fee during the initial thirty-six (36) months of this Agreement. The amount of the refund shall be based upon the length of time that has elapsed from the date the Residency Agreement was signed to the effective date of termination as follows:

First ninety (90) days or portion thereof      90% of total fee

Beginning on day 91, the total portion of the residency fee which remains refundable is reduced to 90% of the original fee. From Day 91 through the end of the 36<sup>th</sup> month of occupancy, the refundable portion of the residency fee will be reduced by 1.212% of the original residency fee. After the thirty-sixth (36th) month of occupancy, the refund will remain at the 50% level. During the life of the Resident at the Community, the refund shall not be assigned to another party, without an amendment to the Residency Agreement executed by the Resident and the Corporation.

The total fee, which is subject to refund as set forth in this schedule, is reduced by any costs specifically incurred by the Community at the request of the Resident and set forth in writing in a separate addendum and signed by both parties to this Agreement. During the life of the Resident at the Community, the refund cannot be assigned to another party, without an amendment to the Residency Agreement executed by the Resident and the Corporation.

- (c) If the Resident, because of changes in circumstances, chooses to move into a different living unit where a lesser Residency Fee is required, the Resident may do so but without a refund. If the Resident should choose to move into a different living unit where a larger Residency Fee is required, the Resident will pay the difference between the Residency Fee and additional fees based on the amount the Resident paid upon admission and the current Residency Fee for the new Residential Living Unit to be occupied.

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

- (d) If the Resident occupies the residence for less than ninety (90) days and then moves into the Health Center, the Corporation will retain ten percent (10%) percent of the Residency Fee. The remainder will be set aside for use by the Resident for healthcare expenses.
- (e) If the Resident should move into the Health Center and vacate the Residential Living Unit, regardless of the length of residence in the Residential Living Unit, this Agreement will remain in effect.
- (f) If two persons sign a Residency Agreement for the same Residential Unit and one of them should need to move into the Health Center on a permanent basis, the Resident remaining in the Residential Living Unit will continue to enjoy all the rights, privileges, and obligations of this Agreement. The prevailing cost of healthcare for the person moving into the Health Center shall be paid from that person's available assets including assets transferred by the Resident to a revocable trust or to any trust in which the Resident is a beneficiary. The person remaining in the Residential Living Unit becomes solely entitled to any refund of the Residency Fee, which may later be due under this Agreement.
- (g) After the first ninety (90) days of occupancy of the Residential Living Unit, any refund due the Resident under this Agreement will be made only when the last Residential Living Unit to have been occupied by the Resident is covered by a new Residency Agreement with another person or persons and all new fees have been paid in full.
- (h) Continued occupancy of a suitable Residential Living Unit will be determined by the Resident's health needs. *(See Section 7 for clarification.)*

#### 4. Monthly Fee

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

- (a) Outside maintenance and inside routine maintenance of the Residential Living Unit as described in the Resident Handbook.
- (b) Twelve (12) non-cumulative nurse visits per year if needed. *(See Paragraph 7(f) for clarification.)*
- (c) Emergency call system to Nursing Station on 24-hour basis plus night security services.
- (d) Twenty (20) meals per month per occupant for those who reside in the apartment building and ten (10) meals per month per occupant for those who reside in cottage or villa homes.
- (e) The option to purchase extra meals singly or through a monthly rate.
- (f) Access to programs and transportation of the Community. A minimum charge will be made for certain activities and items. The Resident will be informed of all charges.
- (g) Access to a variety of types of support services. A minimum charge will be made for these services. The Resident will be informed of all charges.
- (h) Other as herein listed: \_\_\_\_\_

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

## 5. Financial Requirements

- (a) The Resident must have assets and income which will be sufficient under foreseeable circumstances to pay the financial obligations under this Agreement and to meet their ordinary living expenses. The Resident shall be required at specific times to present the Corporation with an updated confidential financial statement.
- (b) The Resident, Resident's current, and future representatives (i.e., power of attorney, executor, etc.) will abide by all financial arrangements made with the Corporation for the purpose of securing the Resident's ability to pay any and all charges for residing at the Community. The Resident agrees not to make any gift or other transfer of assets for the purpose of evading the Resident's obligations under this Agreement if such gift or transfer would render the Resident unable to meet their financial obligations under this Agreement. Gifts or transfers of assets in this manner, which result in the Resident's inability to meet Resident's financial obligations in accordance with this Agreement, would entitle the Corporation to terminate this Agreement, and the Resident or Resident's representative, as applicable, would be liable for any unpaid amounts to the Corporation.
- (c) If requested by the Corporation, the Resident will apply for any or all federal, state, and local benefits for which the Resident may be eligible or entitled; and if requested by the Corporation, the Resident will apply any or all such benefits toward the cost of Resident's care at the Community. These benefits may include, but would not be limited to: Medicare, prescription, and Veteran benefits.
- (d) The Corporation will carry fire and extended coverage insurance on the Residential Living Unit. The Resident will be responsible for insurance on contents and personal liability.
- (e) The current Monthly Fee is as follows: \$ \_\_\_\_\_. It is understood this fee will be adjusted from time-to-time by the Corporation. A thirty (30) day advance notice will be given to the Resident before any changes in fees, charges or scope of care and services becomes effective. The Monthly Fee is charged as long as the Resident and/or the Resident's possessions are occupying the unit.
- (f) The Corporation will furnish a monthly statement to the Resident for the Monthly Fee and all chargeable items incurred by the Resident.
- (g) The Resident's Monthly Fee and charges for additional services shall be paid on or before the tenth (10<sup>th</sup>) day of each month, except that the first Monthly Fee is due on the occupancy date. Payments not received by the due date will result in an assessment of the late fee listed in the Fee Schedule.
- (h) If, after a period of sixty (60) days, the Resident has not paid applicable fees and charges, the Corporation may terminate this Residency Agreement.

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

- (i) The Corporation will make available to the Resident a copy of its Virginia Disclosure Statement, which includes information regarding the financial status of the Corporation.
- (j) In the event it is necessary for the Corporation to take action for the purpose of enforcing this Agreement or the collecting of any sums of money due under this Agreement, the Corporation shall be entitled to recover routine attorney's fees, out-of-pocket expenses, and court costs.

## 6. Health Insurance

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

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

- (e) If the Resident is unable to obtain adequate new coverage, Lake Prince Center, Inc. will bill the Resident for any costs related to medical or other healthcare services that would have otherwise been covered by the health insurance coverage policy.
- (f) Lake Prince Center, Inc. reserves the right and sole discretion to eliminate and/or change its participation in all insurance plans.

## 7. Health Needs

- (a) The Resident will provide the Community with appropriate medical records thirty (30) days prior to occupancy and will, within sixty (60) days after taking occupancy, have a medical examination by a private physician or the Community's Medical Director. In matters of health, the Community's Medical Director will recommend to the administrative staff continued occupancy of a suitable Residential Living Unit. The administrative staff would make a final decision on occupancy of said Residential Living Unit after consultation with the Resident, the Resident's physician, and/or the Resident's Power-of-Attorney/Resident Representative.
- (b) The following conditions of physical and mental health may result in the need for the Resident to relinquish the Residential Living Unit and move to a level of living which would best meet their needs (such determinations to be made by the Community's administrative staff): limited mobility; limited vision; failing general health that precludes the Resident from residential living due to inability to cook, clean, wash, bathe, maintain continence hygiene, secure groceries and supplies; loss of mental faculties to a degree where living independently poses a hazard to their health or to the health of the community.
- (c) When the Resident's health condition changes, an assessment team is assigned to evaluate the Resident utilizing the Corporation's Level of Living Guidelines, a copy of which is available to all residents. A formal appeal process is available to the Resident if the assessment team recommends changes to the Resident's living accommodations and/or level of living status with which the Resident disagrees.
- (d) If at any time the Medical Director, in consultation with the administrative staff, determines the Resident is no longer able to function in a Residential Living Unit or needs care beyond the scope of the Corporation, the Resident will abide by that decision.
- (e) If the Resident becomes unable to care for their business and financial affairs, the Corporation reserves the right, because of its financial and moral involvement, to institute action for the determination of the Resident's competence and, if necessary, facilitate the appointment of a guardian to fulfill the terms of this Agreement, unless such needed arrangements have already been made.
- (f) The Resident is provided with twelve (12) nurse visits per year as part of the Monthly Fee. Nurse visits are noncumulative. These (12) nurse visits can include visits to the Wellness Clinic but exclude services that qualify for coverage by Medicare Part B or another third (3<sup>rd</sup>) party insurance that may be provided by a licensed home health agency. The administrative

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



staff, in consultation with the Medical Director and/or the Resident's physician, shall determine the need for such services. The Resident will be charged a routine fee for nurse visits in excess of twelve (12) per year.

- (g) The Corporation agrees that if the Resident should need assisted living or nursing services, such services will be made available by the Corporation at fees current at such time as said services are needed and according to available space.

## 8. Resident Obligations

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

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

## 9. Financial Assistance

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

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

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

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

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

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

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

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

- (a) This Agreement constitutes the entire Contract by and between the Corporation and the Resident. The Corporation is not liable in any manner by any statements, representations, or promises made by persons representing or purporting to represent the Corporation, unless such statements, representations, or promises are set forth in this Agreement or as set forth in a subsequent agreement signed by the parties.
- (b) Notwithstanding any other provisions of this Agreement, the Corporation shall have the right to alter the living accommodations of the Resident to meet the requirement of law, or regulation of the Fire Department, Department of Public Health, or other duly constituted authorities or agencies.
- (c) Except as set forth herein, this Agreement shall bind and inure to the benefit of the successors and assigns of the Corporation and the heirs, executors, and administrators, and assigns of the Resident.
- (d) The Corporation shall not cancel this Agreement with the Resident without good cause. Good cause shall be limited to: proof that the Resident is a danger to himself/herself or others; nonpayment of the Monthly Fee; repeated conduct by the Resident that interferes with other residents' enjoyment of the Community; persistent refusal to comply with the Corporation's written policies and procedures; a material misrepresentation made intentionally or recklessly by the Resident in their application for residency, or related

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

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

- (e) No breach of the Corporation's obligations under this Agreement and no liability of injury to the Resident or Resident's property shall result from an interruption of, or failure to provide, contracted services due to an act of God or other cause beyond the control of the Corporation, specifically including (without limitation) strikes or other forms of labor disturbances, government regulations and/or embargoes, shortages of labor or materials, fire, flood, earthquakes, inclement weather or acts of the Resident. The Corporation shall make reasonable efforts to continue to provide the usual services in such event.

## 11. Other Considerations

- (a) This Agreement supersedes any previous agreements between said parties.
- (b) The Resident has been given, as an Addendum to this Agreement, a current copy of the Resident Handbook. The Resident understands that these documents will change from time to time but that they are the procedural documents for those occupying Residential Living Units at the Community.
- (c) The Corporation is a wholly controlled subsidiary of EveryAge, which is affiliated with the Southern Conference of the United Church of Christ. The Boards of Directors of the Corporation and of EveryAge consist of members selected for three-year terms. The Board of Directors of EveryAge elects the Board of Directors of the Corporation. The Corporation, operating under its Articles of Incorporation, is solely responsible for the management of the Community and for its financial and contractual obligations. Neither the Southern Conference of the United Church of Christ or any other unit of the United Church of Christ is responsible for such obligations.
- (d) All items in this Agreement are binding as of the date signed.

## 12. Escrow of Fees

- (a) In accordance with Virginia law, Residency Fees in excess of \$1,000 per person received prior to the Residential Living Unit being made available to the Resident for occupancy will be set aside in a fund controlled by an approved escrow agent. These funds remain the property of the prospective Resident until released to the Corporation. The funds in escrow shall not be subject to any liens, judgments, garnishments, or creditor's claims against the Corporation.
- (b) All funds deposited in escrow as described above shall be released to the Corporation when the Corporation presents to the escrow agent evidence that a unit is ready to be occupied by

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

the Resident or a unit of the type reserved is available for immediate occupancy by the Resident or prospective Resident on whose behalf the fee was received.

- (c) Notwithstanding any other provision of this section, all funds deposited in escrow pursuant to this section shall be released according to the terms of the escrow agreement to the prospective Resident from whom it was received (i) if such funds have not been released within three (3) years after placement in escrow or within three (3) years after construction has started, whichever, is later, but in any event, in not more than six (6) years after placement in escrow, (ii) if the prospective Resident dies before occupying a unit, or (iii) upon rescission of this Agreement pursuant to provision herein. However, funds released to the Corporation as described above may be held in escrow for an additional period by mutual consent of the provider and the prospective Resident; however, the prospective Resident may consent to such additional period only after their deposit has been held in escrow for at least two (2) years.
- (d) Charges by the escrow agent shall be deducted from the earnings on amounts held in escrow. Net interest accrued will be added to the Resident's deposit.
- (e) All funds in the escrow account shall be invested in instruments authorized for the investment of public funds as set forth in applicable Virginia law and not in default as to principal or interest.

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

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

The parties hereby execute this Residency Agreement:

Lake Prince Center, Inc.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Authorized Community Representative/Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Resident

## **Exhibit 3: Audited Financial Statements**

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For Lake Prince Center, Inc. and EveryAge

**EVERYAGE AND AFFILIATES**  
**COMBINED FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**YEARS ENDED SEPTEMBER 30, 2023 AND 2022**



CPAs | CONSULTANTS | WEALTH ADVISORS

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
EveryAge and Affiliates  
Newton, North Carolina

### ***Opinion***

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

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

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

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

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

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

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

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

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

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

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

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

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

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

***Other Matter***

The 2022 combined financial statements of EveryAge and Affiliates were audited by other auditors whose report dated December 12, 2022 expressed an unmodified opinion on those statements.



**CliftonLarsonAllen LLP**

Charlotte, North Carolina  
January 24, 2024

**EVERYAGE AND AFFILIATES  
COMBINED STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 2023 AND 2022**

|   | 2023           | 2022           |
|---|----------------|----------------|
| <b>ASSETS</b>   |                |                |
| <b>CURRENT ASSETS</b>                                       |                |                |
| Cash and Cash Equivalents                                   | \$ 3,838,684   | \$ 3,725,758   |
| Cash and Cash Equivalents, Limited as to Use                | 182            | 1,027,597      |
| Accounts Receivable, Net of Allowance for Doubtful Accounts | 3,374,298      | 3,309,332      |
| Other Receivables, Net of Allowance for Doubtful Accounts   | 1,459,426      | 817,112        |
| Due from Related Parties, Current                           | 2,847,600      | 941,573        |
| Other Current Assets  | 809,139        | 966,717        |
| Total Current Assets  | 12,329,329     | 10,788,089     |
| Due from Related Parties, Less Current Portion              | 227,524        | 227,524        |
| Assets Limited as to Use                                    | 85,018,644     | 80,189,203     |
| Equity Investment   | 1,326,104      | 1,217,675      |
| Fair Value of Interest Rate Swap Agreements                 | 8,429,975      | 5,703,707      |
| Other Noncurrent Assets                                     | 1,203,454      | 1,176,020      |
| Property and Equipment, Net                                 | 96,408,626     | 87,195,449     |
| Total   | 192,614,327    | 175,709,578    |
| Total Assets  | \$ 204,943,656 | \$ 186,497,667 |
| <b>LIABILITIES AND NET ASSETS</b>                           |                |                |
| <b>CURRENT LIABILITIES</b>                                  |                |                |
| Line of Credit  | \$ -           | \$ 2,159,178   |
| Current Portion of Long-Term Debt                           | 2,435,000      | 2,575,000      |
| Current Portion of Capital Leases                           | -              | 10,383         |
| Accounts Payable  | 5,646,396      | 4,322,300      |
| Accrued Salaries and Related Benefits                       | 3,946,493      | 3,642,229      |
| Other Current Payables                                      | 2,892,312      | 3,141,965      |
| Total Current Liabilities                                   | 14,920,201     | 15,851,055     |
| <b>LONG-TERM LIABILITIES</b>                                |                |                |
| Long-Term Debt, Less Current Portion                        | 94,768,662     | 90,222,607     |
| Refundable Advance Fees                                     | 8,342,300      | 9,097,284      |
| Deferred Revenue CARES Act                                  | -              | 26,742         |
| Deferred Revenue from Advance Fees                          | 41,928,863     | 37,660,841     |
| Total   | 145,039,825    | 137,007,474    |
| Total Liabilities   | 159,960,026    | 152,858,529    |
| <b>NET ASSETS</b>   |                |                |
| Without Donor Restrictions                                  | 36,811,490     | 25,773,040     |
| With Donor Restrictions                                     | 8,172,140      | 7,866,098      |
| Total Net Assets  | 44,983,630     | 33,639,138     |
| Total Liabilities and Net Assets                            | \$ 204,943,656 | \$ 186,497,667 |

See accompanying Notes to Combined Financial Statements.

**EVERYAGE AND AFFILIATES**  
**COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS**  
**YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

|  | 2023          | 2022          |
|--|---------------|---------------|
| <b>OPERATING REVENUES</b>  |               |               |
| Health Care  | \$ 32,465,310 | \$ 28,291,323 |
| Pavilion/Assisted Living   | 4,023,627     | 3,674,865     |
| Residential Living   | 15,344,674    | 14,289,545    |
| Amortization of Advance Fees   | 6,069,827     | 5,725,924     |
| Home Care  | 2,231,534     | 3,446,339     |
| PACE Income  | 17,216,832    | 15,741,565    |
| Management Fee Income  | 919,474       | 176,652       |
| Outside Services   | 334,050       | 309,522       |
| Other Operating Revenue  | 1,706,813     | 806,629       |
| Total Operating Revenues   | 80,312,141    | 72,462,364    |
| <b>OPERATING EXPENSES</b>  |               |               |
| Health Services:   |               |               |
| Health Care  | 14,206,279    | 12,540,873    |
| Medical Records  | 160,457       | 143,155       |
| Personnel and Employee Benefits  | 10,408,566    | 10,056,998    |
| Laundry  | 353,192       | 289,003       |
| Social Services  | 278,304       | 262,398       |
| Activities   | 412,942       | 365,348       |
| Spiritual Life   | 207,564       | 199,483       |
| Housekeeping   | 1,338,787     | 1,186,626     |
| Plant Maintenance  | 5,985,864     | 5,369,543     |
| Residential Living   | 166,488       | 448,709       |
| Pavilion/Assisted Living   | 1,733,853     | 1,605,946     |
| Clinic   | 205,250       | 164,108       |
| Resident Services  | 277,686       | 255,000       |
| Transportation   | 208,257       | 202,206       |
| Dietary  | 5,173,044     | 4,381,747     |
| Wellness Center  | 135,146       | 121,669       |
| Beauty Shop  | 54,067        | 36,478        |
| Day Care   | 343,379       | 300,544       |
| Home Care  | 2,136,271     | 2,278,365     |
| Home Health  | 1,059,599     | 948,323       |
| PACE Expenses (Including 2023 and 2022 Depreciation<br>of \$104,185 and 119,265, respectively) | 14,853,224    | 13,240,712    |
| Outside Services   | 122,636       | 38,849        |
| General and Administrative:  |               |               |
| Administrative   | 5,987,369     | 5,782,370     |
| Marketing  | 991,054       | 884,238       |
| Staff Development  | 204,802       | 156,247       |
| Depreciation   | 6,619,308     | 6,749,921     |
| Real Estate Taxes  | 388,224       | 394,989       |
| Interest Expense   | 3,878,856     | 2,575,186     |
| Insurance  | 1,150,740     | 1,084,910     |
| Bad Debts  | 359,651       | 354,542       |
| Other Operating Expenses   | 706,860       | 623,129       |
| Total Operating Expenses   | 80,107,719    | 73,041,615    |
| <b>OPERATING INCOME (LOSS)</b>   | 204,422       | (579,251)     |

See accompanying Notes to Combined Financial Statements.

(4)

**EVERYAGE AND AFFILIATES**  
**COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS (CONTINUED)**  
**YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

| <b>NONOPERATING INCOME (EXPENSE)</b>  | <u>2023</u>                     | <u>2022</u>                     |
|---|---------------------------------|---------------------------------|
| Contributions and Grants  | \$ 2,640,326                    | \$ 188,311                      |
| Contribution Expense  | (2,659,625)                     | (2,313,612)                     |
| Investment Return, Net  | 7,306,774                       | (12,409,552)                    |
| Change in Fair Value of Interest Rate Swap Agreements   | 2,726,268                       | 6,482,861                       |
| Gain (Loss) on Sale of Property and Equipment   | (71,998)                        | 28,454                          |
| Loss on Extinguishment of Debt  | -                               | (5,887,333)                     |
| Other Nonoperating Income   | 302,302                         | 1,919,506                       |
| Net Assets Released from Restrictions   | 589,981                         | 830,962                         |
| Total Nonoperating Income (Expense)   | <u>10,834,028</u>               | <u>(11,160,403)</u>             |
| <br><b>EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENSES AND<br/>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b> | <br>11,038,450                  | <br>(11,739,654)                |
| <br><b>NET ASSETS WITH DONOR RESTRICTIONS</b>   |                                 |                                 |
| Contributions   | 896,023                         | 1,419,544                       |
| Change in Value of Gift Annuities   | -                               | (4,627)                         |
| Net Assets Released from Restrictions   | <u>(589,981)</u>                | <u>(830,959)</u>                |
| <br><b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>   | <br>306,042                     | <br>583,958                     |
| <br><b>CHANGE IN NET ASSETS</b>   | <br>11,344,492                  | <br>(11,155,696)                |
| <br>Net Assets - Beginning of Year  | <br><u>33,639,138</u>           | <br><u>44,794,834</u>           |
| <br><b>NET ASSETS - END OF YEAR</b>   | <br><u><u>\$ 44,983,630</u></u> | <br><u><u>\$ 33,639,138</u></u> |

See accompanying Notes to Combined Financial Statements.

**EVERYAGE AND AFFILIATES**  
**COMBINED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

|   | 2023          | 2022            |
|---|---------------|-----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |               |                 |
| Change In Net Assets  | \$ 11,344,492 | \$ (11,155,696) |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities: |               |                 |
| Net Realized and Unrealized (Gain) Loss on Investments                                      | (7,022,462)   | 12,409,552      |
| Net (Gain) Loss on Sale of Property and Equipment   | 71,998        | (28,454)        |
| Loss on Extinguishment of Debt  | -             | 28,212          |
| Change in Allowance for Doubtful Accounts   | 183,886       | 391,890         |
| Depreciation  | 6,723,493     | 6,869,186       |
| Change in Fair Value of Interest Rate Swap Agreement  | (2,726,268)   | (6,482,861)     |
| Amortization of Deferred Issue Costs  | 184,707       | 145,822         |
| Amortization of Bond Premium, Net   | (288,571)     | (271,435)       |
| Amortization of Advance Fees  | (6,069,827)   | (5,725,924)     |
| Advance Fees Received   | 9,605,461     | 5,655,451       |
| Change in Value of Equity Investment  | (108,429)     | -               |
| Change in Value of Gift Annuities   | -             | 9,167           |
| (Increase) Decrease in:   |               |                 |
| Accounts Receivable   | (248,852)     | (1,487,934)     |
| Other Receivables   | (642,314)     | 238,775         |
| Other Current Assets  | 130,144       | (235,715)       |
| Increase (Decrease) in:   |               |                 |
| Accounts Payable  | 16,290        | 280,472         |
| Accrued Salaries and Related Benefits   | 304,264       | 295,077         |
| Other Current Payables  | (249,653)     | 1,888,881       |
| Deferred Revenue  | (26,742)      | 26,742          |
| Net Cash Provided by Operating Activities   | 11,181,617    | 2,851,208       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |               |                 |
| Change in Assets Limited as to Use  | 2,193,021     | 2,499,086       |
| Purchases of Property and Equipment   | (15,025,710)  | (9,014,779)     |
| Proceeds from Sale of Property and Equipment  | 324,848       | 29,455          |
| Repayments to Related Parties, Net  | (1,906,027)   | (610,800)       |
| Net Cash Used by Investing Activities   | (14,413,868)  | (7,097,038)     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |               |                 |
| Advanced Fees Refunds   | (2,300,240)   | (1,921,474)     |
| Borrowings on Lines of Credit   | -             | 1,659,178       |
| Borrowings from Long-Term Debt  | 7,669,632     | 77,242,841      |
| Principal Payments on Long-Term Debt and Capital Leases                                     | (2,585,383)   | (73,056,764)    |
| Principal Payments on Line of Credit  | (2,159,178)   | -               |
| Refundable and First Generation Advance Fees Received                                       | 2,277,644     | 1,472,240       |
| Increase in Bond Issuance Costs   | (584,713)     | -               |
| Premium Received on Bonds Issued  | -             | 1,347,750       |
| Net Cash Provided by Financing Activities   | 2,317,762     | 6,743,771       |
| <b>NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>                             | (914,489)     | 2,497,941       |
| Cash, Cash Equivalents, and Restricted Cash - Beginning of Year                             | 4,753,355     | 2,255,414       |
| <b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR</b>                            | \$ 3,838,866  | \$ 4,753,355    |

See accompanying Notes to Combined Financial Statements.

**EVERYAGE AND AFFILIATES  
COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)  
YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

|  | <u>2023</u>         | <u>2022</u>         |
|--|---------------------|---------------------|
| Cash and Cash Equivalents  | \$ 3,838,684        | \$ 3,725,758        |
| Cash and Cash Equivalents in Assets Limited as to Use                              | 182                 | 1,027,597           |
| Total Cash, Cash Equivalents and Restricted Cash                                   | <u>\$ 3,838,866</u> | <u>\$ 4,753,355</u> |
| <br><b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>                        |                     |                     |
| Cash Paid for Interest   | <u>\$ 3,616,434</u> | <u>\$ 2,783,828</u> |
| <br><b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING<br/>AND FINANCING ACTIVITY</b> |                     |                     |
| Acquisition of Property and Equipment through<br>Incurrence of Accounts Payable    | <u>\$ 1,307,806</u> | <u>\$ -</u>         |

*See accompanying Notes to Combined Financial Statements.*

(7)



**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 AND 2022**

**NOTE 1 ORGANIZATION**

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

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

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

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

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

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

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

EveryAge, Lake Prince, Carolina SeniorCare, EA Holding, BellaAge and the Foundation are collectively referred to as the Organization.

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 AND 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Principles of Combination**

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

**Use of Estimates**

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

**Cash and Cash Equivalents**

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

**Assets Limited as to Use**

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

**Investments**

Investments held are reported at fair value and are included in assets limited as to use as they are considered board designated. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included and reflected within investment return, net of nonoperating income on the combined statement of operations and changes in net assets. Donated investments are stated at fair value at the date of the gift. Investment expenses and fees are approximately \$261,000 and \$263,000, and are netted with net realized gains on investments in the combined statement of operations and changes in net assets as of September 30, 2023 and 2022, respectively.

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

**EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022**

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

**Accounts Receivable**

The Organization records accounts receivable at the total unpaid balance less an allowance for doubtful accounts. The Organization determines past-due status based on the billing dates and does not charge interest on overdue accounts. The Organization writes off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to bad debt expense. The accounts receivable's allowance for doubtful accounts at September 30, 2023 and 2022 was approximately \$528,000 and \$712,000, respectively.

**Property and Equipment**

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

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

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

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

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

**Deferred Costs**

Deferred financing costs relating to the permanent financing of the facilities have been deferred and are being amortized over the life of the bonds. Amortization expense, which is included with interest expense on the combined statements of operations and changes in net assets without donor restrictions, was approximately \$185,000 and \$165,000 for the years ended September 30, 2023 and 2022, respectively. The annual amortization for these deferred financing costs will be approximately \$195,000 for each of the next five years.

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 AND 2022**

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

**Resident Escrows**

If a resident should move into a health care unit and vacate a residential living unit, the amount of any refund to which the resident would be entitled is set aside and held by the Organization for use by the resident to pay for necessary health care expenses. Once a permanent move is made and the residential living unit is available for remarketing, the resident may draw against the remaining residency refund to pay health care costs. At September 30, 2023 and 2022, resident escrow totaled approximately \$367,000 and \$287,000, respectively.

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

**Obligation to Provide Future Services**

The Organization annually calculates the present value of the net cost of future services and use of facilities to be provided to current residents at a discount rate of 5% and compares that amount with the balance of deferred revenue from entrance fees. If the present value of the net cost of future services and use of facilities exceeds the deferred revenue from entrance fees, a liability is recorded (obligation to provide future services and use of facilities) with the corresponding charge to income. The Organization had no future service obligation at September 30, 2023 and 2022.

**Advance Deposits**

The Organization may collect up to 10% of the advance fees described below as a deposit on unoccupied units. Once the unit becomes occupied, these fees are transferred to deferred revenue. At September 30, 2023 and 2022, advance deposits totaled approximately \$708,000 and \$1,278,000, respectively.

**Advance Fees**

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

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

At September 30, 2023 and 2022, current portion of refunds payable was approximately \$622,000 and \$964,296, respectively.

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 AND 2022**

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

**Interest Rate Swap Agreement**

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

**Net Assets**

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

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

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

**Operating Reserve**

In accordance with the requirements of North Carolina General Statute 58, Article 64-33, management computes an annual operating reserve for its continuing care retirement communities licensed in North Carolina. The operating reserve must be an amount at least equal to 25% to 50% of operating expenses (net of depreciation and amortization) plus debt service, for the projected years ended September 30, 2023 and 2022, for those facilities depending on occupancy levels of each facility.

**Excess (Deficit) of Revenues Over (Under) Expenses**

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

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 AND 2022**

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

**Revenue Recognition**

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

**Entrance Fees**

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

**Health Care Services**

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

**Monthly Service Fees**

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

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 AND 2022**

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

**Revenue Recognition (Continued)**

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

Residential/Assisted Living Revenue

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

PACE Revenue

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

**Benevolent Assistance**

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

**Income Tax Status**

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

It is the Organization's policy to evaluate all tax positions to identify any that may be considered uncertain. All identified material tax positions are assessed and measured by a more-likely-than-not threshold to determine if the tax position is uncertain and what, if any, the effect of the uncertain tax position may have on the combined financial statements. No material uncertain tax positions were identified for 2023 and 2022.

**Advertising**

Advertising costs are expensed as incurred. Advertising expense for the years ended September 30, 2023 and 2022 were approximately \$296,000 and \$230,000, respectively.

**Functional Expenses**

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

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 AND 2022**

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

**Adoption of New Accounting Standards**

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842). This new accounting standard increases transparency among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the combined statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objectivity of enabling users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the requirements of the guidance effective October 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption. As of the year ended September 30, 2023, the Organization had no material leases that were applicable to this new standard.

**Subsequent Events**

The Organization has evaluated events and transactions for potential recognition or disclosure through January 24, 2024, which is the date the combined financial statements were available to be issued.

**NOTE 3 FAIR VALUE MEASUREMENTS**

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

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

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

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

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



**EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022**

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

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

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

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

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

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

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

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

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

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

|                                  | 2023                 |                      |                   | Total                |
|----------------------------------|----------------------|----------------------|-------------------|----------------------|
|                                  | Level 1              | Level 2              | Level 3           |                      |
| Mutual Funds                     | \$ 39,268,784        | \$ -                 | \$ -              | \$ 39,268,784        |
| U.S. Government and Agency Bonds | -                    | 4,280,276            | -                 | 4,280,276            |
| Municipal Bonds                  | 10,042,410           | -                    | -                 | 10,042,410           |
| Asset Backed Securities          | 38,342               | -                    | -                 | 38,342               |
| Corporate Bonds                  | 2,912,954            | -                    | -                 | 2,912,954            |
| Cash and Money Market Funds      | 32,518               | 11,533,401           | -                 | 11,565,919           |
| Charitable Gift Annuities        | -                    | -                    | 104,833           | 104,833              |
| Closed End Funds                 | 1,490,342            | -                    | -                 | 1,490,342            |
| Common Stocks                    | 15,314,784           | -                    | -                 | 15,314,784           |
| Assets Under Interest Rate       |                      |                      |                   |                      |
| Swap Agreements                  | 8,429,975            | -                    | -                 | 8,429,975            |
| Total Assets at Fair Value       | <u>\$ 77,530,109</u> | <u>\$ 15,813,677</u> | <u>\$ 104,833</u> | <u>\$ 93,448,619</u> |

**EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022**

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

|                                  | 2022                 |                      |                   | Total                |
|----------------------------------|----------------------|----------------------|-------------------|----------------------|
|                                  | Level 1              | Level 2              | Level 3           |                      |
| Mutual Funds                     | \$ 39,354,406        | \$ -                 | \$ -              | \$ 39,354,406        |
| U.S. Government and Agency Bonds | -                    | 1,921,684            | -                 | 1,921,684            |
| Municipal Bonds                  | 7,776,993            | -                    | -                 | 7,776,993            |
| Asset Backed Securities          | 64,246               | -                    | -                 | 64,246               |
| Corporate Bonds                  | 3,195,794            | -                    | -                 | 3,195,794            |
| Cash and Money Market Funds      | 40,938               | 9,264,328            | -                 | 9,305,266            |
| Charitable Gift Annuities        | -                    | -                    | 104,833           | 104,833              |
| Closed End Funds                 | 4,735,840            | -                    | -                 | 4,735,840            |
| Common Stocks                    | 13,730,141           | -                    | -                 | 13,730,141           |
| Assets Under Interest Rate       |                      |                      |                   |                      |
| Swap Agreements                  | 5,703,707            | -                    | -                 | 5,703,707            |
| Total Assets at Fair Value       | <u>\$ 74,602,065</u> | <u>\$ 11,186,012</u> | <u>\$ 104,833</u> | <u>\$ 85,892,910</u> |

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

|  | 2023              | 2022              |
|--|-------------------|-------------------|
| Beginning Balance  | \$ 104,833        | \$ 113,999        |
| Change in Value of Charitable Gift Annuities and Settlements | -                 | (9,166)           |
| Ending Balance   | <u>\$ 104,833</u> | <u>\$ 104,833</u> |

**NOTE 4 ASSETS LIMITED AS TO USE**

Assets limited as to use are allocated as follows for the years ended September 30:

|   | 2023                 | 2022                 |
|---|----------------------|----------------------|
| Board-Designated Quasi-Endowment Fund               | \$ 62,664,793        | \$ 57,114,833        |
| Trustee Deposit Accounts Required by Debt Agreement | 5,902,103            | 7,362,659            |
| Operating Reserve for Department of Insurance       | 16,314,397           | 15,565,940           |
| Beneficial Interest in Charitable Gift Annuities    | 104,833              | 104,833              |
| Residents' Funds                                    | 32,518               | 40,938               |
| Total   | <u>\$ 85,018,644</u> | <u>\$ 80,189,203</u> |

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

|  | 2023                | 2022                   |
|--|---------------------|------------------------|
| Interest and Dividends                         | \$ 567,279          | \$ 4,433,015           |
| Realized Gains (Losses) on Sale of Investments | 1,190,532           | (973,864)              |
| Investment Expenses                            | (282,967)           | (302,794)              |
| Unrealized Gains (Losses) on Investments       | 5,831,930           | (15,565,909)           |
| Total  | <u>\$ 7,306,774</u> | <u>\$ (12,409,552)</u> |

**EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022**

**NOTE 4 ASSETS LIMITED AS TO USE (CONTINUED)**

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

**NOTE 5 EQUITY METHOD INVESTMENT**

The Organization has a 20% equity interest in Trinity Rehab, LLC. During the year ended September 30, 2022, the Organization made the initial investment of \$1,100,000. The Organization receives 20% of Trinity Rehab LLC's net income, and distributions as declared by Trinity Rehab, LLC. During the year ended September 30, 2023 the Organization received \$351,000 in distributions, and their 20% share of income was approximately \$467,000. During the year ended September 30, 2022 the Organization received \$120,000 in distributions, and their 20% share of income was approximately \$238,000. The investment as of September 30, 2023 and 2022 was \$1,326,104 and \$1,217,675, respectively.

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

**NOTE 6 LIQUIDITY AND AVAILABILITY**

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

|   | 2023          | 2022          |
|---|---------------|---------------|
| Cash and Cash Equivalents                                   | \$ 3,838,684  | \$ 3,725,758  |
| Assets Limited As To Use:                                   |               |               |
| Board-Designated Quasi-Endowment Fund                       | 62,664,793    | 57,114,833    |
| Operating Reserve for Department of Insurance               | 16,314,397    | 15,565,940    |
| Receivables, Net  | 4,833,724     | 4,126,444     |
| Less: Net Assets With Donor Restrictions                    | (8,172,140)   | (7,866,098)   |
| Total Financial Assets Available to Meet<br>Liquidity Needs | \$ 79,479,458 | \$ 72,666,877 |

**EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022**

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

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

**NOTE 7 PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at September 30:

|   | <u>2023</u>          | <u>2022</u>          |
|---|----------------------|----------------------|
| Land and Improvements                                   | \$ 18,591,740        | \$ 18,459,813        |
| Buildings and Improvements                              | 144,072,128          | 141,958,467          |
| Furniture, Fixtures and Equipment                       | 42,589,950           | 41,262,192           |
| Vehicles  | 1,895,025            | 1,685,665            |
| Total   | <u>207,148,843</u>   | <u>203,366,137</u>   |
| Less: Accumulated Depreciation Construction In Progress | <u>(126,398,316)</u> | <u>(120,598,413)</u> |
| Total   | 80,750,527           | 82,767,724           |
| Construction in Progress                                | 15,658,099           | 4,427,725            |
| Total Property and Equipment                            | <u>\$ 96,408,626</u> | <u>\$ 87,195,449</u> |

Depreciation expense for the years ended September 30, 2023 and 2022 totaled approximately \$6,723,000 and \$6,750,000, respectively. Construction in progress related to construction of the BellaAge Hickory campus, master planning and routine renovation projects, as of September 30, 2023. Construction in progress related to routine renovation projects as of September 30, 2022.

The Organization signed contracts with architecture and construction firms for a total fee of approximately \$56,102,000. As of September 30, 2023, approximately \$44,404,000 remains to be paid on these contracts.

**EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
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**NOTE 6 LONG-TERM DEBT**

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

| <u>Description</u>                                     | <u>2023</u>          | <u>2022</u>          |
|--|----------------------|----------------------|
| North Carolina Medical Care Commission:                |                      |                      |
| Retirement Facilities First Mortgage Revenue           |                      |                      |
| Refunding Bonds (Everyage Prev. United Church          |                      |                      |
| Homes and Services), Series 2021A:                     |                      |                      |
| Term Bonds Due 2041, Yielding 3.15% to 4.29%           | \$ 6,540,000         | \$ 6,540,000         |
| Term Bonds Due 2047, Yielding 3.15% to 4.29%           | 11,815,000           | 11,815,000           |
| Term Bonds Due 2051, Yielding 3.15% to 4.29%           | 3,850,000            | 3,850,000            |
| Truist Bank:   |                      |                      |
| Direct Bank Term Loan, Series 2021D                    |                      |                      |
| Due 2024-2037, Yielding 6.80%                          | 17,975,000           | 18,190,000           |
| Direct Bank Bond, Series 2022                          |                      |                      |
| Due 2024-2052, Yielding 5.43%                          | 6,420,787            | 1,102,841            |
| Direct Bank Term Loan, Series 2022B (formerly 2021B)   |                      |                      |
| Due 2024-2037, Yielding 5.37%                          | 3,550,000            | 3,885,000            |
| Direct Bank Bond, Series 2023A                         |                      |                      |
| Due 2024-2053, Yielding 3.32%                          | 2,354,545            | -                    |
| Direct Bank Term Loan, Series 2023B (formerly 2021C)   |                      |                      |
| Due 2024-2046, Yielding 5.37%                          | 28,225,000           | 29,800,000           |
| Economic Development Authority of the City of Suffolk: |                      |                      |
| Variable Rate Demand Residential Care Facility Revenue |                      |                      |
| Bonds (Lake Prince Center, Inc.), Series 2016:         |                      |                      |
| Serial Bonds Due 2024-2027 Yielding 1.40% to 3.5%      | 6,795,000            | 5,005,000            |
| Term Bonds Due 2031, Yielding 3.5%                     | 9,180,000            | 11,420,000           |
| Total  | <u>96,705,332</u>    | <u>91,607,841</u>    |
| Plus Net Premium, Net of Accumulated                   |                      |                      |
| Amortization of \$1,420,822                            | 3,308,596            | 3,597,527            |
| Less: Deferred Financing Cost, Net of Accumulated      |                      |                      |
| Amortization of \$1,962,057                            | <u>(2,810,266)</u>   | <u>(2,407,761)</u>   |
| Total  | 97,203,662           | 92,797,607           |
| Less: Current Portion                                  | <u>(2,435,000)</u>   | <u>(2,575,000)</u>   |
| Long-Term Portion                                      | <u>\$ 94,768,662</u> | <u>\$ 90,222,607</u> |

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

**EVERYAGE AND AFFILIATES**  
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**NOTE 8 LONG-TERM DEBT (CONTINUED)**

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

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

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

During the 2022 fiscal year, the Organization entered into a financing agreement with the Economic Development Authority of the City of Suffolk (the Authority), under which the Lender will advance proceeds up to \$14,000,000. The final advance will be on September 8, 2025. The amount advanced as of September 30, 2022 was \$1,102,841. The loan will be used to pay for projects at Lake Prince Woods including a new wellness center and other renovations and upgrades.

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

With the issuance of the debt, the Organization executed a Master Trust Indenture that appointed all the Organization's divisions, excluding the Foundation, EA Holding, and Carolina SeniorCare, as members of the obligated group. Series 2016, 2021A, 2021B, 2017C, 2021D, 2022, and 2023A bonds are collateralized by a deed of trust on the land and buildings of the obligated group and the assignment of interest in use-for-life contracts for the obligated group.

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

**EVERYAGE AND AFFILIATES  
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**NOTE 8 LONG-TERM DEBT (CONTINUED)**

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

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

| September 30, | Total         |
|---------------|---------------|
| 2024          | \$ 2,435,000  |
| 2025          | 2,505,000     |
| 2026          | 2,935,000     |
| 2027          | 3,495,000     |
| 2028          | 3,645,000     |
| Thereafter    | 81,690,332    |
| Total         | \$ 96,705,332 |

**NOTE 9 INTEREST RATE SWAP AGREEMENTS**

To reduce the impact of changes in interest rates on its variable rate bonds payable, the Organization has entered into four interest rate swap agreements for the 2021B-D bonds. Under the agreements, interest is payable at a fixed rate of 1.985-2.624% based on the outstanding balance of the bank qualified loans and have termination dates ranging from June 4, 2024 through October 1, 2036. The annual gain or loss on the fair value of the swap agreements is reported as revenue or expense in the combined statements of operations and changes in net assets. The interest rate swap agreements had a notional principal amount of \$58,597,500 and \$59,445,000 at September 30, 2023 and 2022, respectively. The fair value of the interest swap agreements at September 30, 2023 and 2022 is approximately \$7,617,000 and \$5,704,000, respectively.

In May 2023, the Organization entered into an additional interest rate swap agreement for the Series 2023 Bonds. Under the agreement, interest is payable at a fixed rate of 4.21% based on the outstanding balance of the bank qualified loan payable and has a termination date of May 1, 2030. The annual gain or loss on the fair value of the swap agreement is reported as revenue or expense in the consolidated statements of operations and changes in net assets. The interest rate swap agreement had a notional principal amount of \$614,046. The fair value of the interest swap agreements at September 30, 2023 is approximately \$813,000.

**EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022**

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

The combined fair value of all interest swap agreements at September 30, 2023 and 2022 is approximately \$8,430,000 and \$5,704,000, respectively. The fair value of the interest rate swap agreements was derived from proprietary models as of a given date, supplied by the swap advisor. The valuation is calculated on a mid-market basis and does not include bid/offered spread that would be reflected in an actual price quotation. This model relies on certain assumptions regarding past, present, and future market conditions.

**NOTE 10 LINE OF CREDIT**

The Organization had available a \$5,000,000 unsecured revolving line of credit with Truist due in full in June 2023. In June 2023, the line of credit was extended with a maturity date of June 2024. Amounts drawn against the line bore interest at the one-month SOFR rate plus 2.00% (5.14% at year-end), which was payable monthly. There are no amounts outstanding on the line of credit at September 30, 2023.

The Organization had available a \$3,000,000 unsecured revolving line of credit with People's Bank due in full in October 2022. Amounts drawn against the line bore interest at the prime rate less 0.250% (6.00% at year-end), which was payable monthly. The line of credit agreement included certain covenants and restrictions. The line of credit was not extended.

**NOTE 11 CAPITAL LEASES – ASC 840**

The Organization currently leases equipment under capital lease agreements. The asset and liability under the capital leases are recorded at the present value of the future lease payments, which approximates fair value. The asset is being amortized over the estimated useful life using the straight-line method and is included in depreciation expense.

Cost of equipment under capital leases was \$69,939 and the related accumulated depreciation was \$60,632.

Future lease payments under capital lease obligations are as follows for the year ended September 30, 2022:

| <u>Year Ending September 30,</u>   | <u>2023</u>      |
|------------------------------------|------------------|
| 2023                               | \$ 11,900        |
| Less amounts representing interest | <u>(1,517)</u>   |
| Present value of future payments   | <u>\$ 10,383</u> |



**EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022**

**NOTE 12 NET ASSETS WITH DONOR RESTRICTIONS**

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

|                   | 2023         | 2022         |
|-------------------|--------------|--------------|
| Benevolent Trust  | 4,154,269    | \$ 4,304,176 |
| Capital Expansion | 4,017,871    | 3,561,922    |
| Total             | \$ 8,172,140 | \$ 7,866,098 |

**NOTE 13 EMPLOYEE GROUP HEALTH PLAN**

The Organization maintains a self-insured employee group health plan. The plan is administered by a third party and individual stop-loss coverage has been obtained at \$100,000, with a maximum aggregate limit of loss that fluctuates based on enrollment. The total plan expense incurred by the Organization during the year ended September 30, 2023 and 2022 was approximately \$3,547,000 and \$3,255,000, respectively.

**NOTE 14 RETIREMENT PLANS**

The Organization has a 403(b) plan that covers substantially all employees who meet eligibility requirements. The Organization contributes to the plan based on a percentage of gross wages paid. The expenses related to the plan during the year ended September 30, 2023 and 2022 were approximately \$825,000 and \$693,000, respectively.

The Organization has a nonqualified retirement plan that covers key management employees. The Organization contributes to the plan based on a percentage of the employee's salary. During the year ended September 30, 2023 and 2022, the Organization contributed \$378,000 and \$368,000, respectively.

The Organization also has a retirement annuity plan that covers ordained United Church of Christ ministers employed by the Organization. During the year ended September 30, 2023 and 2022, the Organization contributed 10% of the ministers' salary to the plan for a total of approximately \$8,000 and \$7,000, respectively.

**NOTE 15 CONCENTRATIONS OF CREDIT RISK**

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

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

|                              | 2023  | 2022  |
|------------------------------|-------|-------|
| Medicaid                     | 6 %   | 30 %  |
| Medicare                     | 49    | 9     |
| Private and Other Insurances | 45    | 61    |
| Total                        | 100 % | 100 % |

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
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**NOTE 16 RESIDENT SERVICE REVENUE**

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

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

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

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

**EVERYAGE AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 AND 2022**

**NOTE 16 RESIDENT SERVICE REVENUE (CONTINUED)**

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

Medicare and Medicaid

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

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

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

Other

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

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Organization's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in an implicit price concession impacting transaction price, were not significant in 2023 or 2022.

**EVERYAGE AND AFFILIATES  
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**NOTE 16 RESIDENT SERVICE REVENUE (CONTINUED)**

Generally, residents and patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Organization estimates the transaction price for residents and patients with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent charges to the estimate of the transaction price are generally recorded as adjustments to resident and home and community-based services revenue in the period of the change. Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments were not considered material for the years ended September 30, 2023 or 2022. Subsequent changes that are determined to be the result of an adverse change in the resident's or patient's ability to pay are recorded as bad debt expense.

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

**Contract Costs**

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

The opening and closing contract balances related to resident accounts receivable and residence and service agreements were as follows:

|                                  | Accounts<br>Receivable | Deferred<br>Revenue |
|----------------------------------|------------------------|---------------------|
| Balance as of October 1, 2021    | \$ 2,213,288           | \$ 35,148,153       |
| Balance as of September 30, 2022 | 3,309,332              | 37,660,841          |
| Balance as of September 30, 2023 | 3,374,298              | 41,928,863          |

**EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022**

**NOTE 17 FUNCTIONAL EXPENSES**

The table below presents functional expenses by their nature for the year ended September 30:

|                             | 2023                     |                        |                     |                     |                      |                      |
|-----------------------------|--------------------------|------------------------|---------------------|---------------------|----------------------|----------------------|
|                             | Salaries and<br>Benefits | Contracted<br>Services | Utilities           | Repairs             | Other                | Total                |
| Health Services:            |                          |                        |                     |                     |                      |                      |
| Health Care                 | 10,804,849               | \$ 1,850,873           | \$ -                | \$ 20,943           | \$ 1,529,614         | \$ 14,206,279        |
| Medical Records             | 158,527                  | -                      | -                   | -                   | 1,930                | 160,457              |
| Personnel and               |                          |                        |                     |                     |                      |                      |
| Employee Benefits           | 8,069,556                | -                      | -                   | -                   | 2,339,010            | 10,408,566           |
| Laundry                     | 258,890                  | -                      | -                   | -                   | 94,302               | 353,192              |
| Social Services             | 276,521                  | -                      | -                   | -                   | 1,783                | 278,304              |
| Activities                  | 383,952                  | -                      | -                   | -                   | 28,990               | 412,942              |
| Spiritual Life              | 206,920                  | -                      | -                   | -                   | 644                  | 207,564              |
| Housekeeping                | 1,134,553                | -                      | -                   | -                   | 204,234              | 1,338,787            |
| Plant Maintenance           | 968,310                  | -                      | 1,860,553           | 1,537,318           | 1,619,683            | 5,985,864            |
| Residential Living          | -                        | 166,488                | -                   | -                   | -                    | 166,488              |
| Pavilion/Assisted Living    | 1,733,844                | -                      | -                   | -                   | 9                    | 1,733,853            |
| Clinic                      | 129,406                  | -                      | -                   | -                   | 75,844               | 205,250              |
| Resident Services           | 229,616                  | -                      | -                   | -                   | 48,070               | 277,686              |
| Transportation              | 163,637                  | -                      | -                   | 5,982               | 38,638               | 208,257              |
| Dietary                     | 2,659,789                | -                      | -                   | 251                 | 2,513,004            | 5,173,044            |
| Wellness Center             | 128,996                  | -                      | -                   | -                   | 6,150                | 135,146              |
| Beauty Shop                 | -                        | -                      | -                   | -                   | 54,067               | 54,067               |
| Day Care                    | -                        | -                      | -                   | -                   | 343,379              | 343,379              |
| Home Care                   | 1,344,376                | -                      | -                   | -                   | 791,895              | 2,136,271            |
| Home Health                 | 419,584                  | -                      | -                   | -                   | 640,015              | 1,059,599            |
| PACE Expenses               | 4,873,786                | 5,946,057              | 61,141              | 123,493             | 3,848,747            | 14,853,224           |
| Outside Services            | -                        | 122,636                | -                   | -                   | -                    | 122,636              |
| General and Administrative: |                          |                        |                     |                     |                      |                      |
| Administrative              | 3,985,259                | -                      | -                   | -                   | 2,002,110            | 5,987,369            |
| Marketing                   | 600,455                  | -                      | -                   | -                   | 390,599              | 991,054              |
| Staff Development           | 136,448                  | -                      | -                   | -                   | 68,354               | 204,802              |
| Depreciation                | -                        | -                      | -                   | -                   | 6,619,308            | 6,619,308            |
| Real Estate Taxes           | -                        | -                      | -                   | -                   | 388,224              | 388,224              |
| Interest Expense            | -                        | -                      | -                   | -                   | 3,878,856            | 3,878,856            |
| Insurance                   | -                        | -                      | -                   | -                   | 1,150,740            | 1,150,740            |
| Bad Debts                   | -                        | -                      | -                   | -                   | 359,651              | 359,651              |
| Other Operating Expenses    | -                        | -                      | -                   | -                   | 706,860              | 706,860              |
| Total Expenses              | <u>\$ 38,667,274</u>     | <u>\$ 8,086,054</u>    | <u>\$ 1,921,694</u> | <u>\$ 1,687,987</u> | <u>\$ 29,744,710</u> | <u>\$ 80,107,719</u> |

**EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022**

**NOTE 17 FUNCTIONAL EXPENSES (CONTINUED)**

|                                    | 2022                     |                        |                     |                     |                      |                      |
|------------------------------------|--------------------------|------------------------|---------------------|---------------------|----------------------|----------------------|
|                                    | Salaries and<br>Benefits | Contracted<br>Services | Utilities           | Repairs             | Other                | Total                |
| Health Services:                   |                          |                        |                     |                     |                      |                      |
| Health Care                        | \$ 9,656,815             | \$ 1,570,713           | \$ -                | \$ 20,545           | \$ 1,292,800         | \$ 12,540,873        |
| Medical Records                    | 140,369                  | -                      | -                   | -                   | 2,786                | 143,155              |
| Personnel and<br>Employee Benefits | 9,549,264                | -                      | -                   | -                   | 507,734              | 10,056,998           |
| Laundry                            | 208,258                  | -                      | -                   | -                   | 80,745               | 289,003              |
| Social Services                    | 261,439                  | -                      | -                   | -                   | 959                  | 262,398              |
| Activities                         | 341,342                  | -                      | -                   | -                   | 24,006               | 365,348              |
| Spiritual Life                     | 191,451                  | -                      | -                   | -                   | 8,032                | 199,483              |
| Housekeeping                       | 1,001,451                | -                      | -                   | -                   | 185,175              | 1,186,626            |
| Plant Maintenance                  | 907,318                  | -                      | 1,661,241           | 1,334,059           | 1,466,925            | 5,369,543            |
| Residential Living                 | -                        | 447,671                | -                   | -                   | 1,038                | 448,709              |
| Pavilion/Assisted Living<br>Clinic | 1,516,950                | 54,128                 | -                   | -                   | 34,868               | 1,605,946            |
| Resident Services                  | 28,567                   | -                      | -                   | -                   | 135,541              | 164,108              |
| Transportation                     | 210,117                  | -                      | -                   | 428                 | 44,455               | 255,000              |
| Dietary                            | 153,868                  | -                      | -                   | -                   | 48,338               | 202,206              |
| Wellness Center                    | 2,348,513                | -                      | 1,464               | 21,179              | 2,010,591            | 4,381,747            |
| Beauty Shop                        | 110,880                  | -                      | -                   | -                   | 10,789               | 121,669              |
| Day Care                           | -                        | -                      | -                   | -                   | 36,478               | 36,478               |
| Home Care                          | 220,772                  | -                      | -                   | -                   | 79,772               | 300,544              |
| Home Health                        | 2,015,678                | -                      | -                   | -                   | 262,687              | 2,278,365            |
| PACE Expenses                      | 331,275                  | -                      | -                   | -                   | 617,048              | 948,323              |
| Outside Services                   | 3,495,540                | 5,449,838              | 68,345              | 66,074              | 4,160,915            | 13,240,712           |
| General and Administrative:        | -                        | 20,887                 | -                   | -                   | 17,962               | 38,849               |
| Administrative                     | 4,025,069                | -                      | -                   | -                   | 1,757,301            | 5,782,370            |
| Marketing                          | 546,373                  | -                      | -                   | -                   | 337,865              | 884,238              |
| Staff Development                  | 103,501                  | -                      | -                   | -                   | 52,746               | 156,247              |
| Depreciation                       | -                        | -                      | -                   | -                   | 6,749,921            | 6,749,921            |
| Real Estate Taxes                  | -                        | -                      | -                   | -                   | 394,989              | 394,989              |
| Interest Expense                   | -                        | -                      | -                   | -                   | 2,575,186            | 2,575,186            |
| Insurance                          | -                        | -                      | -                   | -                   | 1,084,910            | 1,084,910            |
| Bad Debts                          | -                        | -                      | -                   | -                   | 354,542              | 354,542              |
| Other Operating Expenses           | -                        | -                      | -                   | -                   | 623,129              | 623,129              |
| Total Expenses                     | <u>\$ 37,364,810</u>     | <u>\$ 7,543,237</u>    | <u>\$ 1,731,050</u> | <u>\$ 1,442,285</u> | <u>\$ 24,960,233</u> | <u>\$ 73,041,615</u> |

**EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022**

**NOTE 18 PROFESSIONAL AND GENERAL LIABILITY**

In the summer of 2002, the management of the Organization evaluated the best means of assuring the Organization's continued access to affordable liability and excess insurance coverage, including the possibility of obtaining such coverage from conventional and alternative insurance providers. After performing a diligent search, the Organization was not able to procure professional and general liability coverage from any insurance company licensed to do business in the state of North Carolina, and therefore, obtained liability coverage from Caring Communities Insurance Company (CCIC).

CCIC was an insured owned insurance company incorporated in and regulated by the Superintendent of Insurance of the Cayman Islands. In addition to the Organization, CCIC was owned by and insured approximately 25 other long-term care organizations that operate across the United States. As an insurance company that is not authorized to conduct business in North Carolina, CCIC was not subject to regulation by the North Carolina Department of Insurance nor covered under the North Carolina Guaranty Association. The Organization independently procured this liability coverage pursuant to the North Carolina General Statutes, which permit persons to obtain insurance from an insurer not authorized to do business in the state of North Carolina in the event that the full amount or kind of insurance necessary to protect the risks cannot be obtained from insurance companies authorized to do business in North Carolina. The policy was renewed November 30, 2004. Effective January 1, 2006, the insurance previously written by CCIC was written by Diapason Casualty Risk Retention Group, Inc., a District of Columbia corporation (DCRRG) regulated by the District of Columbia Department of Insurance. DCRRG was a wholly owned subsidiary of Diapason Shared Services, a District of Columbia nonprofit corporation (DSS). The four members of DSS, who were also owners of CCIC, were the insurers of DCRRG. DCRRG has given intent to offer insurance in North Carolina as required by federal law. DCRRG is substantially reinsured by CCIC.

As a risk retention group DCRRG is not covered under the North Carolina Guaranty Association. Effective January 1, 2008, CCIC and DCRRG completed a corporate restructuring. As a result of the restructuring, DCRRG changed its name to Caring Communities, a reciprocal Risk Retention Group (CCrRRG) and became a reciprocal insurer. The Organization, along with all other shareholders of CCIC, exchanged its shares of CCIC for a Charter Capital Account of CCrRRG. CCIC is now a wholly owned subsidiary of CCrRRG. Members of CCrRRG are required to pay assessed premiums and are subject to a per claim self-insurance retention. Insurance premiums under this program totaled \$869,039.

The Organization made an initial capital contribution to CCIC of \$187,855 in November of 2002 and additional capital contributions of \$72,252 on January 1, 2004, and \$28,901 on January 1, 2005. These capital contributions, totaling \$289,008, are represented by the Organization's Charter Capital Account of CCrRRG and are included in other noncurrent assets in its combined statement of financial position. At year-end, the value of the Organization's Charter Capital Account is \$783,407 due to premiums in excess of claims paid by CCrRRG.

**EVERYAGE AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022**

**NOTE 19 RELATED PARTIES**

The following organizations are considered related parties of the Organization due to management and administrative services provided to them by the Organization:

- New Bern Older Adult Housing, Inc. (NOAH), a HUD 202 facility in New Bern, North Carolina.
- UCC Living Center, Inc. (Covenant Place), a HUD 202 project in Chapel Hill, North Carolina.
- Statesville Elderly Housing, Inc. (Emmanuel's Place), a HUD 202 facility in Statesville, North Carolina.
- Carolina Senior Living, Inc. a HUD 202 facility in Lexington, North Carolina.
- UDI/St. Joseph's, Inc. (St. Joseph's Place), a HUD 202 facility in Durham, North Carolina.
- Albemarle Older Adult Housing, Inc. (Matthew's Place), a HUD 202 facility in Albemarle, North Carolina.
- The Willows, a HUD 202 facility in Burlington, North Carolina.
- Elderhaus, Inc., a nonprofit PACE program in Wilmington, North Carolina
- Elderhaus at the Lake, a nonprofit Adult Day Service Program in Wilmington, North Carolina
- Iredell Adult Day Services, a nonprofit Adult Day Service Program in Statesville, North Carolina

The Organization provides management and administrative services to the above organizations. Management fee income was approximately \$919,000 and \$177,000, respectively.

The Organization pays salaries and employee benefit expense on behalf of its related parties, charging for expenses paid on a reimbursement basis. The Organization, as the sponsoring organization of these related parties, also advanced these entities funding for initial development costs.

The Organization was owed the following at September 30:

|                            | <u>2023</u>         | <u>2022</u>         |
|----------------------------|---------------------|---------------------|
| Noah                       | \$ 257,433          | \$ 274,098          |
| Covenant Place             | 99,610              | 23,680              |
| Emmanuel's Place           | 4,143               | 6,378               |
| St. Joseph's Place         | 137,343             | 119,460             |
| Carolina Senior Living     | 49,462              | 5,450               |
| Matthew's Place            | 89,445              | 17,771              |
| Willows                    | 344,833             | 159,204             |
| Elderhaus, Inc.            | 1,283,827           | 217,950             |
| Elderhaus At The Lake      | 808,780             | 345,106             |
| Iredell Adult Day Services | 248                 | -                   |
| Total                      | <u>\$ 3,075,124</u> | <u>\$ 1,169,097</u> |





## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors  
EveryAge and Affiliates  
Newton, North Carolina

We have audited the combined financial statements of EveryAge and Affiliates as of and for the year ended September 30, 2023, and have issued our report thereon dated January 24, 2024, which contained an unmodified opinion on those combined financial statements. Our audit was performed for the purpose of forming an opinion on the combined financial statements as a whole. The combining statement of financial position, and combining statement of operations and changes in net assets without donor restrictions as of and for the year ended September 30, 2023 are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

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

**CliftonLarsonAllen LLP**

Charlotte, North Carolina  
January 24, 2024

**EVERYAGE AND AFFILIATES**  
**COMBINING STATEMENT OF FINANCIAL POSITION**  
**YEAR ENDED SEPTEMBER 30, 2023**  
(SEE INDEPENDENT AUDITORS' REPORT FOR SUPPLEMENTARY INFORMATION)

|  | Corporate<br>Office  | Abernethy<br>Laurels | Piedmont<br>Crossing | EveryAge<br>Subtotal  | Lake Prince<br>Center, Inc. | BellaAge            | Total<br>Obligated<br>Group | Foundation           | EA<br>Holding     | Carolina<br>SeniorCare | Total                 |
|--|----------------------|----------------------|----------------------|-----------------------|-----------------------------|---------------------|-----------------------------|----------------------|-------------------|------------------------|-----------------------|
| <b>ASSETS</b>                                  |                      |                      |                      |                       |                             |                     |                             |                      |                   |                        |                       |
| <b>CURRENT ASSETS</b>                          |                      |                      |                      |                       |                             |                     |                             |                      |                   |                        |                       |
| Cash and Cash Equivalents                      | \$ 1,383,861         | \$ 1,900             | \$ 400               | \$ 1,386,161          | \$ 1,000                    | \$ 7,854            | \$ 1,395,015                | \$ 1,714,994         | \$ 10,065         | \$ 718,610             | \$ 3,838,684          |
| Cash and Cash Equivalents, Limited as to Use   | 182                  | -                    | -                    | 182                   | -                           | -                   | 182                         | -                    | -                 | -                      | 182                   |
| Accounts Receivable, Net                       | -                    | 1,570,300            | 943,327              | 2,513,627             | 871,816                     | -                   | 3,385,443                   | (20,305)             | -                 | 9,160                  | 3,374,298             |
| Other Receivables, Net                         | 11,638               | 249,657              | 246,428              | 507,723               | 271,552                     | 23,488              | 802,763                     | 203,048              | -                 | 453,615                | 1,459,426             |
| Due from Related Parties, Current              | -                    | 26,985,631           | -                    | 26,985,631            | 3,158,557                   | -                   | 30,144,188                  | -                    | -                 | -                      | 30,144,188            |
| Other Current Assets                           | 299,799              | 183,950              | 144,703              | 628,452               | 101,784                     | -                   | 730,236                     | 3,500                | -                 | 75,403                 | 809,139               |
| Total Current Assets                           | <u>1,695,480</u>     | <u>28,991,438</u>    | <u>1,334,858</u>     | <u>32,021,776</u>     | <u>4,404,709</u>            | <u>31,342</u>       | <u>36,457,827</u>           | <u>1,901,237</u>     | <u>10,065</u>     | <u>1,256,788</u>       | <u>39,625,917</u>     |
| Due from Related Parties, Less Current Portion | 227,524              | -                    | -                    | 227,524               | -                           | -                   | 227,524                     | -                    | -                 | -                      | 227,524               |
| Assets Limited as to Use                       | 64,973,178           | 21,996               | 9,826                | 65,005,000            | 1,528,491                   | 98,337              | 66,631,828                  | 10,693,317           | 99,765            | 7,593,734              | 85,018,644            |
| Equity Investment                              | 1,326,104            | -                    | -                    | 1,326,104             | -                           | -                   | 1,326,104                   | -                    | -                 | -                      | 1,326,104             |
| Interest Rate Swap Agreements                  | -                    | 6,093,038            | 1,524,248            | 7,617,286             | -                           | 812,689             | 8,429,975                   | -                    | -                 | -                      | 8,429,975             |
| Other Noncurrent Assets                        | 1,203,454            | -                    | -                    | 1,203,454             | -                           | -                   | 1,203,454                   | -                    | -                 | -                      | 1,203,454             |
| Property and Equipment, Net                    | 7,659,851            | 46,999,916           | 10,486,559           | 65,146,326            | 24,771,500                  | 5,129,030           | 95,046,856                  | -                    | -                 | 1,361,770              | 96,408,626            |
| Total Assets                                   | <u>\$ 77,085,591</u> | <u>\$ 82,106,388</u> | <u>\$ 13,355,491</u> | <u>\$ 172,547,470</u> | <u>\$ 30,704,700</u>        | <u>\$ 6,071,398</u> | <u>\$ 209,323,568</u>       | <u>\$ 12,594,554</u> | <u>\$ 109,830</u> | <u>\$ 10,212,292</u>   | <u>\$ 232,240,244</u> |
| <b>LIABILITIES AND NET ASSETS</b>              |                      |                      |                      |                       |                             |                     |                             |                      |                   |                        |                       |
| <b>CURRENT LIABILITIES</b>                     |                      |                      |                      |                       |                             |                     |                             |                      |                   |                        |                       |
| Current Portion of Long-Term Debt              | -                    | 1,614,060            | 345,940              | 1,960,000             | 475,000                     | -                   | 2,435,000                   | -                    | -                 | -                      | 2,435,000             |
| Accounts Payable                               | 275,563              | 273,913              | 443,161              | 992,637               | 1,647,135                   | 892,822             | 3,532,594                   | 41,989               | -                 | 2,071,813              | 5,646,396             |
| Accrued Salaries and Related Benefits          | 890,184              | 1,191,608            | 853,307              | 2,935,099             | 574,433                     | -                   | 3,509,532                   | 14,807               | -                 | 422,154                | 3,946,493             |
| Other Current Payables                         | 71,072               | 655,064              | 689,065              | 1,415,201             | 891,014                     | -                   | 2,306,215                   | -                    | -                 | 586,097                | 2,892,312             |
| Due to (from) Affiliates                       | 17,859,841           | -                    | 5,196,427            | 23,056,268            | -                           | 76,804              | 23,133,072                  | 3,670,175            | 16,715            | 476,626                | 27,296,588            |
| Total Current Liabilities                      | <u>19,096,660</u>    | <u>3,734,645</u>     | <u>7,527,900</u>     | <u>30,359,205</u>     | <u>3,587,582</u>            | <u>969,626</u>      | <u>34,916,413</u>           | <u>3,726,971</u>     | <u>16,715</u>     | <u>3,556,690</u>       | <u>42,216,789</u>     |
| <b>LONG-TERM LIABILITIES</b>                   |                      |                      |                      |                       |                             |                     |                             |                      |                   |                        |                       |
| Long-Term Debt, Less Current Portion           | -                    | 57,387,027           | 14,079,565           | 71,466,592            | 21,482,426                  | 1,819,644           | 94,768,662                  | -                    | -                 | -                      | 94,768,662            |
| Refundable Advance Fees                        | -                    | 3,837,909            | 2,266,807            | 6,104,716             | 2,237,584                   | -                   | 8,342,300                   | -                    | -                 | -                      | 8,342,300             |
| Deferred Revenue from Advance Fees             | -                    | 11,980,087           | 8,199,537            | 20,179,624            | 21,749,239                  | -                   | 41,928,863                  | -                    | -                 | -                      | 41,928,863            |
| Total Liabilities                              | <u>19,096,660</u>    | <u>76,939,668</u>    | <u>32,073,809</u>    | <u>128,110,137</u>    | <u>49,056,831</u>           | <u>2,789,270</u>    | <u>179,956,238</u>          | <u>3,726,971</u>     | <u>16,715</u>     | <u>3,556,690</u>       | <u>187,256,614</u>    |
| <b>NET ASSETS</b>                              |                      |                      |                      |                       |                             |                     |                             |                      |                   |                        |                       |
| Without Donor Restrictions                     | 57,988,931           | 5,151,740            | (18,718,318)         | 44,422,353            | (18,352,131)                | 3,282,128           | 29,352,350                  | 710,423              | 93,115            | 6,655,602              | 36,811,490            |
| With Donor Restrictions                        | -                    | 14,980               | -                    | 14,980                | -                           | -                   | 14,980                      | 8,157,160            | -                 | -                      | 8,172,140             |
| Total Net Assets                               | <u>57,988,931</u>    | <u>5,166,720</u>     | <u>(18,718,318)</u>  | <u>44,437,333</u>     | <u>(18,352,131)</u>         | <u>3,282,128</u>    | <u>29,367,330</u>           | <u>8,867,583</u>     | <u>93,115</u>     | <u>6,655,602</u>       | <u>44,983,630</u>     |
| Total Liabilities and Net Assets               | <u>\$ 77,085,591</u> | <u>\$ 82,106,388</u> | <u>\$ 13,355,491</u> | <u>\$ 172,547,470</u> | <u>\$ 30,704,700</u>        | <u>\$ 6,071,398</u> | <u>\$ 209,323,568</u>       | <u>\$ 12,594,554</u> | <u>\$ 109,830</u> | <u>\$ 10,212,292</u>   | <u>\$ 232,240,244</u> |

**EVERYAGE AND AFFILIATES**  
**COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS**  
**YEAR ENDED SEPTEMBER 30, 2023**  
(SEE INDEPENDENT AUDITORS' REPORT FOR SUPPLEMENTARY INFORMATION)

|   | Corporate<br>Office | Abernethy<br>Laurels | Piedmont<br>Crossing | EveryAge<br>Subtotal | Lake Prince<br>Center, Inc. | BellaAge        | Total<br>Obligated<br>Group | Foundation       | EA<br>Holding | Carolina<br>SeniorCare | Total             |
|---|---------------------|----------------------|----------------------|----------------------|-----------------------------|-----------------|-----------------------------|------------------|---------------|------------------------|-------------------|
| <b>Operating Revenues:</b>                |                     |                      |                      |                      |                             |                 |                             |                  |               |                        |                   |
| Health Care                               | \$ -                | \$ 18,685,516        | \$ 10,444,653        | \$ 29,130,169        | \$ 3,335,141                | \$ -            | \$ 32,465,310               | \$ -             | \$ -          | \$ -                   | \$ 32,465,310     |
| Pavilion/Assisted Living                  | -                   | 909,111              | 577,741              | 1,486,852            | 2,536,775                   | -               | 4,023,627                   | -                | -             | -                      | 4,023,627         |
| Residential Living                        | -                   | 5,659,963            | 4,702,249            | 10,362,212           | 4,982,462                   | -               | 15,344,674                  | -                | -             | -                      | 15,344,674        |
| Amortization of Advance Fees              | -                   | 2,015,047            | 1,570,533            | 3,585,580            | 2,484,247                   | -               | 6,069,827                   | -                | -             | -                      | 6,069,827         |
| Home Care                                 | -                   | 492,525              | 660,562              | 1,153,087            | 1,078,447                   | -               | 2,231,534                   | -                | -             | -                      | 2,231,534         |
| PACE Income                               | -                   | -                    | -                    | -                    | -                           | -               | -                           | -                | -             | 17,216,832             | 17,216,832        |
| Management Fee Income                     | 919,474             | -                    | -                    | 919,474              | -                           | -               | 919,474                     | -                | -             | -                      | 919,474           |
| Outside Services                          | -                   | 155,556              | 34,572               | 190,128              | 143,922                     | -               | 334,050                     | -                | -             | -                      | 334,050           |
| Other Operating Revenue                   | 954,312             | 426,760              | 162,914              | 1,543,986            | 162,093                     | -               | 1,706,079                   | -                | -             | 734                    | 1,706,813         |
| <b>Total Operating Revenues</b>           | <b>1,873,786</b>    | <b>28,344,478</b>    | <b>18,153,224</b>    | <b>48,371,488</b>    | <b>14,723,087</b>           | <b>-</b>        | <b>63,094,575</b>           | <b>-</b>         | <b>-</b>      | <b>17,217,566</b>      | <b>80,312,141</b> |
| <b>Operating Expenses:</b>                |                     |                      |                      |                      |                             |                 |                             |                  |               |                        |                   |
| <b>Health Services:</b>                   |                     |                      |                      |                      |                             |                 |                             |                  |               |                        |                   |
| Health Care                               | -                   | 6,921,497            | 5,375,424            | 12,296,921           | 1,909,537                   | -               | 14,206,458                  | -                | -             | (179)                  | 14,206,279        |
| Medical Records                           | -                   | 76,956               | 36,716               | 113,672              | 41,802                      | -               | 155,474                     | -                | -             | 4,983                  | 160,457           |
| Personnel and Employee Benefits           | 1,968,812           | 3,879,828            | 2,595,893            | 8,444,533            | 1,851,497                   | -               | 10,296,030                  | 73,808           | -             | 38,728                 | 10,408,566        |
| Laundry                                   | -                   | 139,868              | 154,320              | 294,188              | 59,004                      | -               | 353,192                     | -                | -             | -                      | 353,192           |
| Social Services                           | -                   | 112,292              | 110,686              | 222,978              | 55,166                      | -               | 278,144                     | -                | -             | 160                    | 278,304           |
| Activities                                | -                   | 239,514              | 70,443               | 309,957              | 102,985                     | -               | 412,942                     | -                | -             | -                      | 412,942           |
| Spiritual Life                            | -                   | 75,941               | 56,914               | 132,855              | 74,709                      | -               | 207,564                     | -                | -             | -                      | 207,564           |
| Housekeeping                              | -                   | 709,975              | 396,302              | 1,106,277            | 232,256                     | -               | 1,338,533                   | -                | -             | 254                    | 1,338,787         |
| Plant Maintenance                         | -                   | 2,495,272            | 1,725,799            | 4,221,071            | 1,764,418                   | -               | 5,985,489                   | -                | -             | 375                    | 5,985,864         |
| Residential Living                        | -                   | 136,835              | 29,653               | 166,488              | -                           | -               | 166,488                     | -                | -             | -                      | 166,488           |
| Pavilion/Assisted Living                  | -                   | 541,136              | 198,577              | 739,713              | 994,140                     | -               | 1,733,853                   | -                | -             | -                      | 1,733,853         |
| Clinic                                    | -                   | 87,695               | 20,969               | 108,664              | -                           | -               | 108,664                     | -                | -             | 96,586                 | 205,250           |
| Resident Services                         | -                   | 50,053               | 130,304              | 180,357              | 97,329                      | -               | 277,686                     | -                | -             | -                      | 277,686           |
| Transportation                            | -                   | 130,644              | 42,034               | 172,678              | 35,579                      | -               | 208,257                     | -                | -             | -                      | 208,257           |
| Dietary                                   | -                   | 2,241,586            | 1,844,431            | 4,086,017            | 1,065,263                   | -               | 5,151,280                   | -                | -             | 21,764                 | 5,173,044         |
| Wellness Center                           | -                   | 135,146              | -                    | 135,146              | -                           | -               | 135,146                     | -                | -             | -                      | 135,146           |
| Beauty Shop                               | -                   | -                    | 20,308               | 20,308               | 33,759                      | -               | 54,067                      | -                | -             | -                      | 54,067            |
| Day Care                                  | 343,379             | -                    | -                    | 343,379              | -                           | -               | 343,379                     | -                | -             | -                      | 343,379           |
| Home Care                                 | -                   | 456,143              | 588,571              | 1,044,714            | 338,751                     | -               | 1,383,465                   | -                | -             | 752,806                | 2,136,271         |
| Home Health                               | -                   | -                    | -                    | -                    | 1,059,599                   | -               | 1,059,599                   | -                | -             | -                      | 1,059,599         |
| PACE Expenses (Including Depreciation)    | -                   | -                    | -                    | -                    | -                           | -               | -                           | -                | -             | 14,853,224             | 14,853,224        |
| Outside Services                          | -                   | -                    | -                    | -                    | 122,636                     | -               | 122,636                     | -                | -             | -                      | 122,636           |
| <b>General and Administrative:</b>        |                     |                      |                      |                      |                             |                 |                             |                  |               |                        |                   |
| Administrative                            | 3,876,499           | 653,963              | 599,666              | 5,130,128            | 610,125                     | 2,488           | 5,742,741                   | 244,031          | -             | 597                    | 5,987,369         |
| Marketing                                 | -                   | 381,538              | 244,849              | 626,387              | 363,118                     | -               | 989,505                     | -                | -             | 1,549                  | 991,054           |
| Staff Development                         | -                   | 108,624              | 18,350               | 126,974              | 77,828                      | -               | 204,802                     | -                | -             | -                      | 204,802           |
| Management Fees                           | (4,838,258)         | 1,630,176            | 1,180,952            | (2,027,130)          | 907,797                     | -               | (1,119,333)                 | -                | -             | 1,119,333              | -                 |
| Depreciation                              | 376,155             | 3,215,981            | 1,325,620            | 4,917,756            | 1,701,552                   | -               | 6,619,308                   | -                | -             | -                      | 6,619,308         |
| Real Estate Taxes                         | 13,565              | -                    | -                    | 13,565               | 360,243                     | 14,416          | 388,224                     | -                | -             | -                      | 388,224           |
| Interest Expense (Including Amortization) | 57,805              | 2,538,181            | 445,200              | 3,041,186            | 832,608                     | 5,062           | 3,878,856                   | -                | -             | -                      | 3,878,856         |
| Insurance                                 | 136,481             | 469,260              | 325,626              | 931,367              | 219,373                     | -               | 1,150,740                   | -                | -             | -                      | 1,150,740         |
| Bad Debts                                 | -                   | 169,205              | 158,915              | 328,120              | 31,531                      | -               | 359,651                     | -                | -             | -                      | 359,651           |
| Other Operating Expenses                  | 49,480              | 237,877              | 186,673              | 474,030              | 213,038                     | 46              | 687,114                     | 1,295            | 812           | 17,639                 | 706,860           |
| <b>Total Operating Expense</b>            | <b>1,983,918</b>    | <b>27,835,186</b>    | <b>17,883,195</b>    | <b>47,702,299</b>    | <b>15,155,643</b>           | <b>22,012</b>   | <b>62,879,954</b>           | <b>319,134</b>   | <b>812</b>    | <b>16,907,819</b>      | <b>80,107,719</b> |
| <b>Operating Income (Loss)</b>            | <b>(110,132)</b>    | <b>509,292</b>       | <b>270,029</b>       | <b>669,189</b>       | <b>(432,556)</b>            | <b>(22,012)</b> | <b>214,621</b>              | <b>(319,134)</b> | <b>(812)</b>  | <b>309,747</b>         | <b>204,422</b>    |

**EVERYAGE AND AFFILIATES**  
**COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2023**  
**(SEE INDEPENDENT AUDITORS' REPORT FOR SUPPLEMENTARY INFORMATION)**

|  | Corporate<br>Office | Abernathy<br>Laurels | Piedmont<br>Crossing | UCHS<br>Subtotal    | Lake Prince<br>Center, Inc. | BellaAge            | Total<br>Obligated<br>Group | Foundation        | EA<br>Holding         | Carolina<br>Senior Care | Total                |
|--|---------------------|----------------------|----------------------|---------------------|-----------------------------|---------------------|-----------------------------|-------------------|-----------------------|-------------------------|----------------------|
| Nonoperating Income (Loss):                              |                     |                      |                      |                     |                             |                     |                             |                   |                       |                         |                      |
| Contributions and Grants                                 | \$ -                | \$ -                 | \$ -                 | \$ -                | \$ -                        | \$ 2,489,672        | \$ 2,489,672                | \$ 150,654        | \$ -                  | \$ -                    | 2,640,326            |
| Contribution Expense                                     | (519,953)           | -                    | -                    | (519,953)           | -                           | -                   | (519,953)                   | -                 | (2,139,672)           | -                       | (2,659,625)          |
| Investment Return, Net                                   | 6,271,082           | 89                   | -                    | 6,271,171           | 76,608                      | 1,779               | 6,349,558                   | 939,951           | 9,995                 | 7,270                   | 7,306,774            |
| Change in Fair Value of Interest Rate<br>Swap Agreements | -                   | 1,570,374            | 343,205              | 1,913,579           | -                           | 812,689             | 2,726,268                   | -                 | -                     | -                       | 2,726,268            |
| Gain (Loss) on Sale of Property and Equipment            | 3,212               | (2,058)              | (103,630)            | (102,476)           | (1,097)                     | -                   | (103,573)                   | -                 | -                     | 31,575                  | (71,998)             |
| Other Nonoperating Income (Expense)                      | -                   | 438,525              | 98,792               | 537,317             | 339,213                     | -                   | 876,530                     | (575,402)         | -                     | 1,174                   | 302,302              |
| Net Assets Released from Restrictions                    | -                   | 14,579               | -                    | 14,579              | -                           | -                   | 14,579                      | 575,402           | -                     | -                       | 589,981              |
| Total Nonoperating Income                                | <u>5,754,341</u>    | <u>2,021,509</u>     | <u>338,367</u>       | <u>8,114,217</u>    | <u>414,724</u>              | <u>3,304,140</u>    | <u>11,833,081</u>           | <u>1,090,605</u>  | <u>(2,129,677)</u>    | <u>40,019</u>           | <u>10,834,028</u>    |
| Changes in Net Assets Without<br>Donor Restriction       | <u>\$ 5,644,209</u> | <u>\$ 2,530,801</u>  | <u>\$ 608,396</u>    | <u>\$ 8,783,406</u> | <u>\$ (17,832)</u>          | <u>\$ 3,282,128</u> | <u>\$ 12,047,702</u>        | <u>\$ 771,471</u> | <u>\$ (2,130,489)</u> | <u>\$ 349,766</u>       | <u>\$ 11,038,450</u> |

**Exhibit 4: Proforma Statement of Operations and Assumptions**

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Lake Prince Center, Inc.

Summary of Entrance Fee and Monthly Fee Assumptions

| RESIDENTIAL LIVING        | Monthly Fee * | Residency Fees       |                      |
|---------------------------|---------------|----------------------|----------------------|
|                           | 2024          | 2024 (a)             | 2024 (b)             |
| Villa Homes               | \$ 2,224      | \$ 240,000 – 493,000 | \$ 360,000 – 739,500 |
| Cottage                   | 2,583         | 302,000 – 463,000    | 453,000 – 694,500    |
| Second person fee         | 823           | --                   | --                   |
| Studio                    | 1,564         | 67,500 – 84,500      | 101,250 – 126,750    |
| One Bedroom-One Bath      | 2,521         | 76,000 – 112,500     | 114,000 – 168,750    |
| One Bedroom-Bay           | 2,521         | 92,500 – 121,000     | 138,750 – 181,500    |
| One Bedroom Grand         | 2,641         | 138,500              | 207,750              |
| One Bedroom/Living/Dining | 2,641         | 162,500 – 185,000    | 243,750 – 277,500    |
| Two Bedroom/Den/Two Baths | 2,775         | 135,500 – 164,000    | 203,250 – 246,000    |
| Two Bedroom/Bay           | 2,780         | 144,500 – 173,000    | 216,750 – 259,500    |
| Two Bedroom/Two Baths     | 2,780         | 165,000 – 182,000    | 247,500 – 273,000    |
| Two Bedroom Deluxe        | 2,780         | 194,500              | 291,750              |
| Two Bedroom Contemporary  | 2,900         | 187,500 – 205,000    | 281,250 – 307,500    |
| Two Bedroom/Study         | 2,900         | 202,000 – 217,500    | 303,000 – 326,250    |
| Second person fee         | 943           | --                   | --                   |

\* 2024 = fees applicable for contracts signed after October 1, 2023.

- (a) Fully Declining Residency Agreement - amortizes to zero over thirty-six (36) months. Beginning on day 91, the total portion of the residency fee which remains refundable is reduced to 90% of the original fee. From Day 91 through the end of the 36th month of occupancy, the refundable portion of the residency fee will be reduced by 2.73% of the original residency fee. After month thirty-six (36) of occupancy, the refund will be zero.
- (b) Minimum 50% Refundable Residency Agreement - Beginning on day 91, the total portion of the residency fee which remains refundable is reduced to 90% of the original fee. From Day 91 through the end of the 36th month of occupancy, the refundable portion of the residency fee will be reduced by 1.212% of the original residency fee. After the thirty-sixth (36th) month of occupancy, the refund will remain at the 50% level. During the life of the Resident at the Community the refund shall not be assigned to another party, without an amendment to the Residency Agreement executed by the Resident and the Corporation.

Lake Prince Center, Inc.

Monthly Fees

| <b>Residential Living (Village)</b>    | <b>FY<br/>23/24</b> | <b>FY<br/>22/23</b> | <b>FY<br/>21/22</b> | <b>FY<br/>20/21</b> | <b>FY<br/>19/20</b> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Villa Homes                            | \$2,224             | \$2,128             | \$2,008             | \$1,935             | \$1,870             |
| Cottage                                | 2,583               | 2,472               | 2,332               | 2,248               | 2,172               |
| Second Person Fee                      | 823                 | 791                 | 746                 | 724                 | 717                 |
| <b>Residential Living (Apartments)</b> |                     |                     |                     |                     |                     |
| Studio                                 | \$1,564             | \$1,497             | \$1,412             | \$1,368             | \$1,328             |
| One Bedroom/One Bath                   | 2,521               | 2,407               | 2,264               | 2,189               | 2,122               |
| One Bedroom/Bay                        | 2,521               | 2,407               | 2,264               | 2,189               | 2,122               |
| One Bedroom Grand                      | 2,641               | 2,527               | 2,384               | 2,309               | 2,242               |
| One Bedroom/Living/Dining              | 2,641               | 2,527               | 2,384               | 2,309               | 2,242               |
| Two Bedroom/Den/Two Bath               | 2,775               | 2,650               | 2,493               | 2,411               | 2,337               |
| Two Bedroom Bay                        | 2,780               | 2,655               | 2,498               | 2,416               | 2,342               |
| Two Bedroom/Two Bath                   | 2,780               | 2,655               | 2,498               | 2,416               | 2,342               |
| Two Bedroom Deluxe                     | 2,780               | 2,655               | 2,498               | 2,416               | 2,342               |
| Two Bedroom Contemporary               | 2,900               | 2,775               | 2,618               | 2,536               | 2,462               |
| Two Bedroom/Study                      | 2,900               | 2,775               | 2,618               | 2,536               | 2,462               |
| Second Person Fee                      | 943                 | 907                 | 856                 | 831                 | 823                 |

Lake Prince Center, Inc.

**Assisted Living and Health Center**

| <u>Type of Unit</u>               | <u>Units</u> | <u>Daily Rate</u> |
|-----------------------------------|--------------|-------------------|
| Assisted Living: Studio           | 32           | \$187/Day         |
| Assisted Living: Single Occupancy | 4            | \$255/Day         |
| Double Occupancy                  |              | \$510/Day         |
| Memory Care Assisted Living       | 16           | \$258/Day         |
| Private Nursing                   | 4            | \$337/Day         |
| Companion (Semiprivate) Nursing   | 36           | \$283/Day         |

**DAILY RATE**

|                         | <b>FY<br/>23/24</b> | <b>FY<br/>22/23</b> | <b>FY<br/>21/22</b> | <b>FY<br/>20/21</b> | <b>FY<br/>19/20</b> |
|-------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Nursing</b>          |                     |                     |                     |                     |                     |
| Private                 | \$337               | \$324               | \$306               | \$294               | \$284               |
| Companion (Semiprivate) | 283                 | 272                 | 257                 | 247                 | 239                 |
| <b>Memory Care</b>      |                     |                     |                     |                     |                     |
| Studio                  | \$258               | \$248               | \$238               | \$233               | \$226               |
| <b>Assisted Living</b>  |                     |                     |                     |                     |                     |
| Studio                  | \$187               | \$180               | \$173               | \$170               | \$165               |
| One Bedroom Deluxe      | 255                 | 245                 | 236                 | 231                 | 224                 |

\*\* A Resident occupying two companion (semiprivate) nursing beds will pay the Deluxe Private Suite rate of \$398 per day as shown on the fee schedule.



## Lake Prince Center, Inc.

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### Structure of the Project

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#### Residential Living Units

| Type of Unit                   | # Of Units | Approximate Square Footage |
|--------------------------------|------------|----------------------------|
| Studio                         | 4          | 425                        |
| One Bedroom/One Bath           | 18         | 660                        |
| One Bedroom-Bay                | 4          | 700                        |
| One Bedroom Grand              | 4          | 803                        |
| One Bedroom/Living/Dining      | 5          | 965                        |
| Two Bedroom/Den/Two Baths      | 27         | 965                        |
| Two Bedroom/Bay                | 8          | 1,000                      |
| Two Bedroom/Two Baths          | 12         | 1,075                      |
| Two Bedroom Deluxe             | 2          | 1,107                      |
| Two Bedroom Contemporary       | 4          | 1,158                      |
| Two Bedroom/Study              | 4          | 1,256                      |
| Villa Homes                    | 42         | 1,350 – 1,680              |
| Cottage                        | 58         | 1,535 – 1,680              |
| Total Residential Living Units | 192        |                            |

#### Assisted Living and Health Center

| Type of Unit                            | # Of Units |
|---|------------|
| Assisted Living-Studio                  | 32         |
| Assisted Living-One Bedroom             | 4          |
| Memory Care Assisted Living             | 16         |
| Private Nursing                         | 4          |
| Semiprivate Nursing                     | 36         |
| Total Assisted Living and Health Center | 92         |
| Campus Total Units                      | 284        |

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## Budget Assumptions Report Fiscal Year 2024

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1. Occupancy has been projected as follows:

|                    | 2024<br>Available Units | 2024 Ending<br>Occupancy | 2024 Ending<br>Percentage Occupancy |
|--------------------|-------------------------|--------------------------|-------------------------------------|
| Healthcare         | 40                      | 30                       | 75.2%                               |
| Memory Care        | 16                      | 13                       | 81.3%                               |
| Assisted Living    | 36                      | 29                       | 72.5%                               |
| Residential Living | 192                     | 164                      | 85.4%                               |

2. Monthly fees for current Residential Living Residents, Assisted Living, and Health Care have been increased approximately four percent (4%) to four- and one-half percent (4.5%) on current tier. Memory Care fees have been increased by four percent (4%). Entrance fees for Residential Living have been increased by an average of three percent (3%) for cottages and villas and 1 percent (1%) for one and two-bedroom apartments.
3. Reimbursement fees for Medicare are based on current average PDPM fees for FY2023, which is net of two percent (2%) sequestration.
4. Salary and wage increase for employees are budgeted for up to a maximum of four percent (4%) based on performance (merit) on an employee's hire date. Additional increases for specific positions effective at the beginning of the Fiscal Year are budgeted for based on market conditions to remain competitive in order to recruit and retain employees.
5. The Capital Budget is projected at \$1,263,136. Items include unit refurbishments, computer network upgrades, new roofing, and a fifteen (15) passenger bus.
6. Property and Liability premiums are projected to increase by ten percent (10%) over FY2023 expenses.
7. The Finance Department provided budgeted amounts for depreciation expense, interest expense, amortization expense and software costs.
8. Management fees are computed based on six- and one-half percent (6.5%) of budgeted revenue.
9. Employee health insurance premiums and claims budget increased nearly twelve percent (12%) from the FY2023 budget projection.
10. A bonus budget of \$39,321 and a \$198,910 Retirement Plan contribution for eligible employees has been included. The 403(b) Plan contribution varies from one to six percent (1 to 6 %) of salaries based on years of service and presumes a contribution by the employee.
11. Bad Debt expense is anticipated to be \$50,659 for FY2024.
12. Principal payments on debt of \$475,000 has been budgeted for FY2024.
13. Interest Expense is budgeted at \$902,585 for FY2024.

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## Summary of Operating Expense Assumptions

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**Structure:** All operating expense assumptions provided by management are based on actual operating results of similar communities and estimates based on operating expense trends.

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## Summary of Financing Assumptions

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**Tax Exempt Bonds:** With the issuance of debt, the Organization executed a Master Trust Indenture (MTI) that appointed all the organization’s divisions, excluding the Foundation and Carolina SeniorCare, as members of the Obligated Group. Bonds are collateralized by a deed of trust on the land and buildings of the obligated group and the assignment of interest in residency contracts for the obligated group.

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

Under the terms of the bonds, the obligated group is required to maintain certain deposits with the trustee. These deposits are included with assets limited as to use of the Organization. The Master Trust Indenture and loan Agreements for these bonds include certain covenants and restrictions. Scheduled principal repayments on long-term debt, excluding the net premium on the bonds, for the next five years and thereafter are summarized through the Series 2016, 2021A, 2022B, 2023B, and 2021D, 2022, and 2023A Bonds Revenue Bonds Due as follows:

| <u>FY End</u> | <u>Series 2016</u>  | <u>Series 2021A</u> | <u>Series 2022B</u> | <u>Series 2023B</u> | <u>Series 2021D</u> | <u>Series 2022</u>  | <u>Series 2023A</u> | <u>Total</u>         |
|---------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| 2024          | \$475,000           | -                   | \$335,000           | \$1,435,000         | \$190,000           | -                   |                     | \$2,435,000          |
| 2025          | 1,960,000           | -                   | 330,000             | 105,000             | 110,000             |                     |                     | 2,505,000            |
| 2026          | 2,120,000           | -                   | 325,000             | 105,000             | 110,000             | 75,000              | 200,000             | 2,935,000            |
| 2027          | 2,240,000           | -                   | 315,000             | 110,000             | 115,000             | 80,000              | 635,000             | 3,495,000            |
| 2028          | 2,240,000           | -                   | 395,000             | 115,000             | 115,000             | 115,000             | 665,000             | 3,645,000            |
| Thereafter    | 6,940,000           | 22,205,000          | 1,850,000           | 26,355,000          | 17,335,000          | 13,730,000          | 30,460,000          | 118,875,000          |
|               | <u>\$15,975,000</u> | <u>\$22,205,000</u> | <u>\$3,550,000</u>  | <u>\$28,225,000</u> | <u>\$17,975,000</u> | <u>\$14,000,000</u> | <u>\$31,960,000</u> | <u>\$133,890,000</u> |

**Series 2022 Debt: Lake Prince Center, Inc.:**

On September 8, 2022, EveryAge and Lake Prince Center, Inc. closed a \$14 million-dollar direct bank placement with Truist Bank. Proceeds from the Series 2022 transaction will be used by the Lake Prince Woods community to (1) fund a new wellness center, and (2) fund renovations to the interior commons, porte-cochere, and water infrastructure, and (3) pay for certain costs of issuance incurred in connection with the financing. The Lake Prince construction project is scheduled to be completed in the spring of 2024.

**Series 2023A Debt: BellaAge, LLC:**

On May 18, 2023, EveryAge and BellaAge (a new member of the Obligated Group) closed a \$31,960,000 direct bank loan with Huntington Public Capital Corporation. Proceeds from the Series 2023A is being used to build a new 95 independent living unit rental community in downtown Hickory, NC that will be known as BellaAge Hickory, LLC, which will be targeted to the middle-market. The average square footage per unit will be approximately 1,081 square feet. Prospective residents will enter into a rental contract with services.

**Lake Prince Center, Inc. (Projection Only)**  
**EveryAge**

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**Projected Statement of Activities and Change in Net Assets**

*(See Report for Summary of Significant Projection Assumptions)*  
*For the Year Ending September 30, 2024*

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|  |                      |
|--|----------------------|
| <b>Revenue:</b>                                |                      |
| Residential Living                             | \$ 5,483,516         |
| Assisted Living & Dementia Care                | 3,126,087            |
| Healthcare                                     | 3,914,979            |
| Home Care                                      | 0                    |
| Entrance Fee Amortization                      | 2,579,855            |
| Other Revenues                                 | 212,236              |
| <b>Total Revenue:</b>                          | <b>\$ 15,456,821</b> |
| <b>Expenses:</b>                               |                      |
| Healthcare                                     | \$ 2,156,031         |
| Medical Records                                | 43,025               |
| Pavilion/Assisted Living                       | 1,023,386            |
| Outside Services                               | 130,946              |
| Human Resources                                | 1,951,971            |
| Plant Maintenance                              | 1,718,130            |
| Food Service                                   | 1,241,448            |
| Housekeeping and Laundry                       | 413,385              |
| Social Services                                | 59,436               |
| Activities                                     | 138,460              |
| Spiritual Life                                 | 76,993               |
| Resident Services                              | 139,065              |
| Staff Development                              | 97,520               |
| Transportation                                 | 36,035               |
| Marketing                                      | 377,966              |
| Beauty shop                                    | 31,000               |
| Administration                                 | 616,000              |
| Insurance                                      | 239,131              |
| Bad debts                                      | 50,659               |
| Interest                                       | 902,585              |
| Real estate taxes                              | 380,000              |
| Depreciation and Amortization                  | 1,858,305            |
| Management Fees                                | 1,004,693            |
| Other  | 184,921              |
| <b>Total Expenses:</b>                         | <b>\$ 14,871,091</b> |
| <b>Change In Unrestricted Net Assets</b>       | <b>585,730</b>       |
| <b>Net Assets Beginning Year</b>               | <b>(16,876,526)</b>  |
| <b>Contribution to unrestricted net assets</b> | <b>-</b>             |
| <b>Unrestricted net assets, end of year</b>    | <b>(16,290,796)</b>  |

\*The Statement above is only for Lake Prince Center, Inc. and does not include the Activities of Lake Prince At Home, LLC.

## Narrative of Material Differences 2023 Data

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There were differences between Fiscal Year Ending September 30, 2023, Proforma and actual results. Noteworthy deviations of revenues and expenses are summarized below:

Projected revenue for FY2023 was \$13,966,114. Actual revenue for FY2023 was \$13,644,636, creating a negative variance of (\$321,478). This negative variance was primarily due to lower than anticipated revenue in healthcare and assisted living because of lower than anticipated occupancy.

Projected expenses for FY2023 were \$13,396,374. Actual expenses for FY2023 were \$13,418,115, creating a negative variance of (\$21,744). Operating Expenses were higher in FY2023 primarily due to higher than anticipated depreciation expense and plant maintenance costs.

## Lake Prince Center, Inc.

### Summary of Financial Information

|                         | 2023 Current Year | 2022 Prior Year |
|-------------------------|-------------------|-----------------|
| Total Assets            | \$ 30,704,700     | \$ 19,171,058   |
| Total Liabilities       | 49,056,831        | 37,505,357      |
| Total Net Assets        | (18,352,131)      | (18,334,299)    |
| Total Revenues          | 14,723,087        | 13,554,328      |
| Total Expenses          | 15,155,643        | 14,535,263      |
| Operating Income (Loss) | (432,556)         | (990,935)       |
| Net Income (Loss)       | (17,832)          | (772,912)       |

*(As included in the 2023 EveryAge Consolidated Audit Report, Combining Statement of Operations. Note: In the audit report, Lake Prince Center, Inc. includes the operations of Lake Prince at Home, LLC. Consolidated with Lake Prince Center.)*

### Narrative on Financial Condition

Lake Prince Woods continues to provide positive cash flow and, as a member of the debt obligated group of EveryAge, continues to meet and/or exceed financial ratios and covenants set forth in bank and bond agreements.

#### Fitch Rating

EveryAge, the obligated group which includes the Corporation, has received a “BBB-” rating by Fitch Ratings, a global investment rating agency. This rating is based on EveryAge’s occupancy levels, strong operating performance, and sufficient liquidity.

| Occupancy Information | Capacity of Units | 2023 Average Occupancy | 2023 Percentage Occupancy |
|-----------------------|-------------------|------------------------|---------------------------|
| Residential Living    | 192               | 154                    | 80.0%                     |
| Assisted Living       | 52                | 32                     | 61.3%                     |
| Health Center         | 40                | 24                     | 60.5%                     |

## **Exhibit 5: Entrance and Monthly Fees**

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### **Entrance Fee, and Monthly Fee Schedules**



**Lake Prince Center, Inc.**

**Summary of Entrance Fee and Monthly Fee Assumptions**

| RESIDENTIAL LIVING        | Monthly Fee* | Residency Fees       |                      |
|---------------------------|--------------|----------------------|----------------------|
|                           | 2024         | 2024 (a)             | 2024 (b)             |
| Villa Homes               |              |                      |                      |
|                           | \$ 2,224     | \$ 240,000 – 493,000 | \$ 360,000 – 739,500 |
| Cottage                   | 2583         | 302,000 – 463,000    | 453,000 – 694,500    |
| Second person fee         | 823          | --                   | -                    |
| Studio                    | 1,564        | 67,500 – 84,500      | 101,250 – 126,750    |
| One Bedroom-One Bath      | 2,521        | 76,000 – 112,500     | 114,000 – 168,750    |
| One Bedroom-Bay           | 2,521        | 92,500 – 121,000     | 138,750 – 181,500    |
| One Bedroom Grand         | 2,641        | 138,500              | 207,750              |
| One Bedroom/Living/Dining | 2,641        | 162,500 – 185,000    | 243,750 – 277,500    |
| Two Bedroom/Den/Two Baths | 2,775        | 135,500 – 164,000    | 203,250 – 246,000    |
| Two Bedroom/Bay           | 2,780        | 144,500 – 173,000    | 216,750 – 259,500    |
| Two Bedroom/Two Baths     | 2,780        | 165,000 – 182,000    | 247,500 – 273,000    |
| Two Bedroom Deluxe        | 2,780        | 194,500              | 291,750              |
| Two Bedroom Contemporary  | 2,900        | 187,500 – 205,000    | 281,250 – 307,500    |
| Two Bedroom/Study         | 2,900        | 202,000 – 217,500    | 303,000 – 326,250    |
| Second person fee         | 943          | --                   | --                   |

\* 2024 = fees applicable for contracts signed after October 1, 2023.

- (a) Fully Declining Residency Agreement - amortizes to zero over thirty-six (36) months. Beginning on day 91, the total portion of the residency fee which remains refundable is reduced to 90% of the original fee. From Day 91 through the end of the 36th month of occupancy, the refundable portion of the residency fee will be reduced by 2.73% of the original residency fee. After month thirty-six (36) of occupancy, the refund will be zero. During the life of the Resident at the Community, the refund shall not be assigned to another party, without an amendment to the Residency Agreement executed by the Resident and the Corporation.
- (b) Minimum 50% Refundable Residency Agreement - Beginning on day 91, the total portion of the residency fee which remains refundable is reduced to 90% of the original fee. From Day 91 through the end of the 36th month of occupancy, the refundable portion of the residency fee will be reduced by 1.212% of the original residency fee. After the thirty-sixth (36th) month of occupancy, the refund will remain at the 50% level. During the life of the Resident at the Community, the refund shall not be assigned to another party, without an amendment to the Residency Agreement executed by the Resident and the Corporation.

**Lake Prince Center, Inc.**

**Assisted Living and Health Center**

| <u>Type of Unit</u>                   | <u>Units</u> | <u>Daily Rate</u> |
|---------------------------------------|--------------|-------------------|
| Assisted Living: Studio               | 32           | \$ 187/Day        |
| Assisted Living: Single Occupancy     | 4            | \$ 255/Day        |
| Double Occupancy                      |              | \$ 510/Day        |
| Memory Care Assisted Living           | 16           | \$ 258/Day        |
| Private Nursing Suite                 | 4            | \$ 337/Day        |
| Companion (Semiprivate) Nursing Suite | 36           | \$ 283/Day        |

**DAILY RATE**

|                            | <b>FY<br/>23/24</b> | <b>FY<br/>22/23</b> | <b>FY<br/>21/22</b> | <b>FY<br/>20/21</b> | <b>FY<br/>19/20</b> |
|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Nursing</b>             |                     |                     |                     |                     |                     |
| Private                    | \$337               | \$ 324              | \$ 306              | \$ 294              | \$ 284              |
| Companion (Semiprivate) ** | 283                 | 272                 | 257                 | 247                 | 239                 |
| <b>Memory Care</b>         |                     |                     |                     |                     |                     |
| Studio                     | 258                 | 248                 | 238                 | 233                 | 226                 |
| <b>Assisted Living</b>     |                     |                     |                     |                     |                     |
| Studio                     | 187                 | 180                 | 173                 | 170                 | 165                 |
| One Bedroom Deluxe         | 255                 | 245                 | 236                 | 231                 | 224                 |

\*\* A Resident who occupies two companion (semiprivate) beds will pay the Deluxe Private Suite rate of \$398 per day as shown on the fee schedule.

## Exhibit 6: Fee Schedules

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**Lake Prince Center, Inc.**  
**Health Center**  
 Fee Schedule as Of October 1, 2023

**Activities**

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

**Laundry Services**

Personal Service (per month)..... \$ 78.00

**Clerical/Business Office**

(Per half hour, plus supplies)

Administrative Services..... \$ 25.00

NSF Check Charge..... 50.00

Late Payment Fee..... 50.00

Duplication beyond 5 pages (per copy) .....20

Fax Fee..... 2.00

Notary Services ..... No Charge

Long-term Care Insurance:

Initial set up fee ..... \$ 85.00

Long-term Care Insurance:

Monthly filing fee ..... \$ 25.00

**Salon**

Shampoo and set..... \$ 27.00

Women's Haircut ..... 23.00

Men's Haircut ..... 21.00

Permanent..... 76.00

Color..... 76.00

*Other services available at posted prices*

**Dining Services**

Guest Lunch ..... Bistro Price

Guest Dinner..... Bistro Price

Child's Plate (under 10 years)..... \$ 9.00

Catering Services.....Quote upon request

*Other services available at posted prices*

**Nursing Services**

Incontinence Program (per day)

Small ..... \$ 12.50

Medium ..... 14.50

Large ..... 15.50

X-Large..... 17.50

XX-Large..... 19.50

Bariatric..... 23.00

*Non-routine Nursing Supplies are charged per unit.*

**Medical**

Glucose Testing (per day)..... \$ 8.50

Oxygen (per day) Concentrator over 5L..... 12.00

Oxygen Tank (Per Day) Concentrator 5L ..... 11.00

Oxygen Tank Regular (each)..... 17.00

**Transportation** Flat Rate (*round trip*)

Obici Hospital .....\$ 50.00

Lake View Clinic ..... 48.00

Other Local - Suffolk..... 56.00

Windsor ..... 66.00

Franklin (Limited Schedule) ..... 84.75

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

Weekday Driver

(Per. ½ hour, per driver).....\$ 20.00

Weekend (and holidays) Driver

(Per ½ hour, per driver)..... 28.00

(Late Cancellation Fee (*Less than 24 Hr. Notice*))..... 25.00

Car Mileage Fee (per mile)..... 1.50

Bus Mileage Fee (per mile) ..... 1.95

**Telephone**

Local Service (per month) .....\$ 25.00

Installation..... 50.00

**Guest Rooms**

Guest room per night.....\$ 100.00

Roll Away Bed per night..... 10.00

**Use Of Common Space**

Residents may use common spaces for private gatherings by making reservations with administration. There is no charge for the space.

Set up and clean up:

Per staff person per ½ hour ..... \$ 30.00

**Daily Room Fees**

Health Center Private Suite ..... \$ 337.00

Health Center Companion Suite ..... 283.00

Deluxe Private Suite ..... 398.00

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

**Lake Prince Center, Inc.**  
**Assisted Living and Memory Care**  
 Fee Schedule as of October 1, 2023

**Activities**

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

**Laundry Services**

Personal Laundry Service (per month)..... \$ 78.00

**Clerical/Business Office**

Administrative Services..... \$ 25.00  
 NSF Check Charge..... 50.00  
 Late Payment Fee..... 50.00  
 Duplication beyond 5 pages (per copy)..... 20  
 Fax (per page)..... 2.00  
 Notary Services ..... No Charge  
 Long-term Care Insurance:  
     Initial set up fee ..... \$ 85.00  
     Monthly filing fee ..... 25.00

**Salon**

Shampoo and set..... \$ 27.00  
 Women's Haircut..... 23.00  
 Men's Haircut..... 21.00  
 Permanent..... 76.00  
 Color..... 76.00

*Other services available at posted prices*

**Dining Services**

Guest Lunch.....Bistro Price  
 Guest Dinner..... Menu Price  
 Child's Plate (under 10 years)..... \$ 9.00  
 Catering Services..... Quote upon request

*Other services available at posted prices*

**Nursing Services**

Incontinence Program (per day)  
 Small..... \$ 12.50  
 Medium ..... 14.50  
 Large ..... 15.50  
 X-Large..... 17.50  
 XX-Large..... 19.50  
 Bariatric..... 23.00

*Non-routine Nursing Supplies are charged per unit.*

**Transportation**

Charged by adding driver fee plus mileage costs

Weekday Driver  
 (Per. ½ hour, per driver).....\$ 20.00  
 Weekend (and holidays) Driver  
 (Per. ½ hour, per driver).....\$ 28.00  
 Late Cancellation Fee (*Less than 24-Hr. Notice*) ..... \$25.00  
     Car (per mile)..... 1.50  
     Bus (per mile) ..... 1.95

**Cable TV** (per month) .....\$ 50.00

**Telephone**

Local Service (per month) .....\$ 25.00  
 Installation ..... 50.00

**Guest Rooms**

Guest Room (per night).....\$ 100.00  
 Roll away bed (per night)..... 10.00

**POS Card Replacement** (each).....\$ 15.00

**Use of Common Space**

Residents may use common spaces for private gatherings by making reservations with administration. There is no charge for the space.

Set up and clean up:

Per staff person per half hour.....\$ 30.00

**Daily Room Fees**

Assisted Living Studio .....\$ 187.00  
 Assisted Living One Bedroom Deluxe  
 Single Occupancy ..... 255.00  
 Double Occupancy ..... 510.00  
 Memory Care Studio..... 258.00

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

**Lake Prince Center, Inc.**  
**Residential Living**  
 Fee Schedule as of October 1, 2023

**Activities**

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

**Clerical/Business Office** *(Per 1/2 Hour, Plus Supplies)*

|   |           |
|---|-----------|
| Administrative Services.....                  | \$ 25.00  |
| NSF Check Fee.....                            | 50.00     |
| Late Payment Fee.....                         | 50.00     |
| Duplication beyond five pages (per copy)..... | 0.20      |
| Fax Fee (per page).....                       | 2.00      |
| Notary Services.....                          | No Charge |
| Long-term Care Insurance:                     |           |
| Initial set up fee.....                       | \$ 85.00  |
| Monthly filing fee.....                       | 25.00     |

**Salon**

|                      |          |
|----------------------|----------|
| Shampoo and set..... | \$ 27.00 |
| Women's Haircut..... | 23.00    |
| Men's Haircut.....   | 21.00    |
| Permanent.....       | 76.00    |
| Color.....           | 76.00    |

*Other services available at posted prices*

**Dining Services**

|  |                    |
|--|--------------------|
| Resident Lunch.....                          | Bistro Price       |
| Resident Dinner.....                         | Menu Price         |
| Guest Lunch.....                             | Bistro Price       |
| Guest Dinner Dining Room.....                | \$ 15.00           |
| Guest Dinner Bistro.....                     | Menu Price         |
| Child's Plate ( <i>under 10 years</i> )..... | \$ 9.00            |
| Special Event Meals.....                     | Posted Price       |
| Catering Services.....                       | Quote Upon Request |
| Meal Delivery (advance notice required)..... | 5.00               |

**Meal Packages** (Excludes special meal events)

|                         |          |
|-------------------------|----------|
| 10 Meals per month..... | \$ 98.00 |
| 20 Meals per month..... | 170.00   |
| 30 Meals per month..... | 240.00   |

**Catered (Support) Services** *(1/2 Hour Minimum)*

|                                       |          |
|---------------------------------------|----------|
| Per half hour, per staff person       |          |
| Laundry.....                          | \$ 22.00 |
| Housekeeping.....                     | 24.00    |
| Shopping.....                         | 24.00    |
| Laundry (personal) per month max..... | 100.00   |
| Maintenance.....                      | 27.00    |

**Housekeeping Packages**

|                            |          |
|----------------------------|----------|
| 1 1/2 Hours per Month..... | \$ 54.00 |
| 2 Hours per Month.....     | 73.00    |
| 3 Hours per Month.....     | 87.00    |
| 4 Hours per Month.....     | 99.00    |
| 6 Hours per Month.....     | 141.00   |
| 8 Hours per Month.....     | 171.00   |
| 12 Hours per Month.....    | 237.00   |

|   |          |
|---|----------|
| <b><u>Key Duplication</u></b> <i>(each)</i> ..... | \$ 20.00 |
|---|----------|

|  |          |
|--|----------|
| <b><u>POS Card Replacement</u></b> <i>(each)</i> ..... | \$ 15.00 |
|--|----------|

|  |           |
|--|-----------|
| <b><u>Personal Alarm Pendant</u></b> ..... | \$ 160.00 |
|--|-----------|

**Transportation** *(per mile, plus driver fee)*

Charged by adding driver fee, plus mileage costs:

|   |          |
|---|----------|
| Driver- weekday/per 1/2 hour.....                             | \$ 20.00 |
| Driver - weekend (and holidays)/per 1/2 hour.....             | 28.00    |
| Car (per mile).....   | 1.50     |
| Bus (per mile).....   | 1.95     |
| Onsite Transportation (when Available).....                   | 5.00     |
| After Hours Transportation Hospital Return. (1/2 hour).....   | 50.00    |
| Late Cancellation Fee ( <i>Less than 24-Hr. Notice</i> )..... | 25.00    |

**Cable Television/Utilities**

|                                      |          |
|--------------------------------------|----------|
| Cable TV.....                        | \$ 50.00 |
| Water/Sewer.....                     | 40.00    |
| Water/ Sewer (double occupancy)..... | 50.00    |

**Telephone for Apartments**

|                              |          |
|------------------------------|----------|
| Installation.....            | \$ 50.00 |
| Local Service Per Month..... | 25.00    |

*Additional TV options billed directly to Resident.*

**Alexa**

|  |         |
|--|---------|
| Purchase and Installation (one time charge)..... | \$40.00 |
| Alexa (per month fee).....                       | 10.00   |

**Guest Rooms**

|                             |           |
|-----------------------------|-----------|
| Guest room per night.....   | \$ 100.00 |
| Rollaway Bed per night..... | 10.00     |

**Use of Common Space:** Residents may use common spaces for private gatherings by making reservations with administration. There is no charge for the space. Set up and clean up

|                                     |          |
|-------------------------------------|----------|
| Per staff person per half hour..... | \$ 30.00 |
|-------------------------------------|----------|

**Moving (Convenience) Fee:** Base fee charged to cost of **refurbishments** needed to unit vacating upon Resident's request to move from one Residential Living Unit (RLU) to another (RLU).

|               |             |
|---------------|-------------|
| Base fee..... | \$ 5,000.00 |
|---------------|-------------|

**Clinic (Wellness Nurse) Services:** Lake Prince Woods has a Wellness (Clinic) Nurse that is available Monday Through Friday, by appointment. To schedule a clinic visit, please call extension 5798.

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

**Lake Prince Center, Inc.  
Lake Prince At Home, LLC**

Fee Schedule as of October 1, 2023

**Home Care Services:**

|   |          |
|---|----------|
| Home Care Aide: Weekday (per half hour/half hour minimum) ..... | \$ 30.00 |
| Weekends or Holiday (per half hour, one hour minimum) .....     | 34.00    |
| Companion: Weekday (per hour) .....                             | 27.00    |
| Weekends or Holiday (per hour) .....                            | 31.00    |
| Home Care Aide: Weekday (couples per hour) .....                | 40.00    |
| Weekends or Holiday (per hour) .....                            | 45.00    |
| Home Care Companion: Weekday (couples per hour) .....           | 37.00    |
| Weekends or Holiday (per hour) .....                            | 40.00    |
| *Premium Chart for Short Notice.....                            | Rate X 2 |
| Long-term Care Insurance Initial set up fee.....                | 85.00    |
| Long-term Care Insurance Monthly filing fee.....                | 25.00    |
| Late Payment Fee.....   | 50.00    |
| NSF Fee.....  | 50.00    |

**Medication Assistance Reminders** (per month):

|                      |          |
|----------------------|----------|
| 1 time per day ..... | \$ 94.00 |
| 2 times per day..... | 124.00   |
| 3 times per day..... | 169.00   |
| 4 times per day..... | 210.00   |

**Medical Services:** (per 1/2 hour)

|   |          |
|---|----------|
| Coordination of Care.....                 | \$ 30.00 |
| Suture Removal .....                      | 26.00    |
| Lab Specimens.....                        | 26.00    |
| Dressing Changes .....                    | 26.00    |
| Ear Irrigation .....                      | 31.00    |
| Glucose Testing .....                     | 20.00    |
| Injections (Other than Flu Vaccine) ..... | 30.00    |
| Pacemaker Check.....                      | 36.00    |
| Pulse Oxymeter.....                       | 25.00    |
| Bladder Scan .....                        | 25.00    |

\*\*\*Medical Supplies billed separately\*\*\*

**Medication Box:** (pre-pour/per fill):

|  |          |
|--|----------|
| Medication Box for one-week supply ..... | \$ 47.00 |
| Medication Box for two-week supply.....  | 57.00    |
| Medication Box for one month.....        | 67.00    |

*Other services available at negotiated Fees*

**Note:** Arrangements for special services not listed may be made by contacting administration. Fees are subject to change with an advance notice. \*Less 24-hours' notice of service requests. Residents who are not receiving care through Home Health Services have 12 visits a year from October 1<sup>st</sup> to September 30<sup>th</sup>. All supplies are billed for visits.