Springpoint Senior Living, Inc. and Affiliates

Consolidated Financial Statements and
Supplementary Information

December 31, 2015 and 2014

BAKER TILLY

Candor. Insight. Results.

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December 31, 2015 and 2014

BAKER TILLY

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Independent Auditors' Report

Board of Trustees
Springpoint Senior Living, Inc. and Affiliates

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Springpoint Senior Living, Inc. and Affiliates (collectively, the "Company") which comprise the consolidated balance sheet as of December 31, 2015 and 2014, and the related consolidated statements of operations and changes in net (deficit) assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audits, the consolidated financial statements referred to above, present fairly, in all material respects, the financial position of Springpoint Senior Living, Inc. and Affiliates as of December 31, 2015 and 2014, and the results of their operations and changes in net assets, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating and combining financial information (pages 44 through 56) is presented for purposes of additional analysis rather than to present the financial position, results of operations, changes in net (deficit) assets, and cash flows of the individual entities and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Baker Tilly Virchow Krause, LLP

Philadelphia, Pennsylvania
May 20, 2016

Springpoint Senior Living, Inc. and Affiliates

Consolidated Balance Sheet
December 31, 2015 and 2014

Assets	2015	2014
Current Assets		
Cash and cash equivalents	$ 37,457,500	$ 38,575,652
Current portion of assets whose use is limited	1,004,455	1,201,853
Accounts receivable, net of allowance for doubtful accounts of $947,974 in 2015 and $916,757 in 2014	7,953,563	7,679,212
Other current assets	8,017,509	7,066,801
Total current assets	54,433,027	54,523,518
Investments	78,403,529	76,892,275
Assets Whose Use Is Limited	32,283,941	41,440,377
Investments Held Under Split-Interest Agreements	5,148,849	5,680,640
Investments Held by Others Under Split-Interest Agreements	895,053	942,882
Beneficial Interest in Perpetual Trusts	3,020,082	3,167,564
Notes Receivable	32,461,564	31,786,411
Property and Equipment, Net	352,483,658	354,844,809
Goodwill, Net	41,625,191	39,354,441
Deferred Costs and Other Assets, Net	6,635,189	7,007,884
Total assets	$ 607,390,083	$ 615,640,801

Liabilities and Net Assets	2015	2014
Current Liabilities		
Current maturities of long-term debt and capital lease obligations	$ 5,784,694	$ 5,461,332
Current portion of line of credit	-	889,825
Accounts payable	6,514,505	4,674,266
Accrued expenses	15,945,123	16,570,026
Residents' deposits	2,821,426	2,714,161
Total current liabilities	31,065,748	30,309,610
Long-Term Debt and Capital Lease Obligations	176,756,282	174,380,442
Capital Advances	80,835,527	80,835,527
Liability for Split-Interest Agreements and Deferred Gift Agreements	3,623,713	4,526,918
Deferred Revenue	15,582,197	14,752,061
Refundable Entrance Fees	237,386,185	233,040,521
Deferred Revenue from Entrance Fees	59,402,605	58,219,767
Construction Line of Credit, Net of Current Portion	5,027,473	9,672,593
Retainage Payable	83,350	148,363
Derivative Instruments	3,815,387	4,133,124
Other Liabilities	2,672,893	2,313,825
Total liabilities	616,251,360	612,332,751
Net (Deficit) Assets		
Unrestricted	(20,332,430)	(7,824,700)
Temporarily restricted	8,282,320	7,796,434
Permanently restricted	3,188,833	3,336,316
Total net (deficit) assets	(8,861,277)	3,308,050
Total liabilities and net (deficit) assets	$ 607,390,083	$ 615,640,801

See notes to consolidated financial statements

	2015	2014
Changes in Unrestricted Net Assets		
Revenues and other support:		
Revenue from residential facilities	$ 64,120,298	$ 62,928,426
Revenue from healthcare facilities	52,158,433	48,405,696
Services to residents	7,239,691	6,922,140
Developer and management fees	532,222	541,083
Contributions and bequests	501,900	478,934
Interest and dividends	1,592,050	1,899,650
Other revenue	1,378,109	2,973,612
Net assets released from restrictions used for operations	1,324,952	995,674
Total revenues and other support	128,847,655	125,145,215
Expenses:		
Professional care of residents	33,860,592	31,707,632
Resident services	3,921,476	3,678,021
Dining services	16,574,866	16,330,098
Operation and maintenance of facility	25,348,362	26,622,514
Housekeeping and laundry	5,436,559	5,529,130
Administrative and general	22,260,519	21,613,516
Resident assistance and program services	426,435	795,616
Marketing	4,952,531	4,810,419
Insurance	1,958,755	1,876,552
Interest	6,286,560	6,808,660
Provision for doubtful accounts	487,355	335,111
Total expenses	121,514,010	120,107,269
Operating income	7,333,645	5,037,946
Change in unrealized gains and losses on investments	(5,303,031)	(3,490,788)
Net realized gains and losses on investments	2,205,198	6,280,332
Amortization of entrance fees	11,956,065	11,358,406
Change in fair value of derivative financial instruments	(2,076,745)	(1,527,443)
Gain on disposal of fixed assets	(15,681)	12,084
Loss on refinancing	(2,060,948)	(690,526)
Depreciation and amortization	(24,455,303)	(24,301,914)
Revenues and other support less than expenses	(12,416,800)	(7,321,903)
Pension liability adjustment	(90,930)	(124,169)
Change in future services obligation	-	111,000
Decrease in unrestricted net assets	(12,507,730)	(7,335,072)
Changes in Temporarily Restricted Net Assets		
Contributions	1,762,860	1,198,961
Change in value of split-interest agreements	113,939	41,577
Investment income	(46,233)	276,923
Net unrealized loss on investments	(19,728)	(46,691)
Net assets released from restrictions used for operations	(1,324,952)	(995,674)
Increase in temporarily restricted net assets	485,886	475,096
Changes in Permanently Restricted Net Assets		
Change in value of perpetual trusts	(147,483)	41,399
(Decrease) increase in permanently restricted net assets	(147,483)	41,399
Change in net assets	(12,169,327)	(6,818,577)
Net Assets, Beginning	3,308,050	10,126,627
Net (Deficit) Assets, End of Year	$ (8,861,277)	$ 3,308,050

See notes to consolidated financial statements

Consolidated Statement of Cash Flows
Years Ended December 31, 2015 and 2014

	2015	2014
Cash Flows from Operating Activities		
Decrease in net assets	$ (12,169,327)	$ (6,818,577)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Change in value of split-interest agreements	(113,939)	(41,577)
Change in future services obligation	-	(111,000)
Net change in fair value of derivative instruments	2,076,745	1,527,443
Depreciation and amortization	24,455,303	24,301,914
Loss (gain) on sale of property and equipment	15,681	(12,084)
Net realized and unrealized gains and losses on investments	3,117,561	(2,742,853)
Amortization of entrance fees	(11,956,065)	(11,358,406)
Loss on refinancing	2,060,948	690,526
Net cash received under nonrefundable entrance fee plans	4,846,076	7,285,951
Change in investments held by others under split-interest agreements	47,829	(9,307)
Change in beneficial interest in perpetual trusts	147,483	(41,399)
Changes in assets and liabilities:		
Accounts receivable, net	(277,332)	(1,708,690)
Other current assets	(950,708)	1,505,293
Other assets	(657,284)	(81,975)
Accounts payable	1,840,239	10,845
Accrued expenses	(774,903)	346,492
Residents' deposits	107,265	(807,891)
Other current liabilities	-	(1,262,560)
Other liabilities	1,189,204	1,116,961
Net cash provided by operating activities	13,004,776	11,789,106
Cash Flows from Investing Activities		
Net sales (purchases) of investments and assets whose use is limited	5,256,810	(624,340)
Net change in notes receivable	(675,153)	(603,148)
Purchases of property and equipment	(21,551,810)	(17,219,609)
Purchase of home care agency	(2,172,798)	-
Payment of retainage	(148,363)	-
Net cash used in investing activities	(19,291,314)	(18,447,097)
Cash Flows from Financing Activities		
Payment of long-term debt and capital lease obligation	(149,203,852)	(39,704,100)
Proceeds from long-term debt and capital lease obligation	151,903,054	31,640,336
Borrowings on construction line of credit	4,099,107	2,470,000
Payment of construction line of credit	(9,634,051)	(8,903,311)
Payment of derivative financial instrument	(2,394,482)	-
Net cash received under refundable entrance fee plans	12,638,486	20,525,983
Payments under deferred gift agreements and split-interest agreements	(789,266)	(16,467)
Payment of deferred financing costs	(1,450,610)	(513,223)
Net cash provided by financing activities	5,168,386	5,499,218
Net decrease in cash and cash equivalents	(1,118,152)	(1,158,773)
Cash and Cash Equivalents, Beginning	38,575,652	39,734,425
Cash and Cash Equivalents, Ending	$ 37,457,500	$ 38,575,652
Supplemental Disclosure of Cash Flow Information		
Interest paid	$ 6,313,388	$ 7,041,873
Supplemental Disclosure of Noncash Activities		
Capital lease obligation incurred for property and equipment	$ 143,054	$ 355,336
Write off of deferred financing costs and original issue discount	$ 2,060,948	$ 690,526

See notes to consolidated financial statements

1. Organization

Springpoint Senior Living, Inc. ("SSL") is a not-for-profit organization located in Wall, New Jersey. SSL provides administrative, financial and support services to its affiliated organizations.

Springpoint Senior Living, Inc. and Affiliates (the "Company") consists of SSL, and the following affiliates which are controlled through common board membership. All members of the Company described below are not-for-profit corporations, except as otherwise noted.

Continuing Care Retirement Communities:

Springpoint at Monroe Village, Inc. ("Monroe")
Springpoint at Meadow Lakes, Inc. ("Meadow Lakes")
Springpoint at Crestwood, Inc. ("Crestwood")
Springpoint at Montgomery, Inc. ("Montgomery")
Springpoint at The Atrium, Inc. ("The Atrium")
Marcus L. Ward Home ("Winchester Gardens")

Non-Facility Based:

Springpoint Foundation (the "Foundation")
Springpoint at Haddonfield, Inc.
Springpoint of Northern New Jersey, Inc. (a dormant company)
Springpoint at Stony Brook, Inc.
Springpoint at Watchung Ridge, Inc.
Springpoint at Waterford Glen, Inc.
Senior Living Institute, Inc.
Integrated Management Services, Inc.
Springpoint Realty, Inc.
Springpoint of Eastern, Inc.
Springpoint at Red Bank, Inc.
Senior Net, Inc.
Springpoint at Home, Inc. ("Springpoint at Home")
Presbyterian Home at Wall, Inc.
Presbyterian Home of Plainfield, Inc.
Springpoint at Denville, Inc.
Springpoint at Half Acre Road, Inc.

Non-Facility Based For Profit:

Princeton Senior Living, LLC ("PSL")
Affordable Housing Solutions, Inc. ("AHS")
Plainfield Tower Solutions, Inc. ("PTS")
Senior Living Solar, Inc. ("SLS")
Manchester Housing Solutions, Inc. ("MHS")

The following affiliates are controlled by SSL's ability to appoint board members:

Affordable Housing Communities:

The Presbyterian Home at Galloway, Inc. ("Countryside Meadow")
The Presbyterian Home at Franklin ("Franklin'')
The Presbyterian Home at Atlantic Highlands, Inc. ("Portland Pointe")
Middlesex Borough Senior Citizens Housing Corporation ("Watchung Terrace")
The Presbyterian Home at Howell, Inc. ("Crossroads'')
The Presbyterian Home at Stafford, Inc. ("Stafford by the Bay")
The Presbyterian Home at East Windsor, Inc. ("Wheaton Pointe")
The Presbyterian Home at West Windsor, Inc. ("The Gables'')
The Presbyterian Home at Dover, Inc. ("The Oaks")
The Presbyterian Home at Manchester, Inc. ("Manchester Pines ")

Principles of Consolidation

The consolidated financial statements include the accounts of all of the entities listed in the organization section of this note. All intercompany balances and transactions have been eliminated in consolidation.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated 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 Company considers all highly liquid financial instruments with a maturity of three months or less at date of purchase to be cash equivalents, except for those classified as investments and assets whose use is limited.

Investments and Investment Risk

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheet. Investment income (including realized and unrealized gains and losses on investments, interest, and dividends) is included in revenues and other support less than expenses unless the income or loss is restricted by donor or law. Interest income is measured as earned on the accrual basis. Dividends are measured based on the ex-dividend date. Purchases and sales of securities and realized gains and losses are recorded on a trade-date basis.

The Company's investments are comprised of a variety of financial instruments and are managed by investment advisors. The fair values reported in the consolidated balance sheet are subject to various risks including changes in the equity markets, the interest rate environment, and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported in the accompanying consolidated financial statements could change materially in the near term.

Alternative investments (nontraditional, not readily marketable asset classes) within the investments and assets whose use is limited are structured such that the Company holds limited partnership interests and other forms of ownership that are stated at fair value as estimated in an unquoted market. Individual investment holdings may, in turn, include investments in both nonmarketable and market-traded securities. Valuation of the non-marketable securities is determined by the investment manager. Generally, the fair value of the Company's holdings reflect net contributions to the investee and an ownership share of realized and unrealized investment income and expenses. The investments may indirectly expose the Company to securities lending, short sales and trading in futures and forward contract options, and other derivative products. The Company's risk is limited to its carrying value. Amounts can be divested only at specified times (e.g., semiannually). The financial statements of the investees are audited annually by independent auditors.

Assets Whose Use is Limited

Assets whose use is limited are recorded at fair value which is determined by reference to quoted market prices. Assets whose use is limited consist of funds held under bond indenture agreements, U.S. Department of Housing and Urban Development ("HUD") agreements, residents' deposits, and other limited uses (see Note 5).

Accounts Receivable

The Company establishes an allowance for uncollectible accounts to reduce its receivables to net realizable value. The allowances are estimated by management based on general factors such as payor mix, aging of the receivables, and historical collection experience. Accounts are written off through bad debt expense when the Company has exhausted all collection efforts and accounts are deemed uncollectible.

Other Investments

Other investments are included in deferred costs and other assets, net on the consolidated balance sheet and consist of the following at December 31:

	2015	2014
PTS investment in Plainfield Senior Citizens Housing, LP ("PSCH"). PSCH's primary purpose is to operate an affordable senior housing community in New Jersey. PTS's investment constitutes an equity interest in PSCH of .01%, and is accounted for using the cost method of accounting.	$ 578,226	$ 578,226
AHS investment in Butler Senior Citizens Housing, LP ("BSCH"). BSCH's primary purpose is to operate an affordable senior housing community in New Jersey. AHS's investment constitutes an equity interest in BSCH of .01%, and is accounted for using the cost method of accounting.	195,044	195,044
AHS investment in Wall Senior Citizens Housing, LP ("WSCH"). WSCH's primary purpose is to operate an affordable senior housing community in New Jersey. AHS's investment constitutes an equity interest in WSCH of .01%, and is accounted for using the cost method of accounting.	168,487	168,487
AHS investment in Ramsey Senior Citizens Housing, LP ("RSCH"). RSCH's primary purpose is to operate an affordable senior housing community in New Jersey. AHS's investment constitutes an equity interest in RSCH of .01%, and is accounted for using the cost method of accounting.	405,536	405,536
AHS investment in Howell Senior Citizens Housing, LP ("HSCH"). HSCH's primary purpose is to operate an affordable senior housing community in New Jersey. AHS's investment constitutes an equity interest in HSCH of .01%, and is accounted for using the cost method of accounting.	355,200	355,200

	2015	2014
AHS investment in Mount Holly Senior Citizens Housing, LP (“MHSCH”). MHSCH’s primary purpose is to operate an affordable senior housing community in New Jersey. AHS’s investment constitutes an equity interest in MHSCH of .01%, and is accounted for using the cost method of accounting.	$ 1,178,778	$ 1,026,808
AHS investment in Asbury Senior Citizens Housing, LP (“ASCH”). ASCH’s primary purpose is to operate an affordable senior housing community in New Jersey. AHS’s investment constitutes an equity interest in ASCH of .01%, and is accounted for using the cost method of accounting.	100	100
Other investments	$ 2,881,371	$ 2,729,401

Residents’ Deposits

Residents’ deposits consist of security deposits and other refundable deposits. Security deposits are refundable according to the terms of the specific deposit agreement. Deposits held for those who have entered into a residency agreement are refundable prior to establishing occupancy. When residency is established, deposited amounts are applied to the remaining entrance fee payment which is payable upon occupancy.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets or the term of the related lease.

Rental Property

Rental property which is included in property and equipment is carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Goodwill

The Company evaluates goodwill for impairment on an annual basis. There was no impairment loss recognized in 2015 and 2014. Goodwill represents amounts recorded upon the transfer of membership of Winchester Gardens and Monroe at the dates of acquisition. Goodwill also includes amounts recorded upon the purchase of a home care agency by Springpoint at Home.

Deferred Costs

Included in deferred costs are deferred financing costs, project development costs, costs of acquiring initial continuing care contracts, project acquisition costs, capitalized marketing costs, costs associated with a non-compete agreement and purchased licenses.

Deferred financing costs represent costs incurred to obtain financing (see Note 9). Amortization of these costs is provided on the straight-line method, which approximates the effective interest method. At December 31, 2015 and 2014, deferred financing costs, net of accumulated amortization, were $ 1,905,573 and $2,750,439, respectively. Accumulated amortization at December 31, 2015 and 2014 is $204,307 and $1,548,967, respectively.

The unamortized balance of deferred financing costs related to long-term debt that was refunded with the proceeds from the Series 2015 Bonds for the Obligated Group, The Atrium and Montgomery was written off during 2015 in conjunction with the refunding transaction. These unamortized costs were $2,060,948 and are reported as part of the loss on refinancing in the 2015 consolidated statement of operations and changes in net deficit.

The project acquisition costs represent expenses associated with acquiring new properties. Acquisition costs are related to Atrium, Winchester Gardens, Springpoint at Home and Springpoint at Denville, Inc. These costs were capitalized and are being amortized using the straight-line method. At December 31, 2015 and 2014, the project acquisition costs, net of accumulated amortization, were $724,685 and $529,539, respectively. Accumulated amortization at December 31, 2015 and 2014 was $402,861 and $308,472, respectively.

Capitalized marketing costs represent direct marketing costs incurred to market new Independent Living units and other related costs that will provide a future economic benefit. These costs were capitalized through the date of substantial occupancy and are being amortized using the straight-line method based on the expected remaining lives of the initial residents. At December 31, 2015 and 2014, the costs of acquiring initial continuing care contracts, net of accumulated amortization, were $408,804 and $500,605, respectively. Accumulated amortization at December 31, 2015 and 2014 was $438,286 and $346,486, respectively.

Costs associated with a non-compete agreement were incurred by Springpoint at Home in connection with the purchase of a home care agency. These costs were capitalized and are being amortized using the straight-line method over the life of the agreement. At December 31, 2015, the costs associated with the non-compete agreement, net of accumulated amortization, were $19,056. Accumulated amortization at December 31, 2015 was $6,944.

Also included in deferred costs as of December 31, 2015 and 2014 is $695,700 and $497,900, respectively, of purchased licenses to operate fifty nursing home beds that are determined to have an indefinite useful life. The assets are not amortized, but instead tested for impairment at least annually in accordance with the authoritative guidance which also requires that intangible assets with estimated useful lives be amortized over their respective estimated useful lives to their estimated residual values.

Split-Interest Agreements

The Foundation has been designated as the remainderman under several charitable remainder trust agreements. In accordance with the trust agreements, the Foundation pays the designated beneficiaries a specified percentage of the income earned on the trust assets or a predetermined annual annuity amount. Upon the death of the beneficiaries, the trust assets are transferred to the Foundation.

The Foundation recognizes contribution revenue at the time an irrevocable charitable remainder trust is created in the amount of the excess of the fair value of the trust assets received over the liability for the present value of the estimated future payments to beneficiaries using a discount rate of 6%.

Beneficial Interest in Perpetual Trusts

The Foundation has been designated the beneficiary under several perpetual trusts. A perpetual trust is held by a third-party and is an arrangement in which the donor establishes and funds a trust to exist in perpetuity that is administered by an individual or organization other than the beneficiary. The Foundation has the irrevocable right to receive the income earned on the trust's assets but will never receive the assets themselves. The Foundation recognizes contribution revenue at the time an irrevocable trust is created at the fair value of the trust's assets, which approximates the discounted present value of cash flows from the beneficial interest. The contribution revenue is classified as permanently restricted. The Foundation revalues its interest in the perpetual trusts annually and reports any gains or losses as changes to the value of the trusts in the consolidated statement of operations and changes in net assets as changes in permanently restricted net assets.

Deferred Revenue from Entrance Fees

Residents at Meadow Lakes, Monroe, Crestwood, The Atrium, Montgomery and Winchester Gardens are required to pay a fee to obtain a nontransferable right to lifetime occupancy at one of the retirement communities. Residents entered into different types of continuing care contracts depending on their move-in date and the facility they reside in. Under the terms of the various contracts, entrance fees may be nonrefundable or partially refundable. Nonrefundable entrance fees are recorded as deferred revenue upon receipt and amortized to income using the straight-line method over the estimated remaining life expectancy of the resident, adjusted at the beginning of each year. Refundable entrance fees are classified as a liability on the balance sheet.

Gross contractual refund obligations at December 31, 2015 were $262,682,642. The refundable entrance fees and deferred revenue from entrance fees reported on the consolidated balance sheet totaling $296,788,790, is impacted by the portion of the entrance fee earned through amortization and amounts used by those residents under refundable contracts in a higher level of care.

Obligation to Provide Future Services

Montgomery and The Atrium calculate the present value of the net cost of future service and use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from entrance fees. If the present value of the net obligation to provide future service and use of facilities (discounted at 5%) exceeds the deferred revenue from entrance fees, a liability is recorded with the corresponding charge to income. This calculation is performed annually. At December 31, 2015 and 2014, deferred revenue from entrance fees exceeded the calculation of the present value of the net cost of future services for Montgomery and The Atrium. Therefore, an additional liability for an obligation to provide future services and use of facilities is not required.

Derivative Financial Instruments

The Springpoint Senior Living Obligated Group (the "Obligated Group") consists of SSL, Crestwood, Meadow Lakes, Monroe, and the Foundation. The Obligated Group entered into interest rate swap agreements, which are considered derivative financial instruments, to manage interest rate risk on their long-term debt.

The Atrium, Montgomery and Winchester Gardens also entered into interest rate swap agreements, which are considered derivative financial instruments, to manage its interest rate risk on its long-term debt.

The interest rate swap agreements are reported at fair value in the accompanying consolidated balance sheet and related changes in fair value are reported in the consolidated statement of operations and changes in net assets as a change in fair value of derivative financial instruments. The liability for the fair value of the interest rate swap agreements is $3,815,387 and $4,133,124 at December 31, 2015 and 2014, respectively.

Third-Party Payor Settlements

Revenue under third-party payor agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party payor settlements are recorded in the period the related services are rendered. Differences between the estimated amounts accrued and interim and final settlements are reported in the consolidated statement of operations and changes in net assets in the year of the settlement. No material amounts related to prior year settlements were recorded during 2015 or 2014.

Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of operations as net assets released from restrictions.

Classification of Net Assets

The Company separately accounts for and reports donor restricted and unrestricted net assets. Unrestricted net assets are not externally restricted for identified purposes by donors or grantors. Unrestricted net assets include resources that the board of trustees may use for any designated purpose and resources whose use is limited by agreement between the Company and an outside party other than the donor or grantor.

Temporarily restricted net assets are those whose use by the Company has been limited by donors to a specific period or purpose. When donor restrictions expire, that is, when a time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are recorded as net assets released from restrictions. Temporarily restricted net assets relate to split-interest agreements, which have a time restriction, funds raised for capital projects, and residents' charity care assistance.

Permanently restricted net assets are those whose use is permanently limited by the donor and are to be held in perpetuity. Earnings on permanently restricted net assets which are limited to be expended for specific purposes are included in temporarily restricted net assets. Earnings without such restrictions are included in unrestricted net assets. The change in fair value of the beneficial interest in perpetual trusts held by third parties is included in the change in permanently restricted net assets.

Revenue from Residential and Healthcare Facilities

The Company provides care to residents under the Medicare and Medicaid programs. Revenue from the Medicare and Medicaid programs accounted for approximately 13% of the revenue from residential and healthcare facilities for the years ended December 31, 2015 and 2014. Future changes in the Medicare and Medicaid programs and any reduction of funding could have an adverse impact on the Company. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result there is at least a reasonable possibility that recorded estimates will change by a material amount in the near future. The Company believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing.

Contributions

Contributions are recorded by the Company at net realizable value at the time an unconditional promise to give is made. Gifts of long-lived assets are recorded at the fair value of the assets at the time the gift is made. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets.

Performance Indicator

The consolidated statement of operations and changes in net assets includes revenues and other support less than expenses as the performance indicator. Changes in unrestricted net assets which are excluded from revenues and other support less than expenses, consistent with industry practice, include contributions of long-lived assets; change in future service obligations and pension liability adjustment.

Malpractice

The Company maintains professional liability coverage through a commercial insurance carrier on a claims-made basis.

Income Taxes

The member entities of the Company, except for PSL, PTS, AHS, MHS and SLS, are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxes on their exempt income under Section 501(a) of the Internal Revenue Code. The provision for income taxes for PSL, PTS, AHS, MHS and SLS is not material to the Company. The member entities are also exempt from state and local income taxes under similar statutes.

The Company accounts for uncertainty in income taxes using a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold is met. Management determined there were no tax uncertainties that met the recognition threshold in 2015 and 2014.

The Company's federal Exempt Organization Business Income Tax Returns for the years ended December 31, 2014, 2013, and 2012 remain subject to examination by the Internal Revenue Service.

Subsequent Events

The Company evaluated subsequent events for recognition or disclosure through May 20, 2016, the date the consolidated financial statements were issued.

Reclassifications

Certain amounts relating to 2014 have been reclassified to conform to the 2015 reporting format.

3. New Accounting Standards

Revenue Recognition

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). ASU No. 2014-09 supersedes the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry-specific guidance. Under the requirements of ASU No. 2014-09, the core principle is that entities should recognize revenue to depict the transfer of promised goods or services to customers (patients) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company will be required to retrospectively adopt the guidance in ASU No. 2014-09 for years beginning after December 15, 2017; early application is permitted for years beginning after December 15, 2016. The Company has not yet determined the impact of adoption of ASU No. 2014-09 on its financial statements.

Lease Accounting

In February 2016, FASB issued ASU No. 2016-02, Leases (Topic 842). ASU No. 2016-02 was issued to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Under the provisions of ASU No. 2016-02, a lessee is required to recognize a right-to-use asset and lease liability, initially measured at the present value of the lease payments, in the balance sheet. In addition, lessees are required to provide qualitative and quantitative disclosures that enable users to understand more about the nature of the entity's leasing activities. The Company will be required to retrospectively adopt the guidance in ASU No. 2016-02 for years beginning after December 15, 2018. The Company has not yet determined the impact of adoption of ASU No. 2016-02 on its financial statements.

Debt Issuance Costs

In April 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-03, Interest-Imputation of Interest (Subtopic 835-30). ASU No. 2015-03 was issued to simplify the presentation of debt issuance costs presented in the balance sheet. Under ASU No. 2015-03, debt issuance costs will be required to be reported as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. In addition, ASU No. 2015-03 clarified that the amortization of debt issuance costs should be reported as interest expense in the statement of operations. The Company will be required to retrospectively adopt the guidance in ASU No. 2015-03 for years beginning after December 15, 2015; early application is permitted. ASU No. 2015-03 is not expected to have a material impact on the Company's financial statements.

4. Investments

The classification and composition of the Company's investments is set forth in the following table:

	2015	2014
Cash and cash equivalents	$ 8,955,855	$ 3,464,032
Alternative investments-limited partnerships	2,563,632	7,917,848
Commingled funds	19,998,193	19,963,143
Common stock	7,282,056	7,851,971
Corporate bonds	15,253,198	14,522,363
Fixed income mutual funds	6,521,218	8,113,618
Equity mutual funds	17,829,377	15,059,300
Total	$ 78,403,529	$ 76,892,275

5. Assets Whose Use Is Limited

The classification and composition of the Company's assets whose use is limited is set forth in the following table:

	2015	2014
Cash and cash equivalents	$ 13,453,639	$ 29,055,711
Alternative investments-limited partnerships	586,430	861,298
Fixed income mutual funds	1,888,774	1,720,913
Equity mutual funds	5,241,386	2,978,691
Corporate bonds	4,521,162	3,258,843
Common stock	1,973,122	1,251,905
Commingled funds	5,623,883	3,514,869
Total	33,288,396	42,642,230
Less current portion	1,004,455	1,201,853
Assets whose use is limited, non-current	$ 32,283,941	$ 41,440,377

Assets whose use is limited are held for the following purposes:

	2015	2014
Bond indenture agreements	$ 5,373,104	$ 18,347,092
Liquid reserve	14,293,569	11,013,774
HUD reserve funds	5,054,101	4,797,919
Residents' Assistance Fund	579,855	608,358
Residents' deposits	963,368	1,081,513
Other donor restricted funds	5,957,956	5,618,176
Deferred SERP compensation	825,423	701,339
Construction fund escrow	241,020	474,059
Total	$ 33,288,396	$ 42,642,230

6. Fair Value of Financial Instruments

The Company measures its investments, investments held under split-interest agreements, investments held by others under split-interest agreements, beneficial interest in perpetual trusts, and assets whose use is limited at fair value on a recurring basis in accordance with accounting principles generally accepted in the United States of America. Fair value is defined as 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. The framework that the authoritative guidance establishes for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

The levels of the fair value hierarchy are as follows:

Level 1 - Fair value is based on unadjusted quoted prices in active markets that are accessible to the Company for identical assets. These generally provide the most reliable evidence and are used to measure fair value whenever available.

Level 2 - Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the asset through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets, quoted market prices in markets that are not active for identical or similar assets, and other observable inputs.

Level 3 - Fair value would be based on significant unobservable inputs. Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows, and other similar techniques.

The financial instruments listed below were measured using the following inputs at December 31, 2015 and 2014:

	2015				
	Carrying Value	**Fair Value**	**Quoted Prices in Active Markets (Level 1)**	**Other Observable Inputs (Level 2)**	**Unobservable Inputs (Level 3)**
Reported at Fair Value					
Assets:					
Cash and cash equivalents	$ 22,409,494	$ 22,409,494	$ 22,409,494	$ -	$ -
Common stock	9,255,178	9,255,178	9,255,178	-	-
Equity mutual funds:					
Managed Vol. Fund	134,953	134,953	134,953	-	-
All cap	6,715,697	6,715,697	6,715,697	-	-
International	4,263,215	4,263,215	4,263,215	-	-
Large cap	100,620	100,620	100,620	-	-
Small cap	23,167	23,167	23,167	-	-
Real return	11,833,111	11,833,111	11,833,111	-	-
Fixed income mutual funds, Core	8,409,992	8,409,992	8,409,992	-	-
Corporate bonds, investment grade	19,774,360	19,774,360	-	19,774,360	-
Commingled equity funds	9,765,038	9,765,038	-	9,765,038	-
Commingled fixed income funds	15,857,038	15,857,038	-	15,857,038	-
Alternative investment-limited partnerships	3,150,062	3,150,062	-	-	3,150,062
Investments held under split-interest agreements	5,148,849	5,148,849	-	5,148,849	-
Investments held by others under split-interest agreements	895,053	895,053	-	-	895,053
Beneficial interest in perpetual trusts	3,020,082	3,020,082	-	-	3,020,082
Total	$ 120,755,909	$ 120,755,909	$ 63,145,427	$ 50,545,285	$ 7,065,197
Liabilities,					
Derivative financial instruments	$ 3,815,387	$ 3,815,387	$ -	$ 3,815,387	$ -

	2015				
	Carrying Value	**Fair Value**	**Quoted Prices in Active Markets (Level 1)**	**Other Observable Inputs (Level 2)**	**Unobservable Inputs (Level 3)**
Disclosed at Fair Value					
Cash and cash equivalents	$ 37,457,500	$ 37,457,500	$ 37,457,500	$ -	$ -
Liability for split-interest and deferred gift agreements	$ 3,623,713	$ 3,623,713	$ -	$ -	$ 3,623,713
Long term debt:					
Series 2014 Bonds (Winchester Gardens)	29,869,000	29,869,000	-	-	29,869,000
Series 2015 Bonds - Tax Exempt (Obligated Group)	30,945,000	30,945,000	-	-	30,945,000
Series 2015 Bonds - Taxable (Obligated Group)	42,555,000	42,555,000	-	-	42,555,000
Series 2015 Bonds - Tax Exempt (Montgomery)	50,085,000	50,085,000	-	-	50,085,000
Series 2015 A Tax Exempt Bonds (The Atrium)	19,929,000	19,929,000	-	-	19,929,000
Series 2015 B Tax Exempt Bonds (The Atrium)	2,946,050	2,946,050	-	-	2,946,050
Series 2015 C Taxable Bonds (The Atrium)	1,302,000	1,302,000	-	-	1,302,000
Bank loan	2,043,425	2,043,425	-	2,043,425	-
Loans payable	2,336,140	2,336,140	-	-	2,336,140
Construction line of credit	5,027,473	5,027,473	-	-	5,027,473

	2014				
	Carrying Value	Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Reported at Fair Value					
Assets:					
Cash and cash equivalents	$ 32,518,753	$ 32,518,753	$ 32,518,753	$ -	$ -
Common stock	9,103,877	9,103,877	9,103,877	-	-
Equity mutual funds:					
Managed Vol. Fund	73,899	73,899	73,899	-	-
All cap	6,934,903	6,934,903	6,934,903	-	-
International	5,036,743	5,036,743	5,036,743	-	-
Large cap	99,631	99,631	99,631	-	-
Small cap	24,082	24,082	24,082	-	-
Real Return	5,869,733	5,869,733	5,869,733	-	-
Fixed income mutual funds, Core	9,834,531	9,834,531	9,834,531	-	-
Corporate bonds, investment grade	17,781,206	17,781,206	-	17,781,206	-
Commingled equity funds	8,969,362	8,969,362	-	8,969,362	-
Commingled fixed income funds	14,508,639	14,508,639	-	14,508,639	-
Alternative investment-limited partnerships	8,779,146	8,779,146	-	-	8,779,146
Investments held under split-interest agreements	5,680,640	5,680,640	-	5,680,640	-
Investments held by others under split-interest agreements	942,882	942,882	-	-	942,882
Beneficial interest in perpetual trusts	3,167,564	3,167,564	-	-	3,167,564
Total	$ 129,325,591	$ 129,325,591	$ 69,496,152	$ 46,939,847	$ 12,889,592
Liabilities,					
Derivative financial instruments	$ 4,133,124	$ 4,133,124	$ -	$ 4,133,124	$ -
Disclosed at Fair Value					
Cash and cash equivalents	$ 38,575,652	$ 38,575,652	$ 38,575,652	$ -	$ -
Liability for split-interest and deferred gift agreements	$ 4,526,918	$ 4,526,918	$ -	$ -	$ 4,526,918
Long term debt:					
Series 1998A Bonds	8,452,636	8,456,451	-	8,456,451	-
Series 2010 Bonds	27,127,200	27,127,200	-	-	27,127,200
Series 2011 Bonds	20,000,000	20,000,000	-	-	20,000,000
Series 2012 Bonds	50,030,000	50,030,000	-	-	50,030,000
Series 2013 Bonds	40,150,000	40,150,000	-	-	40,150,000
Series 2014 Bonds	31,165,000	31,165,000	-	-	31,165,000
Loans payable	2,336,140	2,336,140	-	-	2,336,140
Construction line of credit	10,562,418	10,562,418	-	-	10,562,418

The assets are included on the consolidated balance sheet at December 31, 2015 and 2014 as follows:

	2015	2014
Current portion of assets whose use is limited	$ 1,004,455	$ 1,201,853
Investments	78,403,529	76,892,275
Assets whose use is limited	32,283,941	41,440,377
Investments held under split-interest agreements	5,148,849	5,680,640
Investments held by others under split-interest agreements	895,053	942,882
Beneficial interest in perpetual trusts	3,020,082	3,167,564
Ending balance	$ 120,755,909	$ 129,325,591

The alternative investments are valued using unobservable inputs (Level 3) in accordance with the authoritative guidance on fair value measurements. Changes to the alternative investments in 2015 and 2014 are as follows:

	2015	2014
Beginning balance	$ 8,779,146	$ 8,222,128
Sales	(5,772,932)	(1,369,697)
Purchases	-	1,000,000
Unrealized gain	1,867,541	424,692
Realized gain (loss)	(1,723,693)	502,023
Ending balance	$ 3,150,062	$ 8,779,146

The following information related to the alternative investments discusses the nature and risk of the investments and whether they have redemption restrictions as of December 31, 2015.

	Fair Value	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Limited partnerships - offshore (a)	$ 1,661,824	Monthly	65 days
Limited partnerships - equity (b)	1,488,238	None	N/A
Total	$ 3,150,062		

The following information related to the alternative investments discusses the nature and risk of the investments and whether they have redemption restrictions as of December 31, 2014.

	Fair Value	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Limited partnerships - offshore (a)	$ 5,429,245	Monthly	65 days
Limited partnerships - real estate (b)	1,658,787	Monthly	65 days
Limited partnerships - equity (c)	1,691,114	None	N/A
Total	$ 8,779,146		

(a) The Principal purpose of the funds is to invest in multi manager, multi strategy “fund of funds” formed to invest predominately in limited partnerships and common stock. The objective is to generate risk adjusted absolute returns with low correlation to broad equity and fixed income markets. The fair value of the investments in this category has been estimated using net asset value per share of the investments.

(b) Seeks both current income and long-term capital appreciation through investing in underlying funds that acquire, manage, and dispose of commercial real estate properties. The Fund expects to invest its assets in open-end core underlying funds focused on properties in the US, with "core" meaning high-quality, low-leveraged, income-generating office, industrial, retail, and multi-family properties, generally fully-leased to creditworthy companies and governmental entities.

(c) The Portfolio Interests are private equity investment funds that seek capital appreciation by investing in securities of various types. Redemptions are not permitted and liquidity is available to the extent of distributable realized events.

As of December 31, 2015 and 2014, the Company has no future commitments to invest in Limited Partnerships.

The investments held by others under split-interest agreements are valued using unobservable inputs (Level 3) in accordance with the authoritative guidance on fair value measurements. Changes to investments held by others under split-interest agreements in 2015 and 2014 are as follows:

	2015	2014
Beginning balance	$ 942,882	$ 933,575
Net valuation gain (loss)	(47,829)	9,307
Ending balance	$ 895,053	$ 942,882

The beneficial interest in perpetual trusts is valued using unobservable inputs (Level 3) in accordance with the authoritative guidance on fair value measurements. Changes to the beneficial interest in perpetual trusts in 2015 and 2014 are as follows:

	2015	2014
Beginning balance	$ 3,167,564	$ 3,126,165
Investment income from beneficial interests in perpetual trusts	-	107,588
Distributions from beneficial interests in perpetual trusts	-	(107,588)
Net valuation gain (loss)	(147,482)	41,399
Ending balance	$ 3,020,082	$ 3,167,564

The carrying amounts of cash and cash equivalents approximate fair value due to the short-term nature of those instruments.

Common stock is valued using quoted market prices in active markets.

Mutual funds are valued at fair value based on quoted market prices which are considered Level 1 inputs.

Fixed income securities are valued using quoted market prices of similar securities, which are considered Level 2 inputs.

Commingled funds are valued based on the current market values of the underlying assets reported by the investment advisor using audited financial statements of the funds at year end using net asset value ("NAV") of shares held.

The following information relates to the commingled pools and discusses the nature and risk of the investments and whether they have redemption restrictions.

	December 31, 2015 Fair Value	December 31, 2014 Fair Value	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Equity funds	$ 9,765,038	$ 8,969,362	Monthly	6-15 days
Fixed income funds	15,857,038	14,508,639	Daily or Monthly	10-15 days

Equity funds' strategy is to achieve long-term growth primarily by investing in a diversified portfolio of global equity securities.

Fixed income funds' strategy is to achieve income-oriented returns from a globally diversified portfolio of primarily debt or debt-like securities.

Alternative investments are valued using unobservable inputs, which are considered Level 3 inputs and are discussed in Note 2.

The fair value of the notes receivable is not disclosed because the repayment terms on these notes are based on the timing of future events which is currently unknown making estimation of fair value impractical.

The fair value of the Series 1998A bonds and the Bank Loan approximates the carrying value as reported in the consolidated balance sheet due to current market interest rates. The fair value of the Series 2010, Series 2011A, Series 2011B, Series 2012A bonds, Series 2012B, Series 2013, Series 2014, and Series 2015 (issued on behalf of the Obligated Group, The Atrium and Montgomery) approximate carrying value, since these bonds are at a variable interest rate. It is generally not practicable to estimate the fair value of the company's mortgage payable to HUD and Affordable Housing Program loans since terms could not be duplicated in the market and estimating fair values may result in inappropriate amounts.

The Company measures its derivative financial instruments at fair value based on proprietary models of the maker of the instrument based upon estimated future cash flows and forecasted interest rate yields. This value represents the estimated amount the Company would receive or pay upon termination of the agreements, taking into consideration current interest rates.

7. Notes Receivable

Notes receivable consist of the following at December 31:

	2015	2014
Mortgage note receivable from former officer, collateralized by life insurance policies, and to be paid from receipt of life insurance proceeds, non-interest bearing	$ 860,000	$ 860,000
Mt. Holly Senior Housing, LP, fourth mortgage loan, accrues interest at 5.0% per annum, with payments made from available cash flow, and payable in full December 31, 2037	100,540	100,540
Butler Senior Citizens Housing, LP, second mortgage loan receivable, accrues interest at 4.8% per annum, payments made from available cash flow, and payable in full December 31, 2037	1,338,867	1,338,867
Howell Senior Citizens Housing, LP, second mortgage loan receivable, accrues interest at 4.8% per annum, payments made from available cash flow, and payable in full December 31, 2037	2,103,355	2,103,355
Ramsey Senior Citizens Housing, LP, second mortgage loan receivable, accrues interest at 4.8% per annum, payments made from available cash flow, and payable in full December 31, 2037	2,713,413	2,713,413
Wall Senior Citizens Housing, LP, second mortgage loan receivable, accrues interest at 4.8% per annum, payments made from available cash flow, and payable in full December 31, 2037	1,219,893	1,219,893

	2015	2014
Plainfield Senior Citizens Housing, LP, second mortgage loan receivable, accrues interest at 4.89% per annum, payments made from available cash flow, and payable in full December 31, 2038	$ 1,624,315	$ 1,624,315
Mt. Holly Senior Housing, LP, note receivable, accrues interest at 0.0% per annum, with payments made from available cash flow, and payable in full December 31, 2037	47,172	47,172
Asbury Senior Citizens Housing, LP, fourth mortgage loan receivable, accrues interest at 4.6%. Payment shall be due and payable on June 26, 2049 (the fortieth anniversary of the final certificate of occupancy for the project)	6,866,901	6,866,901
Asbury Senior Citizens Housing, LP, fourth mortgage loan receivable, accrues interest at 0.25%. Payment shall be due and payable on June 26, 2049 (the fortieth anniversary of the final certificate of occupancy for the project)	885,000	885,000
Asbury Senior Citizens Housing, LP, fourth mortgage loan receivable, accrues interest at 0.25%. Payment shall be due and payable on June 26, 2049 (the fortieth anniversary of the final certificate of occupancy for the project)	2,894,866	2,894,866
Asbury Senior Citizens Housing, LP, fourth mortgage loan receivable, accrues interest at 0.25%. Payment shall be due and payable on June 26, 2049 (the fortieth anniversary of the final certificate of occupancy for the project)	6,000,000	6,000,000
Accrued interest	5,807,242	5,132,089
Notes receivable	$ 32,461,564	$ 31,786,411

8. Property and Equipment

Property and equipment consist of the following at December 31:

	2015	2014
Land and land improvements	$ 23,952,860	$ 23,624,746
Buildings and improvements	504,115,091	493,171,911
Rental property	88,846,830	88,371,727
Furniture and fixtures	24,592,655	23,794,900
Equipment	31,202,059	27,878,447
Leasehold improvements	135,161	135,161
Total	672,844,656	656,976,892
Less accumulated depreciation	329,478,300	305,608,570
Construction in progress	9,117,302	3,476,487
Property and equipment, net	$ 352,483,658	$ 354,844,809

Equipment includes equipment held under capital lease obligations with a carrying value of $530,361 and $580,798 at December 31, 2015 and 2014, respectively.

Included in construction in progress as of December 31, 2015 and 2014 is $83,350 and $148,363, respectively, of retainage payable. Also included in construction in progress is $36,949 and $110,333 of capitalized interest as of December 31, 2015 and 2014, respectively.

Depreciation expense was $23,983,880 and $23,796,448 during 2015 and 2014, respectively. During 2015 and 2014 certain property and equipment was disposed of, reducing accumulated depreciation by $114,152 and $1,521,739, respectively.

9. Long-Term Debt

Long-term debt consists of the following at December 31:

	2015	2014
New Jersey Economic Development Authority ("NJEDA") Fixed Rate Revenue Bonds, Presbyterian Homes & Services of New Jersey 1998 Obligated Group, Series 1998A tax-exempt bonds. The bonds were fully redeemed in 2015.	$ -	$ 8,452,636

	2015	2014
NJEDA Variable Rate Revenue Bonds, Springpoint Senior Living Obligated Group, Series 2010 bank qualified tax-exempt bonds. The bonds were fully redeemed in 2015.	$ -	$ 27,127,200
Affordable Housing Program loans due October 8, 2017, February 10, 2020 and March 1, 2024, bearing no interest.	2,336,140	2,336,140
NJEDA Revenue Bonds, Series 2011A tax-exempt, issued on behalf of the The Atrium. The bonds were fully redeemed in 2015.	-	10,000,000
NJEDA Revenue Bonds, Series 2011B tax-exempt, issued on behalf of the The Atrium. The bonds were fully redeemed in 2015.	-	10,000,000
NJEDA Variable Rate Revenue Bonds, Series 2012A tax-exempt, issued on behalf of Montgomery. The bonds were fully redeemed in 2015.	-	31,245,000
NJEDA Variable Rate Revenue Bonds, Series 2012B tax-exempt, issued on behalf of Montgomery. The bonds were fully redeemed in 2015.	-	18,785,000
Variable Rate Revenue Bonds, Springpoint Senior Living Obligated Group, Series 2013 taxable bonds. The bonds were fully redeemed in 2015.	-	40,150,000
NJEDA, Series 2014 variable rate Revenue Refunding Bonds, issued on behalf of Winchester Gardens, due in varying annual installments through November 2034. The bonds have a variable rate of the sum of 1 month LIBOR plus 145 basis points x 69%. As of December 31, 2015, the rate was 1.3%.	29,869,000	31,165,000
NJEDA Variable Rate Revenue Bonds, Springpoint Senior Living Obligated Group, Series 2015 tax-exempt bonds with maturities through 2035 and interest at 65% of 1 month LIBOR plus 98.5 basis points. At December 31, 2015 the rate was 1.26%.	30,945,000	-

	2015	2014
NJEDA Variable Rate Revenue Bonds, Springpoint Senior Living Obligated Group, Series 2015 taxable bonds with maturities through 2038 and interest at 1 month LIBOR plus 150 basis points. At December 31, 2015 the rate was 1.93%.	$ 42,555,000	$ -
NJEDA Variable Rate Revenue Bonds, Series 2015 tax-exempt, issued on behalf of Montgomery, with maturities through 2037 and interest at 1 month LIBOR x 67% plus 100.5 basis points. At December 31, 2015 the rate was 1.29%.	50,085,000	-
NJEDA Variable Rate Revenue Bonds, Series 2015A tax-exempt bonds, issued on behalf of The Atrium, with maturities through 2040 and interest at the sum of 1 month LIBOR plus 200 basis points x 65%. At December 31, 2015 the rate was 1.58%.	19,929,000	-
NJEDA Variable Rate Revenue Bonds, Series 2015B tax-exempt bonds, issued on behalf of The Atrium, with maturities through 2018 and interest at the sum of 1 month LIBOR plus 165 basis points x 65%. At December 31, 2015 the rate was 1.35%.	2,946,050	-
NJEDA Variable Rate Revenue Bonds, Series 2015C taxable bonds, issued on behalf of The Atrium, with maturities through 2018 and interest at 1 month LIBOR plus 165 basis points. At December 31, 2015 the rate was 2.08%.	1,302,000	-
Bank Loan, issued on behalf of Springpoint at Home, with maturities through 2018 and interest at 4.375%.	2,043,425	-
Capital lease obligations	530,361	580,798
Total	182,540,976	179,841,774
Less:		
Current maturities	5,784,694	5,461,332
Long-term debt, net	$ 176,756,282	$ 174,380,442

On December 28, 1998, the NJEDA issued, on behalf of the Obligated Group, $29,600,000 Series 1998A Fixed Rate Revenue Bonds (“Series 1998A bonds”). The bonds were repaid during 2015 with proceeds from the Series 2015 Springpoint Obligated Group tax-exempt bonds. In connection with the refunding of the Series 1998A bonds the Obligated Group paid a prepayment premium in the amount of $539,194 which is reported as part of interest expense in the 2015 consolidated statement of operations and changes in net assets.

During 2010, the Obligated Group entered into a supplemental loan and trust agreement to provide for the issuance of parity debt and allow for such parity debt to be secured by collateral securing all other obligations of the Obligated Group. As permitted by the agreement, on December 14, 2010, the NJEDA issued, on behalf of the Obligated Group, $30,000,000 Series 2010 Variable Rate Revenue Bonds (“Series 2010 bonds”). The bonds were repaid during 2015 with proceeds from the Springpoint Senior Living Obligated Group, Series 2015 tax-exempt bonds.

The Company has entered into note agreements with banks under the Affordable Housing Program (“AHP”) of the Federal Home Loan Bank of New York whereby Bank of America and TD Bank advanced to the Company an amount not to exceed $778,780 each for development of Franklin, Stafford and Dover. The notes are collateralized by security agreements on the real estate owned by the Company. The notes bear no interest and are not required to be repaid so long as the housing remains available to eligible very low-income elderly persons or very low-income persons for a period of 15 years in accordance with federal regulations which govern the operations of AHP. The maturity dates of the notes are October 8, 2017, February 10, 2020 and March 1, 2024 for Franklin, Stafford and Dover, respectively. If the Company defaults on the notes, interest will be payable at a default rate of interest and shall be due on demand.

On December 9, 2011, the NJEDA issued on behalf of The Atrium, $20,000,000 Variable Rate Revenue Bonds (the “Series 2011 bonds”), which consist of $10,000,000 Series 2011A and $10,000,000 Series 2011B. The bonds were repaid during 2015 with proceeds from the Series 2015 bonds, issued on behalf of The Atrium.

On November 1, 2012, the NJEDA issued on behalf of Montgomery, $52,735,000 Variable Rate Revenue Bonds (the “Series 2012 bonds”), which consist of $32,735,000 Series 2012A and $20,000,000 Series 2012B. The bonds were repaid during 2015 with proceeds from the Series 2015 bonds, issued on behalf of Montgomery.

On July 25, 2013, the Obligated Group entered into a supplemental loan and trust agreement to issue the Series 2013 bonds for the purpose of refinancing existing bonds. As permitted by the agreement, the $40,150,000 Series 2013 Variable Rate Revenue Bonds were issued. (“Series 2013 bonds”). The bonds were repaid during 2015 with proceeds from the Springpoint Senior Living Obligated Group, Series 2015 taxable bonds.

On November 1, 2014, the NJEDA issued on behalf of Winchester Gardens, $31,285,000 Series 2014 bonds (“Series 2014 bonds”). Proceeds from the Series 2014 bonds were used to refund the 2004A Bonds and the 2004B Bonds and pay certain costs incurred in connection with the issuance of the Series 2014 Bonds. The Series 2014 bonds are collateralized by substantially all property and equipment of Winchester Gardens and a pledge of gross receipts.

On December 1, 2015, the NJEDA issued, on behalf of the Obligated Group, $30,945,000 Variable Rate Revenue Bonds ("Obligated Group Series 2015 tax-exempt bonds"). The proceeds from the Obligated Group Series 2015 tax-exempt bonds were allocated to each member of the Obligated Group based on their direct use of the proceeds. The total proceeds were used to refund the Series 1998A bonds, refund the Series 2010 bonds, and pay certain costs incurred in connection with the issuance of the Obligated Group Series 2015 tax-exempt bonds. The Obligated Group Series 2015 tax-exempt bonds are collateralized by substantially all property and equipment of the Obligated Group and a pledge of gross receipts. All members of the Obligated Group are jointly and severally liable for all outstanding obligations with respect to the Obligated Group 2015 tax-exempt bonds.

On December 1, 2015, the NJEDA issued, on behalf of the Obligated Group, $42,555,000 Variable Rate Revenue Bonds ("Obligated Group Series 2015 taxable bonds"). The proceeds from the Obligated Group Series 2015 taxable bonds were allocated to each member of the Obligated Group based on their direct use of the proceeds. The total proceeds were used to refund the Series 2013 bonds and pay certain costs incurred in connection with the issuance of the Obligated Group Series 2015 taxable bonds. The Obligated Group Series 2015 taxable bonds are collateralized by substantially all property and equipment of the Obligated Group and a pledge of gross receipts. All members of the Obligated Group are jointly and severally liable for all outstanding obligations with respect to the Obligated Group Series 2015 taxable bonds.

On December 1, 2015, the NJEDA issued on behalf of Montgomery, $50,085,000 Variable Rate Revenue Bonds (the "Montgomery Series 2015 bonds"). Proceeds from the Montgomery Series 2015 bonds were used to refund the 2012A and the 2012B Variable Rate Revenue Bonds and pay certain costs incurred in connection with the issuance of the Montgomery Series 2015 Bonds. The Montgomery Series 2015 bonds are collateralized by substantially all property and equipment of Montgomery and a pledge of gross receipts.

On June 15, 2015, the NJEDA issued on behalf of The Atrium, $26,000,000 Variable Rate Revenue Bonds (the "Atrium Series 2015 bonds"), which consist of $19,929,000 Series 2015A tax-exempt, $4,551,000 Series 2015B tax-exempt, and $1,520,000 Series 2015C taxable. Proceeds from the Series 2015 bonds were used to pay off the Construction Line (note 11); pay off a portion of a note payable to Springpoint Senior Living; and pay certain costs incurred in connection with the issuance of the Atrium Series 2015 Bonds. The Atrium Series 2015 bonds are collateralized by substantially all property and equipment, a pledge of gross receipts and all net entrance fees.

On March 13, 2015 Springpoint at Home entered into a loan agreement with a bank for a loan in the amount of $2,175,000 ("Bank Loan"). Proceeds from the Bank Loan were used to finance the acquisition of business assets.

Scheduled maturities of long-term debt are as follows:

Years ending December 31:	
2016	$ 5,784,694
2017	5,690,183
2018	8,196,524
2019	2,951,499
2020	2,980,936
Thereafter	156,937,140
Total	$ 182,540,976

10. Derivative Financial Instruments

In connection with certain bonds, the Obligated Group, The Atrium, Montgomery and Winchester Gardens have entered into interest rate swap agreements with a financial institution which are considered derivative financial instruments. The objective of these swap agreements was to minimize the risks associated with financing activities by reducing the impact of changes in the interest rates on variable rate debt. The swap agreement is a contract to exchange variable rate for fixed rate payments over the term of the swap agreement without the exchange of the underlying notional amount. The notional amount of the swap agreement is used to measure the interest to be paid or received and does not represent the amount of exposure to credit loss. Exposure to credit loss is limited to the receivable amount, if any, which may be generated as a result of the swap agreement. Management believes that losses related to credit risk are remote and that the swaps are continuing to function as intended.

Interest rate swap agreements that were in place related to the Series 2010 bonds, Series 2011 bonds, Series 2012 bonds and Series 2013 bonds were terminated in connection with the redemption of those bonds (note 9).

The net cash paid or received under the swap agreement is recognized as an adjustment to unrestricted net assets. The Obligated Group, The Atrium, Montgomery and Winchester Gardens do not utilize interest rate swap agreements or other financial instruments for trading or other speculative purposes.

Changes in fair value of the interest rate swap agreements are recorded as a change in fair value of derivative financial instruments. The change in fair value on derivative financial instruments was $(2,076,745) in 2015 and $(1,527,443) in 2014.

As of December 31, 2015, the Obligated Group had the following interest rate swaps in effect:

Notional Amount	Fixed Rate	Variable Rate	Period
$30,945,000	2.4675%	65% of 1 month LIBOR plus 98.5 basis points (1.26% at December 31, 2015)	December 2015 to December 2025
$42,555,000	3.515%	1 month LIBOR plus 150 basis points (1.93% at December 31, 2015)	December 2015 to December 2025

As of December 31, 2014, the Obligated Group had the following interest rate swaps in effect:

Notional Amount	Fixed Rate	Variable Rate	Period
$40,150,000	2.87%	USD-LIBOR (0.17% at December 31, 2014)	July 2013 to August 2018
$27,127,200	1.09%	USD-LIBOR (0.17% at December 31, 2014)	October 2013 to November 2018

The fair value of the interest rate swap agreements was $(710,376) at December 31, 2015 and $(2,528,791) at December 31, 2014 and was obtained from the financial institution.

As of December 31, 2015, the Atrium had the following interest rate swap in effect:

Notional Amount	Fixed Rate	Variable Rate	Period
$19,929,000	3.04%	Sum of USD-LIBOR plus 200 basis points x 65% (1.46% at December 31, 2015)	December 2015 to December 2030

As of December 31, 2014, the Atrium had the following interest rate swaps in effect:

Notional Amount	Fixed Rate	Variable Rate	Period
$10,000,000	1.14%	USD-LIBOR x 82% (.14% at December 31, 2014)	December 2012 to December 2016
$10,000,000	1.14%	USD-LIBOR x 82% (.14% at December 31, 2014)	December 2012 to December 2016

The fair value of the interest rate swap agreements was $(791,572) at December 31, 2015 and $(200,035) at December 31, 2014 and was obtained from the financial institution.

As of December 31, 2015, Montgomery had the following interest rate swap in effect.

Notional Amount	Fixed Rate	Variable Rate	Period
$50,085,000	2.464%	USD-LIBOR x 67% plus 100.5 basis points (1.29% at December 31, 2015)	December 2015 to December 2027

As of December 31, 2014, Montgomery had the following interest rate swaps in effect:

Notional Amount	Fixed Rate	Variable Rate	Period
$31,245,000	2.723%	USD-LIBOR x 80% plus 195 basis points (2.07% at December 31, 2014)	November 2012 to January 2018
$18,785,000	2.61%	Sum of USD-LIBOR plus 275 basis points x 69% (2.00% at December 31, 2014)	November 2012 to January 2018

The fair value of the interest rate swap agreements was $(462,367) at December 31, 2015 and $162,422 at December 31, 2014 and was obtained from the financial institution.

As of December 31, 2015, Winchester Gardens had the following interest rate swap in effect:

Notional Amount	Fixed Rate	Variable Rate	Period
$29,869,000	3.04%	USD-LIBOR x 69% plus 100 basis points (1.17% at December 31, 2015)	December 2014 to November 2029

As of December 31, 2014, Winchester Gardens had the following interest rate swap in effect:

Notional Amount	Fixed Rate	Variable Rate	Period
$31,063,000	3.04%	USD-LIBOR x 69% plus 100 basis points (1.12% at December 31, 2014)	December 2014 to November 2029

The fair value of the interest rate swap agreements was $(1,851,072) at December 31, 2015 and $(1,566,720) at December 31, 2014 and was obtained from the financial institution.

11. Construction Line of Credit

On December 9, 2011, the Atrium entered into a $25,000,000 construction line of credit ("Atrium Construction Line") with a commercial bank. The Atrium Construction Line was repaid during 2015 with proceeds from the Series 2015 bonds, issued on behalf of The Atrium.

On December 1, 2015, Montgomery entered into a $5,699,000 construction line of credit ("Montgomery Construction Line") with a commercial bank that matures December 2020. The interest rate at December 31, 2015 was 1.74%. The line was issued to provide financing for renovations to the fitness center, healthcare center and common areas, as well as pay off the balance of the previous construction line of credit. Borrowings on the Montgomery Construction Line were $967,132 and $889,825 at December 31, 2015 and 2014, respectively. The line is collateralized by substantially all property and equipment and a pledge of gross receipts.

On November 1, 2012, Montgomery entered into a $7,265,000 construction line of credit with a commercial bank. This construction line of credit was replaced by the December 1, 2015 Construction Line.

Scheduled maturities for the construction line of credit based on the entire draw down are as follows:

Years ending December 31:	
2016	$ -
2017	771,000
2018	1,602,000
2019	1,684,000
2020	1,642,000
Total	$ 5,699,000

On November 1, 2014, Winchester Gardens entered into a $12,215,000 construction line of credit ("Winchester Construction Line") with a commercial bank that matures in December 2024. The interest rate at December 31, 2015 was 1.73%. The line was issued to provide financing for renovations to the healthcare center and common areas, as well as pay certain costs related to the financing and establish a liquid reserve fund (note 15). Borrowings on the Winchester Construction Line were $3,735,157 and $2,470,000 at December 31, 2015 and 2014, respectively. The line is collateralized by substantially all property and equipment and a pledge of gross receipts.

Scheduled maturities for the construction line of credit based on the expected draw down are as follows:

Years ending December 31:	
2016	$ -
2017	124,000
2018	1,508,000
2019	1,587,000
2020	1,663,000
Thereafter	7,333,000
Total	$ 12,215,000

On June 5, 2015, Springpoint at Half Acre Road, Inc. entered into a $27,700,000 construction line of credit ("Half Acre Road Construction Line") with a commercial bank that matures in June 2045. The interest rate at December 31, 2015 was 2.10%. The line was issued to provide financing to build a new skilled nursing facility. Borrowings on the Half Acre Road Construction Line were $325,184 at December 31, 2015. The line is collateralized by substantially all property and equipment and a pledge of gross receipts.

Scheduled maturities for the construction line of credit based on the expected draw down are as follows:

Years ending December 31:	
2016	$ -
2017	-
2018	246,000
2019	510,000
2020	537,000
Thereafter	26,407,000
Total	$ 27,700,000

12. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets of $8,282,320 and $7,796,434 at December 31, 2015 and 2014, respectively, are donor restricted amounts for the benefit of residents and development of SSL affiliates.

Temporarily restricted net assets are held for the following purposes:

	2015	2014
Split-interest agreements	$ 1,748,802	$ 1,634,862
Restricted for the benefit of residents and community needs	6,533,520	6,161,572
Total	$ 8,282,320	$ 7,796,434

Permanently restricted net assets of $3,188,833 and $3,336,316 at December 31, 2015 and 2014, respectively, represent donor-restricted investments to be held in perpetuity for the benefit of the Foundation. Included in permanently restricted net assets are amounts which represent the Foundation's beneficial interest in certain perpetual trusts which are held by third-party trustees.

13. Capital Advances

The Company has entered into capital advance agreements with HUD, whereby HUD will advance the Company an amount not to exceed $81,686,800 for development of various projects. The capital advances are due to the Federal Housing Administration and are collateralized by a deed of trust on the rental property of such projects. The capital advances bear no interest and will not be required to be repaid so long as the housing remains available to eligible very low-income elderly persons or very low-income persons with disabilities for a period of 40 years in accordance with Section 202 of the National Housing Act of 1959. The maturity dates of the agreements range from September 13, 2035 to December 25, 2050.

As of December 31, 2015 and 2014, the capital advances received totaled $80,835,527, which has been reported as a noncurrent liability in the consolidated balance sheet.

14. Retirement Plans

SSL and its affiliates sponsor a 401(k) defined contribution plan (the "Plan"). Employees are eligible to participate in the Plan upon completion of one year of service and at least 1,000 hours. Employees become 100% vested in the employee contributions immediately upon their participation. The Plan provides for SSL and its affiliates to match 100% of the employee contributions not to exceed 5% of annual compensation.

On December 31, 2014 a 401(k) plan sponsored by Winchester Gardens was frozen to new participants. On January 2, 2015, eligible employees of Winchester Gardens began contributing to the Plan.

In 2005, SSL initiated a Supplemental Executive Retirement Plan ("SERP"). During 2015 and 2014, the SERP funding was approximately $123,000 and $83,000, respectively, and carried a balance of approximately $825,000 and $701,000 at December 31, 2015 and 2014, respectively.

Pension expense under the Plan and the SERP was approximately $1,403,000 and $1,803,000 for the years ended December 31, 2015 and 2014, respectively.

Additionally, Meadow Lakes has a defined benefit pension plan covering substantially all of its union employees (the "Union Plan"). Benefits under the Union Plan are based on a collective bargaining agreement. Meadow Lakes' funding policy is to contribute amounts sufficient to meet the minimum funding requirements of the Employee Retirement Income Security Act of 1974 and any additional amounts as determined by the actuary. Effective December 31, 2000, the Board of Trustees and the union, UFCW Local 152 (formerly Local 56), agreed to freeze the benefit accruals under the Union Plan. The UFCW Local 56 employees became eligible to participate in the Plan effective January 1, 2001.

The following table is a reconciliation of the beginning and ending balances of the Company's Union Plan projected benefit obligation and fair value of plan assets at December 31, 2015 and 2014:

	2015	2014
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	$ 1,035,427	$ 938,893
Interest cost	40,808	41,382
Service cost	2,061	2,309
Actuarial loss	108,036	146,896
Benefits paid	(113,776)	(94,053)
Projected benefit obligation at end of year	1,072,556	1,035,427
Change in plan assets:		
Fair value of plan assets at beginning of year	679,473	726,775
Actual return on plan assets	(6,886)	14,347
Employer contribution	32,404	32,404
Benefits paid	(113,776)	(94,053)
Fair value of plan assets at end of year	591,215	679,473
Funded status at end of year	$ (481,341)	$ (355,954)

Amounts recognized in the balance sheet at December 31:

	2015	2014
Accrued expenses	$ (481,381)	$ (355,954)

Amounts recognized in net deficit, unrestricted at December 31:

	2015	2014
Unrecognized net loss	$ 550,362	$ 459,432

A net actuarial loss of $414,946 represents the unrecognized component of net periodic pension cost at December 31, 2015.

An actuarial loss of $63,301 is expected to be recognized in net periodic pension cost in the next fiscal year.

The accumulated benefit obligation at December 31, 2015 and 2014 is $1,072,556 and $1,035,427, respectively.

The measurement date used to determine the fair value of the pension plan assets and projected benefit obligation was December 31.

The components of net periodic pension expense for 2015 and 2014 are as follows:

	2015	2014
Service cost	$ 2,061	$ 2,309
Interest cost	40,808	41,382
Expected return on plan assets	(20,494)	(21,792)
Amortization of net loss	44,486	30,172
Total	$ 66,861	$ 52,071

Weighted-average assumptions used to determine the benefit obligation at December 31, 2015 and 2014 are as follows:

	2015	2014
Discount rate	4.30 %	4.00 %
Rate of compensation increase	N/A	N/A

Weighted-average assumptions used to determine net periodic (benefit) pension cost at December 31, 2015 and 2014 are as follows:

	2015	2014
Discount rate	4.00 %	4.50 %
Expected long-term rate of return on plan assets	3.00	3.00

The expected long-term rate of return on plan assets assumption of 3.0% was selected based on the guaranteed rate of return of the group annuity contracts.

The following table for the Union Plan sets forth the actual asset allocation and target asset allocation for plan assets at December 31, 2015 and 2014:

	2015	2014	Target Asset Allocation Range
Common stock	29 %	29 %	0-15%
Unallocated insurance contract	71	71	85-100%
Total	100 %	100 %	

The Company's investment policy is designed to achieve the following long-term investment objectives:

- To maintain or exceed a target funding level of 100% of the Union Plan's liabilities, defined as the market value of the portfolio assets as a percentage of the accumulated benefit obligation including a target allocation of a conservative mix of investments, and

- To achieve a long-term rate of return of 3.00% as established by the Union Plan's actuarial consultant.

The following tables summarize instruments measured at fair value on a recurring basis for the Plan at December 31, 2015 and 2014:

	Assets at Fair Value as of December 31, 2015			
	Level 1	**Level 2**	**Level 3**	**Total**
Common stock	$ 173,411	$ -	$ -	$ 173,411
Unallocated insurance contract	-	-	417,804	417,804
Total	$ 173,411	$ -	$ 417,804	$ 591,215

	Assets as Fair Value as of December 31, 2014			
Common stock	$ 194,562	$ -	$ -	$ 194,562
Unallocated insurance contract	-	-	484,911	484,911
Total	$ 194,562	$ -	$ 484,911	$ 679,473

The following table presents the change in fair value for the unallocated insurance contract:

	Fair Value Measurements at Reporting Date Using Significant Unobservable Inputs (Level 3)	
	2015	**2014**
Balance, beginning of year	$ 484,911	$ 532,824
Additional deposits	31,767	32,404
Dividends	6,564	3,507
Change in value	7,700	10,229
Expenses	(1,866)	(1,982)
Payments	(111,272)	(92,071)
Balance, end of year	$ 417,804	$ 484,911

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2015.

Common stock is valued based on quoted prices from an active market for identical assets.

Unallocated investment contract is valued based on unobservable inputs, as observable inputs are not available, using valuation methodologies to determine fair value to include discounted cash flows and other similar techniques.

The preceding methods described above may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate, 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 benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

Years ending December 31:	
2016	$ 46,446
2017	45,004
2018	46,448
2019	45,522
2020	48,075
Thereafter	311,041
Total	$ 542,536

The Company anticipates making a contribution of $32,404 the Union Plan during 2016.

15. Commitments and Contingencies

SSL leases office space and equipment through noncancelable operating leases. The total rental expense under these leases was $561,965 and $549,436 for the years ended December 31, 2015 and 2014, respectively. The future minimum rental commitment under these noncancelable leases is as follows:

2016	$ 626,127
2017	605,835
2018	599,836
2019	427,800
2020	62,793
Total	$ 2,322,391

Meadow Lakes, Monroe, Crestwood, Montgomery, The Atrium and Winchester Gardens are regulated by the New Jersey Department of Community Affairs (“DCA”) pursuant to the Continuing Care Retirement Community Regulation and Financial Disclosures Act (the “Act”). The Act requires, among other things, that these affiliates establish and maintain a liquid reserve fund which is calculated as the greater of the following years debt service or 15% of the projected operating expenses, excluding depreciation and amortization and expenses related to private pay residents. Funds held under bond indenture agreements can be used to satisfy the requirement. The entities have complied with the requirements at December 31, 2015 and 2014.

The Foundation is obligated under a deferred compensation agreement to pay an $860,000 death benefit to a former employee. In March 2005, a $1,000,000 life insurance policy on the former employee was purchased by the Foundation. Concurrent with obtaining the life insurance policy, the Foundation acquired an annuity in the amount of $500,000 and expects that the annuity rate of return will fund a majority of the insurance premiums. Upon the former employee's death and the subsequent payment of the $1,000,000 life insurance proceeds, $500,000 will be retained by the Foundation as reimbursement of the forfeited annuity, with the remaining $500,000 being paid to the estate of the former employee to satisfy the deferred compensation agreement. The remaining death benefit of $360,000, which is not covered under the insurance policy, is recorded in other liabilities at its net present value, which is $360,000 at December 31, 2015 and 2014, respectively. In addition, upon settlement of the estate of the former employee receiving the deferred compensation identified above, a portion of the total death benefit, $360,000, is to be remitted back to the Foundation to satisfy his note to the Foundation.

Commitments under agreements for various construction projects totaled approximately $21,734,943 at December 31, 2015 and $5,996,000 at December 31, 2014.

SSL and the Foundation are Guarantors of Asbury Senior Citizens Housing, LP ("ASCH"). ASCH's primary purpose is to operate an affordable senior housing community in New Jersey. As Guarantors, they guarantee compliance of the General Partner, Affordable Housing Solutions ("AHS"), with respect to Operating Deficit Contributions, Credit Adjuster Advances, and the purchase of limited partner interest as defined in the Partnership Agreement. This guarantee is limited to $1.7 million. The Limited Partner determines if the Debt Service Coverage ratio test has been met causing the guarantee to expire. If Asbury Senior Citizens Housing, LP does not meet the ratio defined in the partnership agreement for Achievement of Debt Service Coverage for the final three consecutive months of the guarantee period, the guarantee shall be automatically extended until Achievement of Debt Service Coverage ratio has been achieved for three consecutive months. Additionally, a guarantee of commercial space income has been provided for $60,068 annually. This guarantee will expire when the Compliance Period has ended as defined in the Partnership Agreement.

SSL and the Foundation are Guarantors of Robert Noble Manor, LP ("RNM"). RNM's primary purpose is to operate an affordable senior housing community in New Jersey. As Guarantors, they guarantee compliance of the General Partner (Robert Noble Manor, LLC) and South Amboy Renaissance Corporation, with respect to achievement of Stabilized Operations, repurchase, recapture, tax credit adjusters, operating deficits, resizing of any of the permanent financing, and certain representations and warranties. This guarantee is projected to expire in 2016.

SSL is the Guarantor of Butler Senior Citizens Housing, LP ("BSCH"), Wall Senior Citizens Housing, LP ("WSCH"), Ramsey Senior Citizens Housing, LP ("RSCH"), Howell Senior Citizens Housing, LP ("HSCH"), and Mount Holly Senior Citizens Housing, LP ("MHSCH"). The primary purpose of each of these entities is to operate affordable senior housing communities in New Jersey. SSL guarantees compliance of the General Partner, AHS, with respect to Operating Deficit Contributions, Credit Adjuster Advances, and the purchase of limited partner interest as defined in each Partnership Agreement.

The senior living services industry is subject to numerous laws, regulations, and administrative directives of federal, state, and local governments and agencies. Compliance with these laws, regulations, and administrative directives is subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. Government activity has continued to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for resident services previously billed. Management is not aware of any material incidents of noncompliance.

Nursing services provided to Medicaid program beneficiaries are paid at prospectively determined rates per day. The rates are determined using state-wide nursing facility cost information and Montgomery's cost information from a prior year. The reimbursement methodology is subject to various limitations and adjustments.

Prior to July 1, 2014, nursing services provided to Medicaid program beneficiaries were paid at prospectively determined rates per day ("Case Mix Rates"). These Case Mix Rates varied according to a resident classification system that was based on clinical, diagnostic, and other factors and the reimbursement methodology was subject to various limitations and adjustments. Effective July 1, 2014, the State of New Jersey (the "State") changed the Medicaid reimbursement system for nursing facilities to a managed care reimbursement model. Under this new model, the State provides funding to managed care organizations ("MCOs") to coordinate all healthcare services, including long-term care services, for Medicaid beneficiaries. In turn, the MCOs will reimburse nursing facilities for services rendered. The reimbursement received by the nursing facilities is negotiated between the MCOs and the nursing facilities. For the period July 1, 2014 through June 30, 2015, the Case Mix Rates in effect on June 30, 2014 are the minimum amounts that will be received by nursing facilities for services rendered. The possible future financial effects of this matter on SSL are not presently determinable.

SSL actively engages in evaluating new business opportunities as they present themselves. As such, SSL from time to time may enter into contractual arrangements for the development or acquisition of new communities. These new business opportunities may require the guarantee of SSL, or one or more of its affiliates.

The Company participates in self-insured workers compensation, unemployment and health insurance programs. The Company estimates self-insurance reserves based upon fully developed case reserves that are actuarially determined. These estimates are based on historical loss experience along with certain assumptions about future events. Changes in assumptions for such things as medical costs, as well as changes in actual loss experience could cause these estimates to change in the near term. The Company recognized expense of approximately $9,473,087 and $9,572,432 for the years ending December 31, 2015 and 2014, respectively. These amounts are included in the various departmental expense categories in the accompanying consolidated financial statements.

16. Concentrations

The Company grants credit without collateral to its residents, most of whom are local residents and some of whom are insured under third-party payor agreements. Concentrations of gross accounts receivable from residents and third-party payors are as follows:

	2015	2014
Medicare	16 %	12 %
Medicaid	7	6
Self-pay residents and other	77	82
Total	100 %	100 %

Meadow Lakes has entered into a collective bargaining agreement with the United Food and Commercial Workers Union, Local 152 (formerly Local 56) (the “Agreement”). The Agreement covers approximately 85% of Meadow Lakes’ labor force and expires May 8, 2016.

The Company maintains cash accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses from maintaining cash accounts in excess of federally insured limits. Management believes that it is not subject to any significant credit risk on its cash accounts.

17. Rental Assistance Contracts

The Company has entered into various rental assistance contracts with HUD whereby the Company will receive rental assistance payments on behalf of eligible tenants. Such amounts are included in revenue from residential facilities in the consolidated statement of operations and changes in net assets. The initial term of the contracts is 20 years from completion of the housing project.

18. Functional Expenses

The Company provides housing, health care, and other related services to residents within its geographic locations. Expenses related to providing these services are as follows:

	2015	2014
Program services	$ 116,310,153	$ 115,773,585
Management and general	28,568,351	27,670,049
Fundraising	1,090,809	965,549
Total operating expenses	$ 145,969,313	$ 144,409,183

Springpoint Senior Living, Inc. and Affiliates
Consolidating Balance Sheet
December 31, 2015

	Continuing Care Retirement Communities	Affordable Housing Communities	Other Entities	Combined Total	Eliminating and Consolidating Entries	Consolidated Balance
Assets						
Current Assets						
Cash and cash equivalents	$ 26,831,684	$ 729,360	$ 9,896,456	$ 37,457,500	$ -	$ 37,457,500
Current portion of assets whose use is limited	967,307	-	37,148	1,004,455	-	1,004,455
Accounts receivable, net	7,328,915	2,660	621,988	7,953,563	-	7,953,563
Due from affiliates	-	-	5,682,634	5,682,634	(5,682,634)	-
Other current assets	3,118,145	60,734	6,084,881	9,263,760	(1,246,251)	8,017,509
Total current assets	38,246,051	792,754	22,323,107	61,361,912	(6,928,885)	54,433,027
Investments	50,043,941	-	29,130,365	79,174,306	(770,777)	78,403,529
Assets Whose Use is Limited	17,260,280	5,054,108	9,969,553	32,283,941	-	32,283,941
Investments Held under Split-Interest Agreements	-	-	5,148,849	5,148,849	-	5,148,849
Investments Held by Others under Split-Interest Agreements	-	-	895,053	895,053	-	895,053
Beneficial Interest in Perpetual Trusts	-	-	3,619,315	3,619,315	(599,233)	3,020,082
Due from Other Affiliates	-	-	8,550,293	8,550,293	(8,550,293)	-
Notes Receivable	-	-	32,461,564	32,461,564	-	32,461,564
Loans Receivable from Affiliate	-	-	26,436,658	26,436,658	(26,436,658)	-
Property and Equipment, Net	287,369,019	60,833,515	7,991,667	356,194,201	(3,710,543)	352,483,658
Goodwill, Net	39,354,441	-	2,270,750	41,625,191	-	41,625,191
Deferred Costs and Other Assets, Net	2,335,863	-	4,299,326	6,635,189	-	6,635,189
Total assets	$ 434,609,595	$ 66,680,377	$ 153,096,500	$ 654,386,472	$ (46,996,389)	$ 607,390,083

Springpoint Senior Living, Inc. and Affiliates

Consolidating Balance Sheet
December 31, 2015

	Continuing Care Retirement Communities	Affordable Housing Communities	Other Entities	Combined Total	Eliminating and Consolidating Entries	Consolidated Balance
Liabilities and Net Assets (Deficit)						
Current Liabilities						
Current maturities of long-term debt and capital lease obligations	$ 5,046,357	$ -	$ 738,337	$ 5,784,694	$ -	$ 5,784,694
Accounts payable	3,800,604	341,514	2,372,387	6,514,505	-	6,514,505
Accrued expenses	7,776,842	205,250	10,426,307	18,408,399	(2,463,276)	15,945,123
Due to affiliates	1,038,563	33,111	5,342,153	6,413,827	(6,413,827)	-
Residents' deposits	2,545,569	275,857	-	2,821,426	-	2,821,426
Total current liabilities	20,207,935	855,732	18,879,184	39,942,851	(8,877,103)	31,065,748
Long-Term Debt and Capital Lease Obligations	161,946,544	2,336,140	12,473,598	176,756,282	-	176,756,282
Notes Payable to Affiliate	24,710,000	22,500	1,704,158	26,436,658	(26,436,658)	-
Capital Advances	-	80,835,527	-	80,835,527	-	80,835,527
Due to Affiliates	6,288,925	-	313,149	6,602,074	(6,602,074)	-
Liability for Split-Interest Agreements and Deferred Gift Agreements	-	-	3,623,713	3,623,713	-	3,623,713
Deferred Revenue	33,333	-	15,548,864	15,582,197	-	15,582,197
Refundable Entrance Fees	237,386,185	-	-	237,386,185	-	237,386,185
Deferred Revenue from Entrance Fees	59,402,605	-	-	59,402,605	-	59,402,605
Construction Line of Credit, Net of Current Portion	4,702,289	-	325,184	5,027,473	-	5,027,473
Retainage Payable	83,350	-	-	83,350	-	83,350
Derivative Instruments	3,692,184	-	123,203	3,815,387	-	3,815,387
Other Liabilities	-	-	2,672,893	2,672,893	-	2,672,893
Total liabilities	518,453,350	84,049,899	55,663,946	658,167,195	(41,915,835)	616,251,360
Net Assets (Deficit)						
Unrestricted	(86,313,155)	(17,369,522)	87,831,568	(15,851,109)	(4,481,321)	(20,332,430)
Temporarily restricted	2,469,400	-	5,812,920	8,282,320	-	8,282,320
Permanently restricted	-	-	3,788,066	3,788,066	(599,233)	3,188,833
Total net assets (deficit)	(83,843,755)	(17,369,522)	97,432,554	(3,780,723)	(5,080,554)	(8,861,277)
Total liabilities and net assets (deficit)	$ 434,609,595	$ 66,680,377	$ 153,096,500	$ 654,386,472	$ (46,996,389)	$ 607,390,083

Springpoint Senior Living, Inc. and Affiliates

Consolidating Statement of Operations and Changes in Net Assets (Deficit)
Year Ended December 31, 2015

	Continuing Care Retirement Communities	Affordable Housing Communities	Other Entities	Combined Total	Eliminating and Consolidating Entries	Consolidated Balance
Changes in Unrestricted Net Assets (Deficit)						
Revenues and other support:						
Revenue from residential facilities	$ 56,666,274	$ 7,454,024	$ -	$ 64,120,298	$ -	$ 64,120,298
Revenue from healthcare facilities	47,674,763	-	4,483,670	52,158,433	-	52,158,433
Services to residents	7,076,422	-	163,269	7,239,691	-	7,239,691
Developer and management fees	-	-	9,373,132	9,373,132	(8,840,910)	532,222
Contributions and bequests	405,117	-	1,058,071	1,463,188	(961,288)	501,900
Interest and dividends	1,048,084	2,490	619,093	1,669,667	(77,617)	1,592,050
Other revenue	583,878	48,278	1,433,471	2,065,627	(687,518)	1,378,109
Net assets released from restrictions used for operations	733,980	-	663,869	1,397,849	(72,897)	1,324,952
Total revenues and other support	114,188,518	7,504,792	17,794,575	139,487,885	(10,640,230)	128,847,655
Expenses:						
Professional care of residents	30,415,517	-	3,445,075	33,860,592	-	33,860,592
Resident services	3,921,476	-	-	3,921,476	-	3,921,476
Dining services	16,724,468	-	-	16,724,468	(149,602)	16,574,866
Operation and maintenance of facility	21,818,201	3,474,163	55,998	25,348,362	-	25,348,362
Housekeeping and laundry	5,436,559	-	-	5,436,559	-	5,436,559
Administrative and general	10,374,993	2,479,658	9,869,906	22,724,557	(464,038)	22,260,519
Resident assistance and program services	-	-	1,460,620	1,460,620	(1,034,185)	426,435
Marketing	3,975,454	-	977,077	4,952,531	-	4,952,531
Insurance	1,564,289	284,726	109,740	1,958,755	-	1,958,755
Springpoint Senior Living, Inc. management fee	7,122,065	517,373	876,684	8,516,122	(8,516,122)	-
Interest	5,744,177	-	620,000	6,364,177	(77,617)	6,286,560
Provision for bad debts	474,558	-	12,797	487,355	-	487,355
Total expenses	107,571,757	6,755,920	17,427,897	131,755,574	(10,241,564)	121,514,010
Operating income (loss)	6,616,761	748,872	366,678	7,732,311	(398,666)	7,333,645
Change in unrealized gains and losses on investments	(2,677,170)	-	(2,625,861)	(5,303,031)	-	(5,303,031)
Net realized gains and losses on investments	491,014	-	1,714,184	2,205,198	-	2,205,198
Amortization of entrance fees	11,956,065	-	-	11,956,065	-	11,956,065
Change in fair value of derivative financial instruments	(2,006,630)	-	(70,115)	(2,076,745)	-	(2,076,745)
Loss on disposal of fixed assets	(15,681)	-	-	(15,681)	-	(15,681)
Net asset transfer	-	-	11,970	11,970	(11,970)	-
Loss on refinancing	(1,994,269)	-	(66,679)	(2,060,948)	-	(2,060,948)
Depreciation and amortization	(21,627,579)	(2,327,174)	(632,116)	(24,586,869)	131,566	(24,455,303)
Revenues and other support less than expenses	(9,257,489)	(1,578,302)	(1,301,939)	(12,137,730)	(279,070)	(12,416,800)
Pension liability adjustment	(90,930)	-	-	(90,930)	-	(90,930)
Change in unrestricted net assets	$ (9,348,419)	$ (1,578,302)	$ (1,301,939)	$ (12,228,660)	$ (279,070)	$ (12,507,730)

Springpoint Senior Living, Inc. and Affiliates

Consolidating Statement of Operations and Changes in Net Assets (Deficit)
Year Ended December 31, 2015

	Continuing Care Retirement Communities	Affordable Housing Communities	Other Entities	Combined Total	Eliminating and Consolidating Entries	Consolidated Balance
Changes in Temporarily Restricted Net Assets						
Contributions	$ 731,025	$ -	$ 1,104,732	$ 1,835,757	$ (72,897)	$ 1,762,860
Change in value of split-interest agreements	-	-	113,939	113,939	-	113,939
Investment income	16,560	-	(62,793)	(46,233)	-	(46,233)
Net unrealized loss on investments	(19,728)	-	-	(19,728)	-	(19,728)
Net assets released from restrictions for operations	(733,980)	-	(663,869)	(1,397,849)	72,897	(1,324,952)
Net asset transfer	(322,949)	-	322,949	-	-	-
Increase (decrease) in temporarily restricted net assets	(329,072)	-	814,958	485,886	-	485,886
Changes in Permanently Restricted Net Assets						
Change in value of perpetual trusts	-	-	(171,853)	(171,853)	24,370	(147,483)
Increase (decrease) in permanently restricted net assets	-	-	(171,853)	(171,853)	24,370	(147,483)
Change in unrestricted net assets (deficit)	(9,677,491)	(1,578,302)	(658,834)	(11,914,627)	(254,700)	(12,169,327)
Net Assets (Deficit), Beginning	(74,166,264)	(15,791,220)	98,091,388	8,133,904	(4,825,854)	3,308,050
Net Assets (Deficit), Ending	$ (83,843,755)	$ (17,369,522)	$ 97,432,554	$ (3,780,723)	$ (5,080,554)	$ (8,861,277)

Springpoint Senior Living, Inc. And Affiliates

Continuing Care Retirement Communities, Combining Balance Sheet
December 31, 2015

	The Atrium	Crestwood Manor	Meadow Lakes	Monroe Village	Stonebridge @ Montgomery	Winchester Gardens	Combined Total
Assets							
Current Assets							
Cash and cash equivalents	$ 3,963,697	$ 2,117,483	$ 6,243,186	$ 1,127,655	$ 8,825,811	$ 4,553,852	$ 26,831,684
Current portion of assets whose use is limited	211,640	85,388	90,608	26,940	90,777	461,954	967,307
Accounts receivable, net	693,966	1,653,547	1,409,259	2,558,894	843,633	169,616	7,328,915
Other current assets	288,561	263,102	647,671	289,296	378,908	1,250,607	3,118,145
Total current assets	5,157,864	4,119,520	8,390,724	4,002,785	10,139,129	6,436,029	38,246,051
Investments	4,568,915	7,681,665	784,789	140	12,202,982	24,805,450	50,043,941
Assets Whose Use Is Limited	1,561,841	2,162,152	2,994,820	2,475,148	3,137,569	4,928,750	17,260,280
Property and Equipment, Net	64,996,822	34,282,243	54,383,721	28,111,725	65,412,312	40,182,196	287,369,019
Goodwill, Net	-	-	-	675,588	-	38,678,853	39,354,441
Deferred Costs and Other Assets, Net	607,200	168,179	242,584	75,857	379,974	862,069	2,335,863
Total assets	$ 76,892,642	$ 48,413,759	$ 66,796,638	$ 35,341,243	$ 91,271,966	$ 115,893,347	$ 434,609,595

Springpoint Senior Living, Inc. And Affiliates

Continuing Care Retirement Communities, Combining Balance Sheet
December 31, 2015

	The Atrium	Crestwood Manor	Meadow Lakes	Monroe Village	Stonebridge @ Montgomery	Winchester Gardens	Combined Total
Liabilities and Net Assets (Deficit)							
Current Liabilities							
Current maturities of long-term debt and capital lease obligations	$ 469,773	$ 90,541	$ 1,949,547	$ 188,886	$ 976,708	$ 1,370,902	$ 5,046,357
Accounts payable	295,134	497,302	1,116,210	259,786	1,116,337	515,835	3,800,604
Accrued expenses	2,711,415	406,346	2,770,545	527,325	929,637	431,574	7,776,842
Due to affiliates	52,158	106,952	115,278	100,403	50,287	613,485	1,038,563
Residents' deposits	173,396	146,247	435,243	422,532	591,579	776,572	2,545,569
Total current liabilities	3,701,876	1,247,388	6,386,823	1,498,932	3,664,548	3,708,368	20,207,935
Long-Term Debt and Capital Lease Obligations	23,739,763	27,260,858	23,862,588	9,429,438	49,109,000	28,544,897	161,946,544
Notes Payable to Affiliate	24,710,000	-	-	-	-	-	24,710,000
Due to Affiliates	6,288,925	-	-	-	-	-	6,288,925
Refundable Entrance Fees	33,859,392	9,601,629	39,285,153	27,378,316	53,461,358	73,800,337	237,386,185
Deferred Revenue from Entrance Fees	10,912,940	6,455,485	13,963,370	8,323,930	12,413,511	7,333,369	59,402,605
Construction Line of Credit, Net of Current Portion	-	-	-	-	967,132	3,735,157	4,702,289
Retainage Payable	-	-	-	-	83,350	-	83,350
Deferred Revenue	-	-	-	33,333	-	-	33,333
Derivative Instruments	791,572	127,121	394,469	65,583	462,367	1,851,072	3,692,184
Total liabilities	104,004,468	44,692,481	83,892,403	46,729,532	120,161,266	118,973,200	518,453,350
Net Assets (Deficit)							
Unrestricted	(27,131,341)	3,663,633	(17,116,998)	(11,657,271)	(28,894,028)	(5,177,150)	(86,313,155)
Temporarily restricted	19,515	57,645	21,233	268,982	4,728	2,097,297	2,469,400
Total net assets (deficit)	(27,111,826)	3,721,278	(17,095,765)	(11,388,289)	(28,889,300)	(3,079,853)	(83,843,755)
Total liabilities and net assets (deficit)	$ 76,892,642	$ 48,413,759	$ 66,796,638	$ 35,341,243	$ 91,271,966	$ 115,893,347	$ 434,609,595

Springpoint Senior Living, Inc. And Affiliates

Continuing Care Retirement Communities, Combining Statement of Operations and Changes in Net Assets (Deficit)
Year Ended December 31, 2015

	The Atrium	Crestwood Manor	Meadow Lakes	Monroe Village	Stonebridge @ Montgomery	Winchester Gardens	Combined Total
Changes in Unrestricted Net Assets (Deficit)							
Revenues and other support:							
Revenue from residential facilities	$ 6,285,481	$ 8,427,322	$ 10,971,987	$ 8,493,878	$ 11,924,389	$ 10,563,217	$ 56,666,274
Revenue from healthcare facilities	4,009,941	6,933,391	11,662,554	8,755,770	8,082,681	8,230,426	47,674,763
Services to residents	518,517	1,705,154	1,119,906	2,195,202	1,052,659	484,984	7,076,422
Contributions and bequests	102,261	77,676	82,461	78,820	63,899	-	405,117
Interest and dividends	43,309	157,951	54,865	27,761	249,340	514,858	1,048,084
Other revenue	8,291	153,327	3,994	49,839	326,387	42,040	583,878
Net assets released from restriction used for operations	73,879	158,711	128,160	128,371	142,890	101,969	733,980
Total revenues and other support	11,041,679	17,613,532	24,023,927	19,729,641	21,842,245	19,937,494	114,188,518
Expenses:							
Professional care of patients	3,459,981	4,737,481	6,839,211	6,107,377	5,774,877	3,496,590	30,415,517
Resident services	588,323	506,548	675,130	661,983	660,611	828,881	3,921,476
Dining services	1,794,387	2,743,556	3,548,937	3,047,492	2,977,203	2,612,893	16,724,468
Operation and maintenance of facility	2,248,083	2,937,603	5,124,914	3,061,490	3,593,526	4,852,585	21,818,201
Housekeeping and laundry	603,405	1,022,837	1,211,819	701,225	890,693	1,006,580	5,436,559
Administrative and general	1,201,764	1,963,608	1,936,319	1,882,961	1,935,811	1,454,530	10,374,993
Marketing	608,234	678,493	611,759	791,382	556,502	729,084	3,975,454
Insurance	259,544	245,246	312,860	214,988	228,235	303,416	1,564,289
Springpoint Senior Living, Inc. management fee	735,174	1,080,998	1,520,691	1,269,441	1,362,745	1,153,016	7,122,065
Interest	750,602	1,135,441	932,272	678,253	1,317,458	930,151	5,744,177
Provision for doubtful accounts	47,165	40,336	92,158	214,992	67,585	12,322	474,558
Total expenses	12,296,662	17,092,147	22,806,070	18,631,584	19,365,246	17,380,048	107,571,757
Operating income (loss)	(1,254,983)	521,385	1,217,857	1,098,057	2,476,999	2,557,446	6,616,761
Change in unrealized gains and losses on investments	(72,894)	(367,661)	(109,453)	(66,300)	(685,397)	(1,375,465)	(2,677,170)
Net realized gains and losses on investments	2,929	52,946	12,060	8,929	83,376	330,774	491,014
Amortization of entrance fees	1,866,713	1,575,474	2,523,957	2,439,003	2,462,165	1,088,753	11,956,065
Net change in fair value of derivative financial instruments	(782,737)	199,466	(420,892)	20,207	(738,322)	(284,352)	(2,006,630)
Gain on disposal of fixed assets	-	-	1,500	(17,181)	-	-	(15,681)
Loss on refinancing	(1,056,980)	(141,062)	(40,011)	(79,975)	(676,242)	-	(1,994,269)
Depreciation and amortization	(2,897,239)	(2,931,567)	(5,236,133)	(2,898,292)	(3,681,700)	(3,982,647)	(21,627,579)
Revenues and other support (less than) in excess of expenses	(4,195,191)	(1,091,019)	(2,051,115)	504,448	(759,121)	(1,665,491)	(9,257,489)
Pension liability adjustment	-	-	(90,930)	-	-	-	(90,930)
Change in unrestricted net assets	$ (4,195,191)	$ (1,091,019)	$ (2,142,045)	$ 504,448	$ (759,121)	$ (1,665,491)	$ (9,348,419)

Springpoint Senior Living, Inc. And Affiliates

Continuing Care Retirement Communities, Combining Statement of Operations and Changes in Net Assets (Deficit)
Year Ended December 31, 2015

	The Atrium	Crestwood Manor	Meadow Lakes	Monroe Village	Stonebridge @ Montgomery	Winchester Gardens	Combined Total
Changes in Temporarily Restricted Net Assets							
Contributions	$ 75,447	$ 166,286	$ 123,750	$ 124,565	$ 140,947	$ 100,030	$ 731,025
Investment income	-	-	(684)	17,244	-	-	16,560
Net unrealized gain (loss) on investments	-	-	1,677	(21,405)	-	-	(19,728)
Net assets released from restriction	(73,879)	(158,711)	(128,160)	(128,371)	(142,890)	(101,969)	(733,980)
Net asset transfer from affiliate	-	-	(322,949)	-	-	-	(322,949)
Increase (decrease) in temporarily restricted net assets	1,568	7,575	(326,366)	(7,967)	(1,943)	(1,939)	(329,072)
Change in unrestricted net assets (deficit)	(4,193,623)	(1,083,444)	(2,468,411)	496,481	(761,064)	(1,667,430)	(9,677,491)
Net Assets (Deficit), Beginning	(22,918,203)	4,804,722	(14,627,354)	(11,884,770)	(28,128,236)	(1,412,423)	(74,166,264)
Net Assets (Deficit), Ending	$ (27,111,826)	$ 3,721,278	$ (17,095,765)	$ (11,388,289)	$ (28,889,300)	$ (3,079,853)	$ (83,843,755)

Springpoint Senior Living, Inc. And Affiliates

Affordable Housing Communities, Combining Balance Sheet
December 31, 2015

	PH at Dover	PH at Galloway (Countryside Meadows)	PH at East Windsor (Wheaton Pointe)	PH at Franklin	PH at Howell (Howell Crossroads)	PH at Manchester	PH at Atlantic Highlands (Portland Pointe)	Middlesex Borough Senior Citizens Housing Corporation (Watchung Terrace)	PH at Stafford (Stafford)	PH At West Windsor (the Gables)	Combined Total
Assets											
Current Assets											
Cash and cash equivalents	$ 80,657	$ 122,609	$ 54,955	$ 123,356	$ 58,701	$ 41,818	$ 63,029	$ 51,788	$ 66,159	$ 66,288	$ 729,360
Accounts receivable, net	8	539	321	(211)	158	23	438	151	920	313	2,660
Other current assets	11,222	2,017	11,989	7,848	7,628	1,898	5,855	3,308	2,042	6,927	60,734
Total current assets	91,887	125,165	67,265	130,993	66,487	43,739	69,322	55,247	69,121	73,528	792,754
Assets Whose Use Is Limited	499,314	431,428	558,103	623,820	545,379	402,366	466,353	639,404	436,878	451,063	5,054,108
Property and Equipment, Net	10,986,349	3,116,090	5,478,147	6,930,590	4,528,693	11,987,453	2,924,062	3,205,426	6,317,262	5,359,443	60,833,515
Total assets	$ 11,577,550	$ 3,672,683	$ 6,103,515	$ 7,685,403	$ 5,140,559	$ 12,433,558	$ 3,459,737	$ 3,900,077	$ 6,823,261	$ 5,884,034	$ 66,680,377
Liabilities and Net Deficit											
Current Liabilities											
Accounts payable	$ 34,510	$ 24,317	$ 24,523	$ 83,335	$ 20,157	$ 17,569	$ 6,073	$ 63,041	$ 40,369	$ 27,620	$ 341,514
Accrued expenses	27,035	18,259	16,040	17,178	19,363	18,367	38,896	25,945	11,368	12,799	205,250
Due to affiliates	2,190	5,139	2,571	(632)	1,840	20,287	859	(4,223)	3,733	1,347	33,111
Residents' deposits	34,408	26,892	19,889	30,836	30,503	31,612	21,839	33,180	30,384	16,314	275,857
Total current liabilities	98,143	74,607	63,023	130,717	71,863	87,835	67,667	117,943	85,854	58,080	855,732
Long-Term Debt	778,680	-	-	778,680	-	-	-	-	778,780	-	2,336,140
Notes Payable to Affiliate	-	-	-	-	-	-	-	-	22,500	-	22,500
Capital Advances	10,812,100	5,773,700	8,179,100	8,767,400	7,434,000	12,439,400	5,274,727	6,270,600	7,869,900	8,014,600	80,835,527
Total liabilities	11,688,923	5,848,307	8,242,123	9,676,797	7,505,863	12,527,235	5,342,394	6,388,543	8,757,034	8,072,680	84,049,899
Net Deficit											
Unrestricted	(111,373)	(2,175,624)	(2,138,608)	(1,991,394)	(2,365,304)	(93,677)	(1,882,657)	(2,488,466)	(1,933,773)	(2,188,646)	(17,369,522)
Total liabilities and net deficit	$ 11,577,550	$ 3,672,683	$ 6,103,515	$ 7,685,403	$ 5,140,559	$ 12,433,558	$ 3,459,737	$ 3,900,077	$ 6,823,261	$ 5,884,034	$ 66,680,377

	PH at Dover	PH at Galloway (Countryside Meadows)	PH at East Windsor (Wheaton Pointe)	PH at Franklin	PH at Howell (Howell Crossroads)	PH at Manchester	PH at Atlantic Highlands (Portland Pointe)	Middlesex Borough Senior Citizens Housing Corporation (Watchung Terrace)	PH at Stafford (Stafford)	PH at West Windsor (the Gables)	Combined Total
Revenues and Other Support											
Revenue from residential facilities	$ 722,072	$ 827,939	$ 772,507	$ 773,707	$ 716,345	$ 685,142	$ 600,623	$ 784,999	$ 850,464	$ 720,226	$ 7,454,024
Interest and dividends	239	190	272	311	246	177	246	316	286	207	2,490
Other revenue	5,269	3,571	3,545	6,956	5,387	4,175	4,291	6,198	6,080	2,806	48,278
Total revenues and other support	727,580	831,700	776,324	780,974	721,978	689,494	605,160	791,513	856,830	723,239	7,504,792
Expenses:											
Operation and maintenance of facility	341,180	332,861	390,928	342,364	338,701	338,180	261,767	340,805	451,487	335,890	3,474,163
Administrative and general	224,141	253,841	232,678	264,178	233,657	206,757	234,448	322,555	261,613	245,790	2,479,658
Insurance	35,331	27,482	24,034	28,572	28,446	33,846	20,985	25,864	35,325	24,841	284,726
Springpoint Senior Living, Inc. management fee	53,162	53,784	52,537	53,142	55,080	53,485	35,568	55,783	52,416	52,416	517,373
Total expenses	653,814	667,968	700,177	688,256	655,884	632,268	552,768	745,007	800,841	658,937	6,755,920
Operating income	73,766	163,732	76,147	92,718	66,094	57,226	52,392	46,506	55,989	64,302	748,872
Depreciation and amortization	(318,850)	(178,549)	(214,855)	(243,512)	(215,128)	(321,359)	(156,498)	(198,444)	(239,967)	(240,012)	(2,327,174)
Change in unrestricted net assets (deficit)	(245,084)	(14,817)	(138,708)	(150,794)	(149,034)	(264,133)	(104,106)	(151,938)	(183,978)	(175,710)	(1,578,302)
Net Assets (Deficit), Beginning	133,711	(2,160,807)	(1,999,900)	(1,840,600)	(2,216,270)	170,456	(1,778,551)	(2,336,528)	(1,749,795)	(2,012,936)	(15,791,220)
Net Assets (Deficit), Ending	$ (111,373)	$ (2,175,624)	$ (2,138,608)	$ (1,991,394)	$ (2,365,304)	$ (93,677)	$ (1,882,657)	$ (2,488,466)	$ (1,933,773)	$ (2,188,646)	$ (17,369,522)

Springpoint Senior Living, Inc. And Affiliates

Other Entities, Combining Balance Sheet
December 31, 2015

	SSL	Foundation	PH at Wall	PH at Plainfield	Affordable Housing Solutions	Senior Net	Integrated Management Services	Plainfield Tower Sol	Springpoint at Denville	Springpoint at Half Acre Road	Springpoint at Haddonfield	Springpoint at Eastern	Springpoint at Red Bank	Senior Living Solar	Springpoint At Home	Combined Total
Assets																
Current Assets																
Cash and cash equivalents	$ (6,714,066)	$ 3,395,649	$ 11,628,157	$ 170,738	$ -	$ (50,330)	$ (259,422)	$ -	$ -	$ 1,738,487	$ 10,000	$ -	$ -	$ 24,528	$ (47,285)	$ 9,896,456
Current portion of assets whose use is limited	-	37,148	-	-	-	-	-	-	-	-	-	-	-	-	-	37,148
Accounts receivable, net	-	-	-	-	-	22,586	-	-	-	-	-	-	-	-	599,402	621,988
Due from affiliates	4,438,607	1,244,027	-	-	-	-	-	-	-	-	-	-	-	-	-	5,682,634
Other current assets	5,192,777	19,228	-	-	-	896	770,468	-	-	33,776	-	-	-	3,311	64,425	6,084,881
Total current assets	2,917,318	4,696,052	11,628,157	170,738	-	(26,848)	511,046	-	-	1,772,263	10,000	-	-	27,839	616,542	22,323,107
Investments	978,327	27,381,260	770,778	-	-	-	-	-	-	-	-	-	-	-	-	29,130,365
Assets Whose Use Is Limited	825,423	3,771,325	-	-	-	-	-	-	-	-	-	5,011,353	-	-	361,452	9,969,553
Investments Held Under Split-Interest Agreements	-	5,148,849	-	-	-	-	-	-	-	-	-	-	-	-	-	5,148,849
Investments Held by Others under Split-Interest Agreements	-	895,053	-	-	-	-	-	-	-	-	-	-	-	-	-	895,053
Beneficial Interest in Perpetual Trusts	-	3,020,082	-	-	-	-	-	-	-	-	599,233	-	-	-	-	3,619,315
Due from Other Affiliates	6,602,604	-	1,124,267	578,226	-	-	245,196	-	-	-	-	-	-	-	-	8,550,293
Notes Receivable	27,492,307	1,010,865	1,711,754	2,246,638	-	-	-	-	-	-	-	-	-	-	-	32,461,564
Loans Receivable from Affiliate	25,249,760	-	1,186,898	-	-	-	-	-	-	-	-	-	-	-	-	26,436,658
Property and Equipment, Net	1,100,622	8,898	-	-	-	4,587	127,880	-	-	4,508,617	-	-	-	2,073,233	167,830	7,991,667
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,270,750	2,270,750
Deferred Costs and Other Assets, Net	61,990	-	-	-	2,303,145	-	-	578,226	207,818	1,003,437	-	-	-	-	144,710	4,299,326
Total assets	$ 65,228,351	$ 45,932,384	$ 16,421,854	$ 2,995,602	$ 2,303,145	$ (22,261)	$ 884,122	$ 578,226	$ 207,818	$ 7,284,317	$ 609,233	$ 5,011,353	$ -	$ 2,101,072	$ 3,561,284	$ 153,096,500

Springpoint Senior Living, Inc. And Affiliates
Other Entities, Combining Balance Sheet
December 31, 2015

	SSL	Foundation	PH at Wall	PH at Plainfield	Affordable Housing Solutions	Senior Net	Integrated Management Services	Plainfield Tower Sol	Springpoint at Denville	Springpoint at Half Acre Road	Springpoint at Haddonfield	Springpoint at Eastern	Springpoint at Red Bank	Senior Living Solar	Springpoint At Home	Combined Total
Liabilities and Net Assets (Deficit)																
Current Liabilities																
Current maturities of long-term debt and capital lease obligatic	$ 516,280	$ -	$ -	$ -	$ -	$ -	$ 39,215	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 182,842	$ 738,337
Accounts payable	886,382	17,669	-	-	-	5,874	-	-	-	1,437,562	(1)	-	-	-	24,901	2,372,387
Accrued expenses	10,016,291	132,087	-	-	-	6,533	-	-	-	-	-	-	-	2,656	268,740	10,426,307
Due to affiliates	-	-	-	-	1,775,311	756	-	582,876	207,818	2,029,462	328	-	-	-	745,602	5,342,153
Resident's deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	11,418,953	149,756	-	-	1,775,311	13,163	39,215	582,876	207,818	3,467,024	327	-	-	2,656	1,222,085	18,879,184
Long-Term Debt and Capital Lease Obligations	10,517,604	-	-	-	-	-	95,411	-	-	-	-	-	-	-	1,860,583	12,473,598
Notes Payable to Affiliate	-	-	-	-	-	-	-	-	-	-	-	-	-	1,186,898	517,260	1,704,158
Due to affiliate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	313,149	313,149
Liability for Split-Interest Agreements and Deferred Gift Agreements	-	3,623,713	-	-	-	-	-	-	-	-	-	-	-	-	-	3,623,713
Deferred Revenue	15,227,114	-	117,110	204,640	-	-	-	-	-	-	-	-	-	-	-	15,548,864
Construction Line of Credit	-	-		-		-	-	-	-	325,184			-	-	-	325,184
Derivative Instruments	123,203	-	-	-	-	-	-	-	-	-	-	-	-	-	-	123,203
Other Liabilities	1,519,902	395,231	-	-	-	-	757,760	-	-	-	-	-	-	-	-	2,672,893
Total liabilities	38,806,776	4,168,700	117,110	204,640	1,775,311	13,163	892,386	582,876	207,818	3,792,208	327	-	-	1,189,554	3,913,077	55,663,946
Net Assets (Deficit)																
Unrestricted	26,421,575	32,761,931	16,304,744	2,790,962	527,834	(35,424)	(8,264)	(4,650)	-	3,492,109	9,673	5,011,353	-	911,518	(351,793)	87,831,568
Temporarily restricted	-	5,812,920	-	-	-	-	-	-	-	-	-	-	-	-	-	5,812,920
Permanently restricted	-	3,188,833	-	-	-	-	-	-	-	-	599,233	-	-	-	-	3,788,066
Total net assets (deficit)	26,421,575	41,763,684	16,304,744	2,790,962	527,834	(35,424)	(8,264)	(4,650)	-	3,492,109	608,906	5,011,353	-	911,518	(351,793)	97,432,554
Total liabilities and net assets (deficit)	$ 65,228,351	$ 45,932,384	$ 16,421,854	$ 2,995,602	$ 2,303,145	$ (22,261)	$ 884,122	$ 578,226	$ 207,818	$ 7,284,317	$ 609,233	$ 5,011,353	$ -	$ 2,101,072	$ 3,561,284	$ 153,096,500

Springpoint Senior Living, Inc. and Affiliates

Other Entities, Combining Statement of Operations and Changes in Net Assets (Deficit)
Year Ended December 31, 2015

	SSL	Foundation	PH at Wall	PH at Plainfield	Affordable Housing Solutions	Senior Net	Integrated Management Services	Plainfield Tower Sol	Springpoint at Denville	Springpoint at Half Acre Road	Springpoint at Haddonfield	Springpoint at Eastern	Springpoint at Red Bank	Senior Living Solar	Springpoint At Home	Combined Total
Changes in Unrestricted Net Assets (Deficit)																
Revenues and other support:																
Revenue from healthcare facilities	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,483,670	$ 4,483,670
Services to residents	-	-	-	-	-	15,263	-	-	-	-	-	-	-	-	148,006	163,269
Developer and management fees	8,840,443	-	-	-	-	-	532,689	-	-	-	-	-	-	-	-	9,373,132
Contributions and bequests	-	489,200	151,970	-	-	267,219	149,682	-	-	-	-	-	-	-	-	1,058,071
Interest and dividends	129,067	398,932	60,357	-	-	-	-	-	-	-	-	23,604	5,681	-	1,452	619,093
Other revenue	812,314	393,826	-	-	-	-	73,909	-	-	-	-	-	-	150,457	2,965	1,433,471
Net assets released from restrictions used for operations	-	645,423	-	-	-	-	-	-	-	-	18,446	-	-	-	-	663,869
Total revenues and other support	9,781,824	1,927,381	212,327	-	-	282,482	756,280	-	-	-	18,446	23,604	5,681	150,457	4,636,093	17,794,575
Expenses:																
Professional care of patients	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,445,075	3,445,075
Operation and maintenance of facility	43,729	-	-	-	-	-	-	-	-	-	-	-	-	7,765	4,504	55,998
Administrative and general	7,745,657	1,089,963	-	-	2,474	272,184	768	2,350	-	-	18,446	1,950	1,965	2,601	731,548	9,869,906
Residents assistance and program services	-	1,350,636	-	-	-	14,539	95,445	-	-	-	-	-	-	-	-	1,460,620
Marketing	952,912	-	-	-	-	-	-	-	-	-	-	-	-	-	24,165	977,077
Insurance	65,273	848	-	-	-	1,113	13,102	-	-	-	-	-	-	3,078	26,326	109,740
Springpoint Senior Living, Inc. management fee	-	-	-	-	-	1,225	606,566	-	-	-	-	-	-	-	268,893	876,684
Interest	466,967	-	-	-	-	-	4,664	-	-	-	-	-	-	60,357	88,012	620,000
Provision for doubtful accounts	-	-	-	-	-	10,800	-	-	-	-	-	-	-	-	1,997	12,797
Total expenses	9,274,538	2,441,447	-	-	2,474	299,861	720,545	2,350	-	-	18,446	1,950	1,965	73,801	4,590,520	17,427,897
Operating income (loss)	507,286	(514,066)	212,327	-	(2,474)	(17,379)	35,735	(2,350)	-	-	-	21,654	3,716	76,656	45,573	366,678
Change in unrealized gains and losses on investments	(37,924)	(2,587,937)	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,625,861)
Net realized gains and losses on investments	4,877	1,709,307	-	-	-	-	-	-	-	-	-	-	-	-	-	1,714,184
Net change in fair value of derivative financial instruments	(70,115)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(70,115)
Gain (loss) on disposal of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net asset transfer (to) from affiliate	1,170,000	-	3,859,857	-	151,971	-	-	-	-	3,500,000	-	(1,022,302)	(7,507,556)	-	(140,000)	11,970
Loss on refinancing	(66,679)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(66,679)
Depreciation and amortization	(446,903)	(5,052)	-	-	-	(2,705)	(37,392)	-	-	(7,891)	-	-	-	(78,235)	(53,938)	(632,116)
Revenues and other support in excess of (less than) expenses	1,060,542	(1,397,748)	4,072,184	-	149,497	(20,084)	(1,657)	(2,350)	-	3,492,109	-	(1,000,648)	(7,503,840)	(1,579)	(148,365)	(1,301,939)
Change in unrestricted net assets (deficit)	1,060,542	(1,397,748)	4,072,184	-	149,497	(20,084)	(1,657)	(2,350)	-	3,492,109	-	(1,000,648)	(7,503,840)	(1,579)	(148,365)	(1,301,939)
Changes in Temporarily Restricted Net Assets																
Contributions	-	1,086,286	-	-	-	-	-	-	-	-	18,446	-	-	-	-	1,104,732
Change in value of split-interest agreements	-	113,939	-	-	-	-	-	-	-	-	-	-	-	-	-	113,939
Investment income	-	(62,793)	-	-	-	-	-	-	-	-	-	-	-	-	-	(62,793)
Net asset transfer from affiliate	-	322,949	-	-	-	-	-	-	-	-	-	-	-	-	-	322,949
Net assets released from restrictions used for operations	-	(645,423)	-	-	-	-	-	-	-	-	(18,446)	-	-	-	-	(663,869)
Increase (decrease) in temporarily restricted net assets	-	814,958	-	-	-	-	-	-	-	-	-	-	-	-	-	814,958
Changes in Permanently Restricted Net Assets																
Change in value of perpetual trust	-	(147,483)	-	-	-	-	-	-	-	-	(24,370)	-	-	-	-	(171,853)
Decrease in permanently restricted net assets	-	(147,483)	-	-	-	-	-	-	-	-	(24,370)	-	-	-	-	(171,853)
Change in net assets (deficit)	1,060,542	(730,273)	4,072,184	-	149,497	(20,084)	(1,657)	(2,350)	-	3,492,109	(24,370)	(1,000,648)	(7,503,840)	(1,579)	(148,365)	(658,834)
Net Assets (Deficit), Beginning	25,361,033	42,493,957	12,232,560	2,790,962	378,337	(15,340)	(6,607)	(2,300)	-	-	633,276	6,012,001	7,503,840	913,097	(203,428)	98,091,388
Net Assets (Deficit), Ending	$ 26,421,575	$ 41,763,684	$ 16,304,744	$ 2,790,962	$ 527,834	$ (35,424)	$ (8,264)	$ (4,650)	$ -	$ 3,492,109	$ 608,906	$ 5,011,353	$ -	$ 911,518	$ (351,793)	$ 97,432,554