Springpoint Senior Living, Inc. and Affiliates

Consolidated Financial Statements
and Supplementary Information

December 31, 2020 and 2019

Independent Auditors' Report

To the Board of Trustees of
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 sheets as of December 31, 2020 and 2019, and the related consolidated statements of operations and changes in net deficit and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated 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, 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, 2020 and 2019, and the results of their operations and changes in net deficit 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 40 through 54) is presented for purposes of additional analysis rather than to present the financial position, results of operations, changes in net assets (deficit) 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 US, LLP

Philadelphia, Pennsylvania
June 29, 2021

Consolidated Balance Sheets
December 31, 2020 and 2019

Assets

	2020	2019
Current Assets		
Cash and cash equivalents	$ 30,212,636	$ 36,871,755
Current portion of assets whose use is limited	794,885	884,862
Accounts receivable, net of allowance for doubtful accounts of $2,804,433 in 2020 and $2,068,020 in 2019	12,505,421	15,389,778
Other current assets	7,390,664	6,207,303
Total current assets	50,903,606	59,353,698
Investments	114,757,623	107,768,574
Assets Whose Use is Limited	53,636,132	50,529,537
Investments Held Under Split-Interest Agreements	3,788,849	4,186,979
Investments Held by Others Under Split-Interest Agreements	710,921	1,162,585
Beneficial Interest in Perpetual Trusts	3,643,034	3,417,781
Property and Equipment, Net	544,744,452	564,947,686
Goodwill, Net	64,382,630	78,333,494
Other Assets, Net	2,043,533	1,685,827
Total assets	$ 838,610,780	$ 871,386,161

Liabilities and Net Assets (Deficit)

	2020	2019
Current Liabilities		
Current maturities of long-term debt and capital lease obligations	$ 5,038,260	$ 9,179,150
Current portion of construction line of credit	1,404,000	3,046,000
Construction payable	613,979	1,399,739
Accounts payable	5,859,284	5,118,867
Accrued expenses	18,288,733	18,672,458
Residents' deposits	2,707,864	3,082,686
Total current liabilities	33,912,120	40,498,900
Long-Term Debt and Capital Lease Obligations	296,359,133	300,517,964
Capital Advances	80,035,527	80,035,527
Liability for Split-Interest Agreements and Deferred Gift Agreements	2,868,677	2,890,001
Refundable Entrance Fees	328,799,376	336,949,400
Deferred Revenue From Entrance Fees	102,264,294	101,557,315
Construction Line of Credit, Net of Current Portion	23,788,000	23,610,168
Derivative Financial Instruments	15,801,903	6,664,744
Other Liabilities	5,776,383	4,204,681
Total liabilities	889,605,413	896,928,700
Net Assets (Deficit)		
Net deficit without donor restrictions	(65,675,855)	(45,238,725)
Non-controlling ownership interest in limited partnerships	3,613,844	8,845,233
Net assets with donor restrictions	11,067,378	10,850,953
Total net deficit	(50,994,633)	(25,542,539)
Total liabilities and net assets (deficit)	$ 838,610,780	$ 871,386,161

See notes to consolidated financial statements

	2020	2019
Changes in Net Deficit without Donor Restrictions		
Revenues and other support:		
Revenue from residential facilities	$ 93,206,873	$ 93,298,560
Revenue from healthcare facilities	74,497,436	74,162,716
Services to residents	10,948,597	13,845,385
Contributions and bequests	1,698,494	646,156
Interest and dividends	2,013,064	2,674,545
Other revenue	8,765,545	1,997,902
Net assets released from restrictions used for operations	1,769,428	4,557,990
Total revenues and other support	192,899,437	191,183,254
Expenses:		
Professional care of residents	57,045,573	57,588,953
Resident services	4,484,970	5,476,093
Dining services	22,630,644	23,918,562
Operation and maintenance of facility	36,004,459	37,775,274
Housekeeping and laundry	7,215,730	7,291,815
Administrative and general	34,409,763	34,566,899
Resident assistance and program services	661,688	745,165
Marketing	7,810,691	8,132,974
Insurance	3,967,376	3,417,591
Interest	12,136,789	11,517,516
Provision for doubtful accounts	1,829,483	620,094
Total expenses	188,197,166	191,050,936
Operating income	4,702,271	132,318
Net unrealized gains on investments	8,879,436	6,938,380
Net realized gains on investments	989,819	7,681,794
Amortization of entrance fees	18,992,267	18,466,843
Change in fair value of derivative financial instruments	(9,137,159)	(8,641,941)
Loss on disposal of fixed assets	(110,962)	(166,619)
Forgiveness of debt	1,557,460	-
Equity contribution (distribution) from limited partner	(10,860)	165,072
Goodwill impairment loss	(13,950,864)	-
Depreciation and amortization	(37,503,441)	(36,909,649)
Revenues and other support less then expenses	(25,592,033)	(12,333,802)
Pension liability adjustment	(76,486)	(68,072)
Increase in net deficit without donor restrictions	(25,668,519)	(12,401,874)
Changes in Net Assets with Donor Restrictions		
Contributions	1,255,990	1,538,905
Change in value of split-interest agreements	44,867	95,489
Investment income	492,874	969,053
Net unrealized loss on investments	(33,131)	(5,431)
Change in value of perpetual trusts	225,253	404,845
Net assets released from restrictions used for operations	(1,769,428)	(4,557,990)
Increase (decrease) in net assets with donor restrictions	216,425	(1,555,129)
Change in net deficit	(25,452,094)	(13,957,003)
Net Deficit, Beginning	(25,542,539)	(11,585,536)
Net Deficit, End of Year	$ (50,994,633)	$ (25,542,539)

See notes to consolidated financial statements

Springpoint Senior Living, Inc. and Affiliates

Consolidated Statements of Cash Flows
Years Ended December 31, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities		
Increase in net deficit	$ (25,452,094)	$ (13,957,003)
Adjustments to reconcile decrease in net deficit to net cash provided by operating activities:		
Change in value of split-interest agreements	(81,401)	(95,489)
Net change in fair value of derivative financial instruments	9,137,159	8,641,941
Depreciation and amortization	37,336,249	36,909,649
Loss on disposal of fixed assets	110,962	166,619
Net realized and unrealized gains on investments	(9,836,124)	(14,614,743)
Amortization of entrance fees	(18,992,267)	(18,466,843)
Loss on goodwill impairment	13,950,864	-
Interest component of deferred financing costs	1,465,115	214,203
Amortization of bond premium	(87,750)	(87,750)
Net cash received under nonrefundable entrance fee plans	14,615,101	19,814,148
Change in investments held by others under split-interest agreements	451,664	(72,198)
Change in beneficial interest in perpetual trusts	(225,253)	(404,845)
Changes in assets and liabilities:		
Accounts receivable, net	2,884,357	(2,257,527)
Other current assets	(1,183,361)	45,929
Other assets	(190,514)	269,642
Accounts payable	740,417	(2,027,361)
Accrued expenses	(383,725)	3,928,893
Residents' deposits	(374,822)	115,045
Other liabilities	1,571,702	763,429
Net cash provided by operating activities	25,456,279	18,885,739
Cash Flows from Investing Activities		
Net sales of investments and assets whose use is limited	384,678	2,850,581
Payment of construction payable for property and equipment	(1,399,739)	(2,456,745)
Purchases of property and equipment	(16,460,409)	(23,428,916)
Net cash used in investing activities	(17,475,470)	(23,035,080)
Cash Flows from Financing Activities		
Payment of long-term debt and capital lease obligation	(8,372,196)	(6,025,511)
Proceeds from long-term debt	-	10,000,000
Borrowings on construction lines of credit	1,581,832	1,840,068
Payment of construction lines of credit	(3,046,000)	(3,088,000)
Net cash (paid) received under refundable entrance fee plans	(3,065,879)	5,676,295
Payments under deferred gift agreements and split-interest agreements	60,077	(185,610)
Forgiveness of debt	(1,557,460)	-
Payment of deferred financing costs	(84,211)	(71,161)
Net cash (used in) provided by financing activities	(14,483,837)	8,146,081
Net (decrease) increase in cash, cash equivalents and restricted cash and cash equivalents	(6,503,028)	3,996,740
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	61,442,013	57,445,273
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	$ 54,938,985	$ 61,442,013
Supplemental Disclosure of Cash Flow Information		
Interest paid	$ 10,881,809	$ 11,486,358
Supplemental Disclosure of Noncash Activities		
Capital lease obligation incurred for property and equipment	$ 336,781	$ 362,573
Construction payable for property and equipment	$ 613,979	$ 1,399,739
Reconciliation of Cash, Cash Equivalents and Restricted Cash and Cash Equivalents		
Cash and cash equivalents	$ 30,212,636	$ 36,871,755
Cash and cash equivalents included in the current portion of assets whose use is limited	794,885	884,108
Cash and cash equivalents included in assets whose use is limited	23,931,464	23,686,150
Total cash, cash equivalents and restricted cash and cash equivalents	$ 54,938,985	$ 61,442,013

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) consist 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. (Atrium)
Marcus L. Ward Home (Winchester Gardens)
Springpoint at Denville, Inc. (The Oaks)
Springpoint at Lewes, Inc. (The Moorings)

Skilled Nursing Community:

Springpoint at Half Acre Road, Inc. (Village Point)

Non-facility Based:

Springpoint Foundation, Inc. (the Foundation)
Springpoint at Haddonfield, Inc.
Integrated Management Services, Inc.
Springpoint Realty, Inc.
Senior Net, Inc.
Springpoint at Home, Inc. (Springpoint at Home)
Presbyterian Home at Wall, Inc.
Presbyterian Home of Plainfield, Inc.
Cadbury at Cherry Hill, Inc.
Cadbury Continuing Care at Home, Inc.
Springpoint Choice, Inc. (Springpoint Choice)
Springpoint at Manalapan, Inc.
Springpoint at Tinton Falls, Inc.

Non-facility Based For-Profit:

Princeton Senior Living, LLC (PSL)
Affordable Housing Solutions, Inc. (AHS)
Plainfield Tower Solutions, Inc. (PTS)
Manchester Housing Solutions, Inc. (MHS)
Wall Senior Citizens Housing, LLC (WSC)
Howell Senior Citizens Housing, LLC (HSC)
Butler Senior Citizens Housing, LLC (BSC)

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

Affordable Housing Communities:

The Presbyterian Home at Galloway, Inc. (Countryside Meadows)
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. (Dover)
The Presbyterian Home at Manchester, Inc. (Manchester Pines)
Butler Senior Citizens Housing, LP (Butler)
Howell Senior Citizens Housing, LP (Howell)
Wall Senior Citizens Housing, LP (Wall)
Ramsey Senior Citizens Housing, LP (Ramsey)

AHS has a 0.01 percent general partner interest in the following "Limited Partnerships," which operate Low Income Housing Tax Credit Communities:

Asbury Senior Citizens Housing, LP (Asbury)
Mount Holly Senior Citizens Housing, LP (Mount Holly)

PTS has a 0.01 percent general partner interest in the following "Limited Partnership", which operates a Low Income Housing Tax Credit Community:

Plainfield Senior Citizens Housing, LP (Plainfield)

MHS has a 0.01 percent general partner interest in the following "Limited Partnership", which operates a Low Income Housing Tax Credit Community:

Manchester Senior Housing, LP (Heritage at Whiting)

As general partner, AHS, PTS and MHS control the major operating and financial policies of the Limited Partnerships. As a result, the Limited Partnerships are accounted for as subsidiaries of the general partner for financial reporting purposes. Profits and losses of the Limited Partnerships, arising from project operations and cash flows, to the extent available, are generally allocated to the general partner at the percentage above. Cumulative losses allocable to the limited partners cannot exceed the limited partners' investment in the partnerships. Losses in excess of that amount are allocable to the general partner.

The limited partners in the Limited Partnerships are not controlled by, or related to, the Company.

The Partnerships are operating pursuant to a partnership agreement. Effective December 31, 2020, Partnership agreements for Butler, Howell, Wall and Ramsey were amended and restated to reflect the transfer of the limited partner ownership from Empire and Garden State Equity Fund (Empire) to Springpoint at Tinton Falls, Inc. (Tinton Falls), an affiliate of the general partner. This transfer of funds related to the ownership change occurred outside of the Partnership. Prior to December 31, 2020, profits and losses from project operations and cash flows, to the extent available, were allocated as follows in accordance with the partnership agreements:

To the limited partner, Empire and Garden State Equity Fund Limited Partnership	99.99 %
To the general partner, Affordable Housing Solutions, Inc. (General Partner)	0.01

Effective December 31, 2020, profits and losses from project operations and cash flows, to the extent available, are allocated as follows in accordance with the partnership agreement:

To the limited partner, Springpoint at Tinton Falls, Inc.	99.999 %
To the general partner, Affordable Housing Solutions, Inc. (General Partner)	0.001

Changes in net assets without donor restrictions attributable to the Company's controlling interest and the Company's non-controlling ownership interest in limited partnerships were as follows:

	Total	Controlling Interest	Noncontrolling Interest
Balances at January 1, 2019	$ 12,407,826	$ 1,210,230	$ 11,197,596
Revenues less than expenses	47,343	47,343	-
Capital contributions	(2,352,597)	(234)	(2,352,363)
Balances at December 31, 2019	10,102,572	1,257,339	8,845,233
Revenues less than expenses	(2,002,795)	(199)	(2,002,596)
Capital distributions	661,432	68,236	593,196
Transfer of limited partner interest	(4,945,328)	(1,123,339)	(3,821,989)
Balances at December 31, 2020	$ 3,815,881	$ 202,037	$ 3,613,844

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

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of consolidated 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. For purposes of the consolidated statements of cash flows, cash, cash equivalents and restricted cash and cash equivalents include investments purchased with an initial maturity of three months or less.

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 sheets. 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 sheets 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 nonmarketable securities is determined by the investment manager. Generally, the fair value of the Company's holdings reflects 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, Low Income Housing Tax Credit Community (LIHTC) reserves and other limited uses (see Note 5).

Accounts Receivable

The Company assesses collectability on all resident accounts prior to providing services. An allowance for uncollectible accounts is recognized to reduce accounts receivable to its net realizable value for impairment of revenues for changes in resident credit worthiness. 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 impaired.

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.

Impairment losses are recognized in the consolidated statements of operations and changes in net deficit as a component of revenues less than expenses as they are determined. The Company reviews its long-lived assets whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. In that event, the Company calculates the estimated future net cash flows to be generated by the asset. If those future net cash flows are less than the carrying value of the asset, an impairment loss is recognized for the difference between the estimated fair value and the carrying value of the asset. No impairment losses were recognized in 2020 and 2019.

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. The Company assesses qualitative factors (events and circumstances) to determine whether it is more likely than not (that is, a likelihood of more than 50 percent) that the fair value of a reporting unit is less than its carrying amount, including goodwill. If the assessment of qualitative factors results in a conclusion that it is more likely than not that the fair value of the Company is less than its carrying amount, including goodwill, the Company is required to perform additional testing to identify potential impairment and, if necessary, to measure the amount of impairment loss, if any, as required by authoritative guidance. Goodwill represents amounts recorded upon the transfer of membership of Winchester Gardens in the amount of $23,698,853, The Moorings in the amount of $19,297,865, Cadbury Continuing Care at Home in the amount of $3,268,699 and Monroe in the amount of $675,588 at the dates of acquisition. Goodwill also includes amounts recorded upon the purchase of a home care agency by Springpoint at Home in the amount of $2,270,749, and the purchase of a continuing care retirement community by The Oaks, in the amount of $29,121,740.

Based on the assessment of various qualitative factors and a quantitative assessment as of December 31, 2020 and 2019, management concluded that it is more likely than not that the fair value of Springpoint at Home, The Oaks, The Moorings, Cadbury Continuing Care at Home and Monroe exceeded their carrying amount, including goodwill. Therefore, additional testing to identify potential impairment was unnecessary.

On July 17, 2013, goodwill was recorded upon the transfer of membership of Winchester Gardens for an amount in excess of the fair value of the net assets acquired. Winchester Gardens evaluates the goodwill for impairment on an annual basis. A quantitative assessment for the year ended December 31, 2020 was performed because the actual results from operations of Winchester Gardens were materially less from what management had originally projected based on various operational changes as well as occupancy decreases that occurred in 2020. The fair value of the reporting unit (entity) was estimated using the expected discounted cash flows, and was prepared using a third party valuation specialist's calculations. Management determined that the carrying value of the reporting entity, including goodwill exceeded its fair value at December 31, 2020, resulting in an impairment loss being recorded in 2020 in the statement of operations and changes in net deficit.

The changes in the carrying amount of Winchester Garden's goodwill for the years ended December 31, 2020 and 2019, are as follows:

	2020	2019
Balance as of January 1		
Goodwill balance	$ 38,678,853	$ 38,678,853
Accumulated impairment losses	(14,980,000)	(14,980,000)
	23,698,853	23,698,853
Impairment losses	(13,950,864)	-
Goodwill, net	$ 9,747,989	$ 23,698,853
Balance as of December 31		
Goodwill balance	38,678,853	38,678,853
Accumulated impairment losses	(28,930,864)	(14,980,000)
Goodwill, net	$ 9,747,989	$ 23,698,853

Other Assets

Included in other assets are project development costs, project acquisition costs, costs associated with a non-compete agreement, tax credit monitoring fees and purchased licenses.

The project acquisition costs represent expenses associated with acquiring new properties. Acquisition costs are related to Winchester Gardens, Springpoint at Home and The Oaks. These costs were capitalized and are being amortized using the straight-line method. At December 31, 2020 and 2019, the project acquisition costs, net of accumulated amortization, were $399,763 and $508,113, respectively. Accumulated amortization at December 31, 2020 and 2019 was $683,742 and $575,392, respectively.

Tax credit monitoring fees represent costs incurred to obtain tax credits to finance the construction or rehabilitation of low income housing tax credit communities. These costs were capitalized and are being amortized over 15 years using the straight-line method, which approximates the effective interest method. At December 31, 2020 and 2019, tax credit fees, net of accumulated amortization, were $196,890 and $255,732, respectively. Accumulated amortization at December 31, 2020 and 2019 was $764,908 and $706,066, respectively.

Also included in other assets as of December 31, 2020 and 2019 is $700,000 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 remainder man 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 percent.

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 statements of operations and changes in net deficit as changes in net assets with restrictions.

Deferred Revenue From Entrance Fees

Residents at the Continuing Care Retirement Communities 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. In addition, members of the Springpoint Choice program are required to pay a fee to obtain the right to receive certain healthcare services in their private homes as well as other healthcare facilities. 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 consolidated balance sheets.

Gross contractual refund obligations at December 31, 2020 and 2019 were $342,194,456 and $346,605,508, respectively. The refundable entrance fees and deferred revenue from entrance fees reported on the consolidated balance sheets totaling $ 431,063,670 and $438,506,715 as of December 31, 2020 and 2019, respectively, are 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, Atrium, The Oaks, The Moorings, Crestwood, Meadow Lakes, Monroe and Springpoint Choice 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 percent) exceeds the deferred revenue from entrance fees, a liability is recorded with the corresponding charge to income. This calculation is performed periodically. At December 31, 2020, deferred revenue from entrance fees exceeded the calculation of the present value of the net cost of future services for Montgomery, Atrium, The Oaks, The Moorings and Springpoint Choice. 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 2015 Obligated Group) consists of SSL, Crestwood, Meadow Lakes, Monroe and the Foundation. The 2015 Obligated Group entered into interest rate swap agreements, which are considered derivative financial instruments, to manage interest rate risk on their long-term debt. Atrium, Montgomery, Winchester Gardens and Village Point have also entered into interest rate swap agreements.

The interest rate swap agreements are reported at fair value in the accompanying consolidated balance sheets and related changes in fair value are reported in the consolidated statements of operations and changes in net deficit as a change in fair value of derivative financial instruments within the performance indicator, since there are no hedging designations. The liability for the fair value of the interest rate swap agreements is $15,801,903 and $6,664,744 at December 31, 2020 and 2019, respectively.

Estimated 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 statements of operations and changes in net deficit in the year of the settlement. No material amounts related to prior year settlements were recorded during 2020 or 2019.

Donor-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 net assets with donor restrictions 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, restricted net assets are reclassified as net assets without donor restrictions and reported in the consolidated statements of operations and changes in net deficit as net assets released from restrictions.

Net Assets (Deficit)

Net assets (deficit), revenues, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets (deficit) and changes therein are classified and reported as follows:

Net Assets (Deficit) Without Donor Restrictions - net assets (deficit) not externally restricted for identified purposes by donors or grantors and include resources that the governing board may use for any designated purpose and resources whose use is limited by agreement between the Company and an outside party other than a donor or grantor.

Net Assets With Donor Restrictions - those whose use by the Company has been limited by donors to a specific period or purpose. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

When certain donor restrictions expire, that is, when a time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. Net assets with donor restrictions includes split-interest agreements, which have a time restriction and funds raised for the benefit of residents and community needs.

All revenues restricted by donors as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in net assets with donor restrictions. The change in fair value of the beneficial interest in perpetual trusts held by third parties is included in the change in net assets with donor restrictions.

Residential and Healthcare Facilities Revenues

Residential and healthcare facilities revenues are reported at the amount that reflects the consideration the Company expects to receive in exchange for the services provided. These amounts are due from residents or third-party payors and include variable consideration for retroactive adjustments, if any, under reimbursement programs. Performance obligations are determined based on the nature of the services provided. Net resident service revenues are recognized as performance obligations are satisfied.

Net resident service revenues are primarily comprised of the following revenue streams:

Healthcare Facilities

Healthcare facilities revenues are primarily derived from providing nursing services to residents at a stated daily fee, net of any explicit and implicit price concessions. The Company has determined that skilled nursing services are considered one performance obligation which is satisfied over time as services are provided. Therefore, skilled nursing revenues are recognized on a daily basis as services are rendered.

Services to Residents

Services to residents revenues are primarily derived from providing housing and personal care services to residents at a stated monthly fee. The Company has determined that the services included in the monthly fee have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation which is satisfied over time as services are provided. Therefore, personal care revenues are recognized on a month-to-month basis.

Residential Facilities

Residential facilities revenues are primarily derived from providing housing and services to residents within the continuing care retirement communities. The Company has determined that the services included in the monthly fee have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation which is satisfied over time as services are provided. Therefore, independent living monthly fees are recognized on a month-to-month basis.

The guaranteed refund component of entrance fees is not amortized to income and is classified as refundable entrance fees in the accompanying consolidated balance sheets.

For residents with a continuing care contract, revenue from nonrefundable entrance fees received are recognized through amortization of the nonrefundable entrance fee using the straight-line method over annually adjusted estimated remaining life expectancies of the residents which approximates the period of time the goods and services under the agreements are expected to be transferred to residents. The unamortized portion is classified as deferred revenue from entrance fees on the consolidated balance sheets. Amortization of nonrefundable entrance fees is included as amortization of entrance fees in the consolidated statements of operations and changes in net deficit and was $18,992,267 in 2020 and $18,466,843 in 2019, respectively.

The Company receives revenue for services under third-party payor programs, including Medicare, Medicaid and other third-party payors. Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are included in the determination of the estimated transaction price for providing services. The Company estimates the transaction price based on the terms of the contract and correspondence with the third-party payor and historical payment trends and retroactive adjustments are recognized in future periods as final settlements are determined.

Payment terms and conditions for the Company's resident contracts vary by contract type and payor source, although terms generally include payment to be made within 30 days. Net resident service fee revenues for recurring and routine monthly services are generally billed monthly in advance. Net resident service fee revenues for ancillary services are generally billed monthly in arrears. Additionally, nonrefundable entrance fees are generally billed and collected in advance of move-in. Revenues collected from residents in advance are recognized as deferred revenue from entrance fees until the performance obligations are satisfied and are included in deferred revenues from entrance fees in the accompanying consolidated balance sheets.

Rental income from the affordable housing communities and the low-income housing tax-credit communities of approximately $20,570,000 in 2020 and $20,100,000 in 2019 is recognized monthly over the lease term at the amounts due. These amounts are included in self-pay residential facilities in Note 3.

Revenues From Provider Relief Funds

Revenues from provider relief funds include amounts received from federal funding sources related to the COVID-19 pandemic. The Company accounts for this funding in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-605 guidance for conditional contributions and, accordingly, revenues are measured and recognized when barriers are substantially met, which occurs when the Company complies with the terms and conditions related to the purpose of the grant rather than those that are administrative in nature.

In March 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law to combat the financial effects of COVID-19. The CARES Act created a Provider Relief Fund to provide financial support for hospitals and other healthcare providers. The Company received $6,247,345 in 2020 related to this funding. In accordance with the terms and conditions, The Company could apply the funding first against eligible expenses, and then against lost revenues. The Company's methodology for calculating lost revenues was the difference between 2020 budgeted and 2020 actual revenue.

Noncompliance with the terms and conditions could result in repayment of some or all of the support, which can be subject to government review and interpretation. The Department of Health and Human Services (HHS) has indicated Provider Relief Fund payments are subject to future reporting and audit requirements. These matters could cause reversal or claw-back of amounts previously recognized; however, an estimate of the possible effects cannot be made as of the date these consolidated financial statements were issued. In addition, it's unknown whether there will be further developments in regulatory guidance.

The Company has incurred lost revenues and eligible expenses in accordance with the terms and conditions of the CARES Act as of December 31, 2020 of $6,247,345 which were recognized and included in other revenue in the accompanying consolidated statement of operations and changes in net deficit for the year ended December 31, 2020.

Performance Indicator

Operating gain included on the consolidated statements of operations and changes in net deficit excludes certain noncash items and investment income. The consolidated statements of operations and changes in net deficit includes revenues and other support less than expenses as the performance indicator. Changes in net deficit without donor restrictions which are excluded from revenues and other support less than expenses, consistent with industry practice, include the 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, WSC, HSC and BSC and the Limited Partnerships, are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and are exempt from federal income taxes on their exempt income under Section 501(a) of the Code. The provision for income taxes for PSL, PTS, AHS, MHS, WSH, HSH and BSH and the Limited Partnerships 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 2020 and 2019.

New Accounting Pronouncements

During 2020, the Company adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2018-13, *Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. ASU No. 2018-13 modifies the disclosure requirements for fair value measurements in Topic 820, *Fair Value Measurement*. The amendments are based on concepts in the FASB's *Concepts Statement, Conceptual Framework for Financial Reporting—Chapter 8: Notes to Financial Statements*, which the Board finalized on August 28, 2018. The adoption of ASU No. 2018-13 did not result in a change in the Company's net assets however certain disclosures related to fair value measurements have been revised accordingly.

During January 2017, the FASB issued ASU No. 2017-04, *Simplifying the Test for Goodwill Impairment*. ASU No. 2017-04 simplifies how an entity is required to test goodwill for impairment by eliminating Step 2 from the goodwill impairment test. ASU No. 2017-04 (as amended) is effective for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2022. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company adopted ASU No. 2017-04 in 2020, and accordingly, performed the one-step goodwill impairment test in 2020.

In February 2016, the 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 sheets 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 sheets. In addition, lessees are required to provide qualitative and quantitative disclosures that enable users to understand more about the nature of the Company's leasing activities. The Company will be required to retrospectively adopt the guidance in ASU No. 2016-02 for years beginning after December 15, 2020. The Company has not yet determined the impact of adoption of ASU No. 2016-02 on its consolidated financial statements.

3. Net Resident Service Revenues

The Company disaggregates revenue from contracts with customers by type of service and payor source as this depicts the nature, amount, timing and uncertainty of its revenue and cash flows as affected by economic factors. Net resident service revenues consist of the following for the years ended December 31:

	2020			
	Healthcare Facilities	Services to Residents	Residential Facilities	Total
Self-pay	$ 43,373,497	$ 10,948,597	$ 93,206,873	$ 147,528,967
Medicare and other	24,278,892	-	-	24,278,892
Medical assistance	6,845,047	-	-	6,845,047
Amortization of nonrefundable entrance fees	-	-	18,992,267	18,992,267
Total	$ 74,497,436	$ 10,948,597	$ 112,199,140	$ 197,645,173

	2019			
	Healthcare Facilities	Services to Residents	Residential Facilities	Total
Self-pay	$ 42,814,736	$ 13,845,385	$ 93,298,560	$ 149,958,681
Medicare and other	24,665,280	-	-	24,665,280
Medical assistance	6,682,700	-	-	6,682,700
Amortization of nonrefundable entrance fees	-	-	18,466,843	18,466,843
Total	$ 74,162,716	$ 13,845,385	$ 111,765,403	$ 199,773,504

4. Investments

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

	2020	2019
Cash and cash equivalents	$ 4,371,813	$ 431,633
Alternative investments, limited partnerships	494,227	477,506
Commingled funds	16,998,587	22,329,072
Common stock	-	7,526,060
Fixed income	-	26,228,287
Fixed income mutual funds	30,209,320	2,212,940
Equity mutual funds	62,683,676	48,563,076
Total	$ 114,757,623	$ 107,768,574

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:

	2020	2019
Cash and cash equivalents	$ 24,836,697	$ 24,655,433
Alternative investments, limited partnerships	31,223	29,997
Fixed income mutual funds	10,340,501	594,700
Equity mutual funds	13,110,343	10,734,812
Fixed income	862,923	10,008,550
Common stock	-	1,366,339
Commingled funds	5,249,330	4,024,568
Total	54,431,017	51,414,399
Less current portion	794,885	884,862
Assets whose use is limited, noncurrent	$ 53,636,132	$ 50,529,537

Assets whose use is limited are held for the following purposes at December 31:

	2020	2019
Bond indenture agreements	$ 7,681,136	$ 7,478,161
Liquid reserve	21,767,055	20,107,004
HUD reserve funds	6,228,393	5,943,679
LIHTC reserve funds	8,987,631	9,241,058
Residents' Assistance Fund	2,600,823	2,355,733
Residents' deposits	1,595,394	1,673,999
Other donor restricted funds	2,430,955	2,261,844
Deferred SERP compensation	2,905,834	2,119,557
Construction fund escrow	233,796	233,364
Total	$ 54,431,017	$ 51,414,399

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:

	2020			
	Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Reported at Fair Value				
Equity mutual funds:				
Managed Vol. Fund	$ 1,525,886	$ 1,525,886	$ -	$ -
Large cap	42,588,804	42,588,804	-	-
Small cap	11,735,497	11,735,497	-	-
International	19,943,832	19,943,832	-	-
Fixed income mutual funds, Core	40,549,821	40,549,821	-	-
Fixed income	862,923	-	862,923	-
Alternative investment, limited partnerships	525,450	-	-	525,450
Investments held under split-interest agreements	3,788,849	-	3,788,849	-
Investments held by others under split-interest agreements	710,921	-	-	710,921
Beneficial interest in perpetual trusts	3,643,034	-	-	3,643,034
	125,875,017	$ 116,343,840	$ 4,651,772	$ 4,879,405
Cash and cash equivalents	29,208,510			
Total	$ 155,083,527			

	2019			
	Fair Value	**Quoted Prices in Active Markets (Level 1)**	**Other Observable Inputs (Level 2)**	**Unobservable Inputs (Level 3)**
Reported at Fair Value				
Common stock	$ 8,892,399	$ 8,892,399	$ -	$ -
Equity mutual funds:				
Managed Vol. Fund	769,460	769,460	-	-
Large cap	25,663,697	25,663,697	-	-
Small cap	10,178,660	10,178,660	-	-
International	18,366,905	18,366,905	-	-
Real return	4,319,166	4,319,166	-	-
Fixed income mutual funds, Core	2,807,640	2,807,640	-	-
Fixed income	36,236,837	-	36,236,837	-
Alternative investment, limited partnerships	507,503	-	-	507,503
Investments held under split-interest agreements	4,186,979	-	4,186,979	-
Investments held by others under split-interest agreements	1,162,585	-	-	1,162,585
Beneficial interest in perpetual trusts	3,417,781	-	-	3,417,781
	116,509,612	$ 70,997,927	$ 40,423,816	$ 5,087,869
Cash and cash equivalents	25,087,066			
Total	$ 141,596,678			

The assets are included on the consolidated balance sheets at December 31, as follows:

	2020	**2019**
Current portion of assets whose use is limited	$ 794,885	$ 884,862
Investments	114,757,623	107,768,574
Assets whose use is limited	53,636,132	50,529,537
Investments held under split-interest agreements	3,788,849	4,186,979
Investments held by others under split-interest agreements	710,921	1,162,585
Beneficial interest in perpetual trusts	3,643,034	3,417,781
	177,331,444	167,950,318
Less commingled funds, measured at net asset value	22,247,917	26,353,640
Total	$ 155,083,527	$ 141,596,678

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 2020 and 2019 are as follows:

	2020	2019
Beginning balance	$ 507,503	$ 835,991
Sales	(177,296)	(167,464)
Unrealized gain (loss)	28,440	(321,375)
Realized gain	166,803	160,351
Ending balance	$ 525,450	$ 507,503

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, 2020.

	December 31, 2020 Fair Value	December 31, 2019 Fair Value	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Limited partnerships, equity	$ 525,450	$ 507,503	N/A	None

The limited partnerships 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, 2020 and 2019, 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 are as follows as of December 31:

	2020	2019
Beginning balance	$ 1,162,585	$ 1,090,387
Net valuation (loss) gain	(451,664)	72,198
Ending balance	$ 710,921	$ 1,162,585

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 as of December 31:

	2020	2019
Beginning balance	$ 3,417,781	$ 3,012,936
Net valuation gain	225,253	404,845
Ending balance	$ 3,643,034	$ 3,417,781

The following is a description of the valuation methodologies for assets measured at fair value. There have been no changes in methodologies used at December 31, 2020 and 2019.

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

Mutual funds and exchange traded 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.

Alternative investments are valued using unobservable inputs, which are considered Level 3 inputs and are discussed in Note 1.

Investments held under split-interest agreements are valued at the fair value of the underlying investments.

Investments held by others under split-interest agreements are valued based on the underlying assets of the funds, which represents a proxy for discounted present value of future cash flows.

Beneficial interest in perpetual trusts is valued at fair value which takes into consideration the underlying investments and the Foundation's interest in the trusts. This approximates the present value of the future distributions expected to be received.

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 funds and discusses the nature and risk of the investments and whether they have redemption restrictions. There were no unfunded commitments as of December 31, 2020.

	December 31, 2020 Fair Value	December 31, 2019 Fair Value	Redemption Frequency (If Currently Eligible)	Redemption Notice Periods
Equity funds	$ 6,293,567	$ 7,125,965	Monthly	6-15 days
Fixed income funds	15,954,350	19,227,675	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.

7. Property and Equipment

Property and equipment consist of the following at December 31:

	2020	2019
Land and land improvements	$ 42,453,769	$ 42,590,799
Buildings and improvements	693,182,618	683,286,895
Rental property	217,735,086	216,512,022
Furniture and fixtures	20,282,042	20,007,043
Equipment	52,135,919	47,745,675
Leasehold improvements	135,161	135,161
Total	1,025,924,595	1,010,277,595
Less accumulated depreciation	(486,036,553)	(449,073,854)
Construction in progress	4,856,410	3,743,945
Property and equipment, net	$ 544,744,452	$ 564,947,686

Equipment includes equipment held under capital lease obligations with a carrying value of $896,748 and $894,500 at December 31, 2020 and 2019, respectively.

Included in construction in progress is $20,089 and $71,968 of capitalized interest as of December 31, 2020 and 2019, respectively.

Depreciation expense was $37,336,248 and $36,737,178 during 2019 and 2018, respectively. During 2020, certain property and equipment was disposed of, reducing accumulated depreciation by $373,550.

8. Long-Term Debt

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

	2020	2019
Affordable Housing Program loans due October 8, 2019, February 10, 2020 and March 1, 2024, bearing no interest.	$ 1,578,680	$ 3,136,140
Asbury, First mortgage (Tranche A) payable in monthly installments with interest at 5.9% per annum through 2050.	8,383,184	8,485,049
Asbury, First mortgage (Tranche B) payable in monthly installments with interest at 5.65% per annum through 2021.	73,081	355,322
Asbury, Mortgage note payable, interest is accrued at 1% compounding per annum through 2050, payable to the extent of net cash flow as defined in the mortgage agreement, unpaid principal and interest is due in 2050.	6,654,000	6,654,000

	2020	2019
Asbury, Mortgage note payable, interest is accrued at 1% per annum through 2050, payable to the extent of net cash flow as defined in the mortgage agreement, unpaid principal and interest is due in 2050.	$ 1,643,896	$ 1,643,896
Asbury, Promissory note payable, interest is accrued at 0.25% per annum through 2048, under the terms of the loan, the partnership is entitled to a full release of the mortgage provided the project is maintained as an affordable property for 15 years.	4,150,000	4,150,000
Butler, First mortgage payable in monthly installments with interest at 5.4% per annum through 2037.	4,544,674	4,708,552
Howell, First mortgage payable in monthly installments with interest at 5.4% per annum through 2037.	4,100,939	4,248,816
Wall, First mortgage payable in monthly installments with interest at 5.4% per annum through 2037.	3,904,917	4,045,725
Mount Holly, Second mortgage payable, interest is accrued at 1% per annum thru 2037 and is payable to the extent of net cash flow, as defined in the Mortgage agreement, unpaid principal and interest is due in 2037.	1,380,079	1,380,079
Mount Holly, Third mortgage payable, interest is accrued at 1% per annum thru 2036, unpaid principal and interest is due at maturity in 2036.	580,000	580,000
Plainfield, First mortgage payable in monthly installments with interest at 7.1% per annum through 2039.	6,227,765	6,377,725
Ramsey, First mortgage payable in monthly installments with interest at 5.4% per annum through 2037.	4,905,668	5,082,561
Heritage at Whiting, First mortgage note I, payable in monthly installments with interest at 4.35% per annum through 2037.	423,907	440,629
Heritage at Whiting, mortgage payable, at 1% interest commencing in 2019. Principal and interest due April 28, 2048.	7,849,580	7,849,580
New Jersey Economic Development Authority (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 84%. As of December 31, 2020, the rate was 1.34%.	27,205,000	27,205,000
NJEDA Variable Rate Revenue Bonds, Springpoint Senior Living 2015 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, 2020, the rate was1.08%.	20,500,000	21,448,000

	2020	2019
NJEDA Variable Rate Revenue Bonds, Springpoint Senior Living 2015 Obligated Group, Series 2015 taxable bonds with maturities through 2038 and interest at 1 month LIBOR plus 150 basis points. At December 31, 2020, the rate was 1.64%.	$ 39,948,000	$ 41,284,000
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 81.43% plus 122 basis points. At December 31, 2020, the rate was 1.33%.	48,228,000	48,356,000
NJEDA Variable Rate Revenue Bonds, Series 2015A tax-exempt bonds, issued on behalf of Atrium, with maturities through 2040 and interest at the sum of 1 month LIBOR plus 200 basis points x 65%. At December 31, 2020, the rate was 1.39%.	18,720,000	19,273,000
NJEDA Variable Rate Revenue Bonds, Series 2015B tax-exempt bonds, issued on behalf of Atrium, with interest at the sum of 1 month LIBOR plus 165 basis points x 65%. The bonds were fully repaid in 2020.	-	1,408,150
Bank Loan, issued on behalf of Atrium, with maturities through 2029 and interest at 1 month LIBOR plus 145 basis points. At December 31, 2020, the rate was 1.59%.	9,681,750	9,907,500
NJEDA Variable Rate Revenue Bonds, Series 2015 tax-exempt bonds, issued on behalf of Village Point, with maturities through 2045 and interest at the sum of 1 month LIBOR x 75% plus 178 basis points. At December 31, 2020, the rate was 1.89%.	26,409,000	26,944,000
NJEDA Fixed Rate Revenue Bonds, Series 2016 tax-exempt bonds, issued on behalf of The Oaks, with maturities through 2041 and interest at 2.3%.	18,500,000	18,500,000
Taxable Series 2016 Term Loan, issued on behalf of The Oaks, with maturities through 2033 and interest at 3.5%.	17,051,000	18,029,000
Bank Loan, issued on behalf of The Oaks, with maturities through 2042 and interest at 4.65%.	1,663,860	1,706,836
Sussex County, Delaware Series 2016 tax-exempt Revenue Bonds, issued on behalf of The Moorings, with maturities through 2036 and interest rates ranging from 2.0 to 5.0%.	15,915,000	16,500,000
Bank Loan, issued on behalf of Springpoint at Home, with maturities through 2021 and interest at 4.75%.	823,979	986,522

	2020	2019
Capital lease obligations	$ 896,747	$ 849,499
Total	301,942,706	311,535,581
Less:		
Deferred finance cost, net	1,861,568	3,242,472
Unamortized bond premium	(1,316,255)	(1,404,005)
Current maturities	5,038,260	9,179,150
Long-term debt, net	$ 296,359,133	$ 300,517,964

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 the banks advanced to the Company an amount not to exceed $778,680 for the development of Dover and $800,000 for Manchester Pines. 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 March 1, 2024 and May 6, 2026 for Dover and Manchester Pines, respectively. If the Company defaults on the notes, interest will be payable at a default rate of interest and shall be due on demand.

Franklin and Stafford by the Bay had entered into loan agreements under the AHP of the Federal Home Loan Bank of New York whereby the banks advanced to Franklin and Stafford by the Bay $778,680 and $778,780, respectively, for the development of the Projects. The notes were collateralized by a security agreement on the real estate owned by Franklin and Stafford by the Bay. The notes did not bear interest and were not required to be repaid so long as the housing remained 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 expiration of this 15 year period occurred during 2020 and as such, Franklin and Stafford by the Bay recognized debt forgiveness of $1,557,460 for the year ended December 31, 2020.

The Low Income Housing Tax Credit Communities have entered into mortgage payables that are secured by a lien on the entity's Partnership's Project and Land as well as an assignment of tenant lease agreements.

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 a prior bond issue 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 SSL, the Foundation, Meadow Lakes, Monroe and Crestwood (2015 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 2015 Obligated Group based on their direct use of the proceeds. The total proceeds were used to refund prior bond issues 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 2015 Obligated Group and a pledge of gross receipts. All members of the 2015 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 2015 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 2015 Obligated Group based on their direct use of the proceeds. The total proceeds were used to refund prior bond issues 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 2015 Obligated Group and a pledge of gross receipts. All members of the 2015 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 prior bond issues 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. The Montgomery Series 2015 bonds have a mandatory remarketing date of December 1, 2027.

On June 15, 2015, the NJEDA issued on behalf of Atrium, $26,000,000 Variable Rate Revenue Bonds (the Atrium Series 2015 bonds), which consisted 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 a construction line; 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 June 19, 2019, Atrium entered into an agreement with a bank for a loan in the amount of $10,000,000 (Bank Loan). Proceeds from the Bank Loan were used to pay down a portion of a note payable to SSL.

On June 5, 2015, the NJEDA issued on behalf of Village Point, $27,700,000 Series 2015 tax-exempt bonds. Proceeds from the Series 2015 tax-exempt bonds were used to provide financing to build a new skilled nursing facility. The Village Point Series 2015 tax-exempt bonds are collateralized by substantially all property and equipment and a pledge of gross receipts.

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.

On May 5, 2016, the NJEDA issued on behalf of The Oaks, $18,500,000 Series 2016 tax-exempt bonds. Proceeds from the Series 2016 tax-exempt bonds were used to (a) finance a portion of the purchase of The Oaks facility; (b) to fund a debt service reserve fund; and (c) to pay certain costs incurred in connection with the issuance of the Series 2016 tax-exempt bonds. The Series 2016 tax-exempt bonds are collateralized by substantially all property and equipment of The Oaks and a pledge of gross receipts. The Series 2016 tax-exempt bonds have a mandatory remarketing date of July 1, 2026.

On May 5, 2016, The Oaks entered into an agreement with a bank for a loan in the amount of $18,500,000 (Term Loan). Proceeds from the Term Loan were used to (a) finance a portion of the purchase of The Oaks facility; and (b) fund working capital. The Term Loan is collateralized by substantially all property and equipment of The Oaks and a pledge of gross receipts.

On October 27, 2016, Sussex County, Delaware issued on behalf of The Moorings, $17,620,000 of first mortgage revenue bonds, consisting of $1,120,000 in fixed rate serial bonds and $16,500,000 in fixed rate term bonds. The proceeds were used to (a) refund a prior issue; (b) to establish a reserve for capital projects; and (c) to pay certain costs incurred in connection with the issuance of the Series 2016 Revenue Bonds. The Series 2016 Revenue Bonds are collateralized by substantially all property and equipment of The Moorings and a pledge of gross receipts.

In July 2017, The Oaks entered into an agreement with a bank for a loan in the amount of $1,800,000 (Oaks Bank Loan). Proceeds from The Oaks Bank Loan were used to purchase a parking lot across from The Oaks facility.

The above bonds are subject to various covenants, which include the achievement of certain pre-established financial indicators.

At December 31, 2020 and December 31, 2019, Winchester Gardens did not meet certain restrictive debt covenants required under the Series 2014 Bonds. Winchester Gardens received a waiver from the bank, who is the bond creditor, on certain events of default related to financial statements and other information, as defined in the bond agreements. At December 31, 2020, Village Point did not meet certain restrictive debt covenants required under the Series 2015 Bonds. Village Point received a waiver from the bank, who is the bond creditor, on certain events of default related to financial statements and other information, as defined in the bond agreements.

Deferred financing costs represent costs incurred to obtain financing. Amortization of these costs is provided on the straight-line method, which approximates the effective interest method. At December 31, 2020 and 2019, deferred financing costs, net of accumulated amortization, were $1,861,568 and $3,242,472, respectively. Accumulated amortization at December 31, 2020 and 2019 is $2,811,894 and $1,346,779, respectively. Substantially all of the deferred financing costs related to the Series 2015 and 2016 NJEDA Revenue Bonds were amortized during 2020 due to the subsequent 2021 financing as noted below.

During February 2021, certain 2015 Obligated Group members and certain affiliates, (2021 Obligated Group) issued National Financing Authority revenue bonds, series 2021 for $114,820,000 (2021 Bonds) at interest rates ranging from 1% to 4% payable through 2051. Concurrent with the issuance of the 2021 Bonds, the 2021 Obligated Group obtained two variable rate taxable loans from banks (Bank Loans) in the amount of $85,000,000 at varying interest rates payable through 2051. The proceeds of the 2021 Bonds and Bank Loans were used to pay off all the Series 2015 and 2016 NJEDA Revenue Bonds noted above, excluding those related to Winchester Gardens and Village Point, and to pay off bank loans related to the Oaks and Atrium. The proceeds were also used to pay certain interest rate swap termination fees, to pay or reimburse capital expenditures of certain 2021 Obligated Group members and to pay closing costs of the transaction.

Scheduled maturities of long-term debt, as refinanced, are as follows:

Years ending December 31:	
2021	$ 5,038,260
2022	6,281,551
2023	6,638,471
2024	7,040,104
2025	9,082,740
Thereafter	267,861,580
Total	$ 301,942,706

9. Derivative Financial Instruments

In connection with certain bonds, the 2015 Obligated Group, Atrium, Montgomery, Winchester Gardens and Village Point 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.

The net cash paid or received under the swap agreement is recognized as an adjustment to interest expense. The 2015 Obligated Group, Atrium, Montgomery, Winchester Gardens and Village Point do not utilize interest rate swap agreements or other financial instruments for trading or other speculative purposes.

The 2015 Obligated Group, Atrium, Montgomery, Winchester Gardens and Village Point measure its derivative financial instruments at fair value based on proprietary models of the maker of the instruments based upon estimated future cash flows and forecasted interest rate yields. This value represents the estimated amount they would receive or pay upon termination of the agreements, taking into consideration current interest rates. Derivative financial instruments are considered level two investments within the fair value hierarchy.

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 $(9,137,159) in 2020 and $(8,641,941) in 2019.

As of December 31, 2020, the 2015 Obligated Group had the following interest rate swaps in effect:

Notional Amount	Fixed Rate	Variable Rate	Period
$20,500,000	2.4675%	65% of 1 month LIBOR plus 98.5 basis points (1.08% at December 31, 2020)	December 2015 to December 2025
$39,948,000	3.515%	1 month LIBOR plus 150 basis points (1.64% at December 31, 2020)	December 2015 to December 2025

The fair value of the interest rate swap agreements was $(4,200,439) at December 31, 2020 and $(1,299,243) at December 31, 2019 and was obtained from the financial institution.

As of December 31, 2020, Atrium had the following interest rate swaps in effect:

Notional Amount	Fixed Rate	Variable Rate	Period
$18,720,000	3.04%	Sum of USD-LIBOR plus 200 basis points x 65% (1.39% at December 31, 2020)	December 2015 to December 2030
$9,681,750	3.63%	Sum of USD-LIBOR plus 145 basis points (1.59% at December 31, 2020)	December 2015 to December 2030

The fair value of the interest rate swap agreements was $(3,033,474) at December 31, 2020 and $(1,320,163) at December 31, 2019 and was obtained from the financial institution.

As of December 31, 2020, Montgomery had the following interest rate swap in effect:

Notional Amount	Fixed Rate	Variable Rate	Period
$48,228,000	2.464%	USD-LIBOR x 67% plus 100.5 basis points (1.1% at December 31, 2020)	December 2015 to December 2027

The fair value of the interest rate swap agreements was $(3,273,278) at December 31, 2020 and $(1,101,720) at December 31, 2019 and was obtained from the financial institution.

As of December 31, 2020, Winchester Gardens had the following interest rate swaps in effect:

Notional Amount	Fixed Rate	Variable Rate	Period
$27,205,000	3.04%	USD-LIBOR x 69% plus 100 basis points (1.11% at December 31, 2020)	December 2014 to November 2029
$4,498,592	3.58%	USD-LIBOR plus 140 basis points (1.55% at December 31, 2020)	December 2016 to September 2026
$4,498,592	3.49%	USD-LIBOR plus 140 basis points (1.55% at December 31, 2020)	July 2017 to September 2026
$4,498,592	3.67%	USD-LIBOR plus 140 basis points (1.55% at December 31, 2020)	November 2017 to September 2026
$4,498,592	4.07%	USD-LIBOR plus 140 basis points (1.55% at December 31, 2020)	February 2018 to September 2026

The fair value of the interest rate swap agreements was $(5,159,069) at December 31, 2020 and $(2,648,563) at December 31, 2019 and was obtained from the financial institution.

As of December 31, 2020, Village Point had the following interest rate swaps in effect:

Notional Amount	Fixed Rate	Variable Rate	Period
$26,407,000	0.325%	USD-LIBOR x 75% (.11% at December 31, 2020)	November 2020 to June 2025

The fair value of the interest rate swap agreements was $(135,643) at December 31, 2020 and $(295,055) at December 31, 2019 and was obtained from the financial institution.

In connection with the 2021 Bonds noted above, all the swap agreements for the 2015 Obligated Group, Atrium and Montgomery were terminated in January 2021 and two new swap agreements were entered into with notional amounts of $85,000,000, fixed rates ranging from 3.39% to 3.58% and variable rates based on 1 month LIBOR plus 200 basis points through 2051. During 2020, Village Point terminated four existing interest rate swap agreements and entered into one new interest rate swap agreement in order to benefit from reduced fixed rates. The termination fee related to this was $39,363 and is included in interest expense.

10. Construction Lines of Credit

On December 1, 2015, Montgomery entered into a $5,699,000 construction line of credit (Montgomery Construction Line) with a commercial bank that matured December 2020. 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. The balance on the Construction Line at December 31, 2019 was $1,642,000 and was paid off in 2020.

On November 1, 2014, Winchester Gardens entered into a $12,215,000 construction line of credit (Winchester Construction Line) with a commercial bank. On October 1, 2016, the Winchester Construction Line was modified to increase the available draw to $28,000,000. The loan matures in October 2026. The interest rate at December 31, 2020 was 3.10 percent. 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. Borrowings on the Winchester Construction Line were $25,192,000 and $25,014,168 at December 31, 2020 and 2019, respectively. The line is collateralized by substantially all property and equipment and a pledge of gross receipts.

Scheduled maturities for the Winchester Construction Line of credit based on the expected draw down are as follows:

Years ending December 31:	
2021	$ 1,404,000
2022	1,404,000
2023	1,404,000
2024	1,270,000
2025	600,000
Thereafter	19,110,000
Total	$ 25,192,000

11. Net Assets With Donor Restrictions

Net assets with donor restrictions of $ 11,067,378 and $10,850,953 at December 31, 2020 and 2019, respectively, are donor restricted amounts for the benefit of residents and operations of SSL affiliates.

Net assets with donor restrictions are held for the following purposes:

	2020	2019
Split-interest agreements	$ 1,631,093	$ 2,452,648
Restricted for the benefit of residents and community needs	9,436,285	8,398,305
Total	$ 11,067,378	$ 10,850,953

12. 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, 2020 and 2019, the capital advances received totaled $ 80,035,527, which have been reported as a noncurrent liability in the consolidated balance sheets.

13. Retirement Plans

SSL and its affiliates sponsor a defined contribution 401(k) plan (the Plan). Effective as of March 1, 2019 employees are eligible to make employee deferrals and participate in the Plan as of the first day of the month after hire. Employees will be eligible to receive matching contributions as of the first day of the month after completion of 12 consecutive months of service at which 1,000 hours of service are worked. Upon meeting the requirement, the Plan provides for SSL and affiliates to match 100 percent of the employee contribution not to exceed 5 percent. Employees are vested in employee and employer contributions immediately upon participation.

In 2005, SSL initiated a Supplemental Executive Retirement Plan (SERP). During 2020 and 2019, the SERP funding was approximately $379,000 and $369,000, respectively, and carried a balance of approximately $2,906,000 and $2,120,000 at December 31, 2020 and 2019, respectively.

Pension expense under the Plan and the SERP was approximately $2,462,000 and $2,364,000 for the years ended December 31, 2020 and 2019, 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 Union Plan effective January 1, 2001.

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

	2020	2019
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	$ 880,991	$ 776,494
Interest cost	24,916	29,171
Actuarial gain	69,633	102,352
Benefits paid	(10,250)	(27,026)
Effect of settlement	(47,417)	-
Projected benefit obligation at end of year	917,873	880,991
Change in plan assets:		
Fair value of plan assets at beginning of year	578,311	459,718
Actual return on plan assets	13,831	49,155
Employer contribution	90,445	96,464
Benefits paid	(10,250)	(27,026)
Effect of settlement	(47,417)	-
Fair value of plan assets at end of year	624,920	578,311
Funded status at end of year	$ (292,953)	$ (302,680)

Amounts recognized in the consolidated balance sheets at December 31:

	2020	2019
Accrued expenses	$ (292,953)	$ (302,680)

Amounts recognized in net deficit without restrictions at December 31:

	2020	2019
Unrecognized net loss	$ 277,468	$ 273,236

A net actuarial loss of $277,468 represents the unrecognized component of net periodic pension cost at December 31, 2020.

An actuarial loss of $32,576 is expected to be recognized in net periodic pension cost in the next fiscal year.

The accumulated benefit obligation at December 31, 2020 and 2019 is $917,873 and $880,991, 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 2020 and 2019 are as follows:

	2020	2019
Interest cost	$ 24,916	$ 29,171
Expected loss (return) on plan assets	4,064	9,566
Amortization of net loss	33,179	29,355
Effect of settlement	14,327	-
Total	$ 76,486	$ 68,092

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

	2020	2019
Discount rate	2.35 %	3.15 %
Rate of compensation increase	N/A	N/A

Weighted-average assumptions used to determine net periodic pension cost at December 31 are as follows:

	2020	2019
Discount rate	3.15 %	4.10 %
Expected long-term rate of return on plan assets	6.50	6.50

The expected long-term rate of return on plan assets assumption was developed as a weighted average rate based on the target asset allocation of the plan and the Long-Term Capital Market Assumptions for the corresponding fiscal year-end.

The following tables summarize instruments measured at fair value on a recurring basis for the Union Plan at December 31:

	Assets at Fair Value as of December 31, 2020			
	Level 1	Level 2	Level 3	Total
Equity mutual funds:				
Large cap	$ 205,896	$ -	$ -	$ 205,896
Small cap	17,812	-	-	17,812
International	120,629	-	-	120,629
Fixed income mutual funds	243,229	-	-	243,229
Other	37,354	-	-	37,354
Total	$ 624,920	$ -	$ -	$ 624,920

	Assets at Fair Value as of December 31, 2019			
	Level 1	Level 2	Level 3	Total
Equity mutual funds:				
Large cap	$ 195,877	$ -	$ -	$ 195,877
Mid cap	17,160	-	-	17,160
Small cap	6,726	-	-	6,726
International	119,823	-	-	119,823
Fixed income mutual funds	203,417	-	-	203,417
Other	35,308	-	-	35,308
Total	$ 578,311	$ -	$ -	$ 578,311

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, 2020:

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

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 Union 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:	
2021	$ 160,000
2022	39,000
2023	100,000
2024	55,000
2025	64,000
Thereafter	240,000
Total	$ 658,000

The Company anticipates making a contribution of $95,995 the Union Plan during 2021.

14. Commitments and Contingencies

SSL, Springpoint at Home and Springpoint Choice lease office space and equipment through non-cancelable operating leases. The total rental expense under these leases was $600,337 and $595,945 for the years ended December 31, 2020 and 2019, respectively. The future minimum rental commitment under these non-cancelable leases is as follows:

2021	$	585,888
2022		317,019
2023		24,148
Total	$	927,055

Meadow Lakes, Monroe, Crestwood, Montgomery, Atrium, Winchester Gardens and The Oaks 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, which these affiliates establish and maintain a liquid reserve fund which is calculated as the greater of the following year's debt service or 15 percent 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 bond reserve requirements at December 31, 2020 and 2019.

Commitments under agreements for various construction projects totaled approximately $32,000 at December 31, 2020 and $1,209,000 at December 31, 2019.

SSL and the Foundation are Guarantors of Robert Noble Manor, LP (RNM) as required under the limited partnership agreement. 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. The Limited Partner determines if the Debt Service Coverage ratio test has been met causing the guarantee to expire. If RNM does not meet the ratio defined in the partnership agreement for Achievement of Debt Service Coverage for the final twelve consecutive months of the guarantee period, the guarantee shall be automatically extended until Achievement of Debt Service Coverage ratio has been achieved for twelve consecutive months. Management believes the risk of performance under this guarantee is low.

The Limited Partnerships have qualified for and have been allocated low-income housing tax credits pursuant to Internal Revenue Code Section 42 (Section 42) which regulates the use of the housing facilities as to occupant eligibility and unit gross rent, among other requirements.

The Limited Partnerships' low-income tax housing credits are contingent on their ability to maintain compliance with applicable provisions of Section 42. Failure to maintain compliance with occupant eligibility or unit gross rent requirements, or to correct noncompliance within a specified time period, could result in recapture of previously claimed tax credits plus interest. In addition, such potential noncompliance may require an adjustment to the capital contributed by the limited partners. In addition, in the Company's role as managing agent and general partner through its wholly owned subsidiaries, the Company is responsible for compliance with all covenants contained in the various partnership and other agreements for the Limited Partnerships. Failure to comply with these covenants, as well as applicable laws and regulations, could have a significant financial impact on the financial position of the Company.

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.

Senior Living Services Industry

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.

Medicaid Reimbursement

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 the Company's cost information from a prior year. The reimbursement methodology is subject to various limitations and adjustments.

The State of New Jersey 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 to Medicaid beneficiaries admitted to nursing facilities. The reimbursement received by the nursing facilities is negotiated between the MCOs and the nursing facilities.

COVID-19

The spread of COVID-19 around the world in the first quarter of 2020 has caused significant volatility in U.S. and international markets and having significant impact on supply chains, businesses and communities. COVID-19 may impact various parts of the Company’s operations and financial performance including but not limited to additional costs for emergency preparedness, disease control and containment, potential shortages of personnel, supply chain disruption, sales of residential living units or declines in revenue related to decreases in occupancy or volumes of certain revenue streams. The extent of the impact will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

Workers Compensation, Unemployment and Health Insurance

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 $14,221,000 and $14,844,000 for the years ending December 31, 2020 and 2019, respectively. These amounts are included in the various departmental expense categories in the accompanying consolidated financial statements.

15. 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:

	2020	2019
Medicare	19 %	31 %
Medicaid	6	7
Self-pay residents and other	75	62
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 percent of Meadow Lakes' labor force and expires May 8, 2022.

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.

16. 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 statements of operations and changes in net deficit. The initial term of the contracts is 20 years from completion of the housing project.

17. Liquidity and Availability of Resources

The Company has financial assets available for general expenditure within one year of the balance sheet date, consisting of the following as of December 31:

	2020	2019
Cash and cash equivalents	$ 30,212,636	$ 36,871,755
Accounts receivable, net	12,505,421	15,389,778
Investments	114,757,623	107,768,574
Total	$ 157,475,680	$ 160,030,107

The Company has cash and investments which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the information above. Cash in excess of current requirements are held in various investments in accordance with the Company's investment policy. The Company has other assets whose use is limited for residents deposits, assets reserved for future gift annuity payments, donor-restricted purposes and other limited uses.

The Company has also designated a portion of its assets whose use is limited "reserved" to comply with state liquid reserve requirements. Although the Company does not intend to utilize the state required liquid reserves for general expenditures as part of its annual budget and approval process, amounts designated for state required liquid reserves could be made available as necessary. State required liquid reserves do not have third party restrictions or limitations on the withdrawal and subsequent liquidation of such funds.

18. Functional Expenses

The Company provides housing, health care and other related services to residents within its geographic locations. The consolidated financial statements report certain expense categories that are attributable to more than one program service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, including depreciation and amortization, interest and other occupancy costs, are allocated to a function based on a square footage basis. Expenses related to providing these services, including depreciation and amortization and loss on disposal of fixed assets, are as follows as of December 31:

	2020			
	Program Services	Management and General	Fundraising	Total
Salary and wages	$ 69,708,888	$ 16,340,617	$ -	$ 86,049,505
Employee taxes and benefits	18,925,764	3,644,943	-	22,570,707
Food products	7,146,708	-	-	7,146,708
Supplies and maintenance	11,198,612	880,358	-	12,078,970
Contracted services	8,696,256	93,442	-	8,789,698
Utilities	9,235,351	-	-	9,235,351
Property taxes	8,227,065	-	-	8,227,065
Other	13,140,015	6,875,586	228,252	20,243,853
Depreciation and amortization	37,503,440	-	-	37,503,440
Interest expense	12,136,788	-	-	12,136,788
Goodwill impairment loss	13,950,864	-	-	13,950,864
Provision for doubtful accounts	-	1,829,484	-	1,829,484
Total	$ 209,869,751	$ 29,664,430	$ 228,252	$ 239,762,433

	2019			
	Program Services	Management and General	Fundraising	Total
Salary and wages	$ 68,346,509	$ 15,505,978	$ -	$ 83,852,487
Employee taxes and benefits	19,390,962	3,711,987	-	23,102,949
Food products	7,571,368	-	-	7,571,368
Supplies and maintenance	11,119,122	887,520	-	12,006,642
Contracted services	11,820,920	123,609	-	11,944,529
Utilities	9,525,107	-	-	9,525,107
Property taxes	9,321,700	-	-	9,321,700
Other	13,539,878	7,931,938	283,347	21,755,163
Depreciation and amortization	36,909,649	-	-	36,909,649
Interest expense	11,517,516	-	-	11,517,516
Provision for doubtful accounts	87,761	532,333	-	620,094
Total	$ 199,150,492	$ 28,693,365	$ 283,347	$ 228,127,204

19. Subsequent Events

Subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued. The Company recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated balance sheet, including the estimates inherent in the process of preparing the consolidated financial statements. The Company's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated balance sheet but arose after the consolidated balance sheet date and before the consolidated financial statements are issued.

The Company has evaluated subsequent events through June 29, 2021, which is the date the consolidated financial statements were issued.

Springpoint Senior Living, Inc. and Affiliates

Consolidating Schedule, Balance Sheet
December 31, 2020

	Continuing Care Retirement Communities	Affordable Housing Communities	Low Income Housing Tax Credit Communities	Other Entities	Combined Total	Eliminating and Consolidating Entries	Consolidated Balance
Assets							
Current Assets							
Cash and cash equivalents	$ 28,066,018	$ 519,157	$ 3,070,961	$ (1,443,500)	$ 30,212,636	$ -	$ 30,212,636
Current portion of assets whose use is limited	646,023	-	-	148,862	794,885	-	794,885
Accounts receivable, net	10,432,710	21,729	154,373	1,896,609	12,505,421	-	12,505,421
Due from affiliates	-	-	-	737,957	737,957	(737,957)	-
Other current assets	3,504,840	21,216	786,872	3,081,053	7,393,981	(3,317)	7,390,664
Total current assets	42,649,591	562,102	4,012,206	4,420,981	51,644,880	(741,274)	50,903,606
Investments	67,665,073	-	-	55,230,220	122,895,293	(8,137,670)	114,757,623
Assets Whose Use is Limited	29,344,231	6,496,821	9,519,711	8,275,369	53,636,132	-	53,636,132
Investments Held under Split-Interest Agreements	-	-	-	3,788,849	3,788,849	-	3,788,849
Investments Held by Others under Split-Interest Agreements	-	-	-	710,921	710,921	-	710,921
Beneficial Interest in Perpetual Trusts	-	-	-	4,369,140	4,369,140	(726,106)	3,643,034
Due From Other Affiliates	-	-	-	16,152,542	16,152,542	(16,152,542)	-
Notes Receivable	-	-	-	35,834,052	35,834,052	(35,834,052)	-
Loans Receivable From Affiliate	-	-	-	23,336,753	23,336,753	(23,336,753)	-
Property and Equipment, Net	385,041,682	51,940,175	92,058,853	26,273,124	555,313,834	(10,569,382)	544,744,452
Goodwill, Net	58,843,181	-	-	5,539,449	64,382,630	-	64,382,630
Other Assets, Net	666,329	-	196,890	7,578,265	8,441,484	(6,397,951)	2,043,533
Total assets	$ 584,210,087	$ 58,999,098	$ 105,787,660	$ 191,509,665	$ 940,506,510	$ (101,895,730)	$ 838,610,780

Springpoint Senior Living, Inc. and Affiliates

Consolidating Schedule, Balance Sheet
December 31, 2020

	Continuing Care Retirement Communities	Affordable Housing Communities	Low Income Housing Tax Credit 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	$ 2,938,153	$ -	$ 1,023,846	$ 1,076,261	$ 5,038,260	$ -	$ 5,038,260
Current portion of construction line of credit	1,404,000	-	-	-	1,404,000	-	1,404,000
Construction payable	504,696	-	-	109,283	613,979	-	613,979
Accounts payable	3,029,682	355,594	391,075	2,082,933	5,859,284	-	5,859,284
Accrued expenses	6,707,301	209,384	949,637	10,612,296	18,478,618	(189,885)	18,288,733
Due to affiliates	2,870,880	53,285	1,906,450	5,168,637	9,999,252	(9,999,252)	-
Residents' deposits	1,907,355	268,427	532,082	-	2,707,864	-	2,707,864
Total current liabilities	19,362,067	886,690	4,803,090	19,049,410	44,101,257	(10,189,137)	33,912,120
Long-Term Debt and Capital Lease Obligations	206,826,785	1,578,680	53,181,882	34,771,786	296,359,133	-	296,359,133
Notes Payable to Affiliate	22,710,000	-	35,833,952	626,753	59,170,705	(59,170,705)	-
Capital Advances	-	80,035,527	-	-	80,035,527	-	80,035,527
Due to Affiliates	5,288,925	-	-	1,649,955	6,938,880	(6,938,880)	-
Liability for Split-Interest Agreements and Deferred Gift Agreements	-	-	-	2,868,677	2,868,677	-	2,868,677
Deferred Revenue	92,878	-	-	21,428,173	21,521,051	(21,521,051)	-
Refundable Entrance Fees	328,437,524	-	-	361,852	328,799,376	-	328,799,376
Deferred Revenue From Entrance Fees	95,177,607	-	-	7,086,687	102,264,294	-	102,264,294
Construction Line of Credit, Net of Current Portion	23,788,000	-	-	-	23,788,000	-	23,788,000
Derivative Financial Instruments	15,082,244	-	-	719,659	15,801,903	-	15,801,903
Other Liabilities	2,578,999	-	3,207,526	5,488,061	11,274,586	(5,498,203)	5,776,383
Total liabilities	719,345,029	82,500,897	97,026,450	94,051,013	992,923,389	(103,317,976)	889,605,413
Net Assets (Deficit)							
Net assets (deficit) without donor restrictions	(142,938,451)	(23,501,799)	5,147,366	93,468,677	(67,824,207)	2,148,352	(65,675,855)
Non-controlling ownership interest in limited partnerships	-	-	3,613,844	-	3,613,844	-	3,613,844
Net assets with donor restrictions	598,509	-	-	11,194,975	11,793,484	(726,106)	11,067,378
Member's Equity	7,205,000	-	-	(7,205,000)	-	-	-
Total net assets (deficit)	(135,134,942)	(23,501,799)	8,761,210	97,458,652	(52,416,879)	1,422,246	(50,994,633)
Total liabilities and net assets (deficit)	$ 584,210,087	$ 58,999,098	$ 105,787,660	$ 191,509,665	$ 940,506,510	$ (101,895,730)	$ 838,610,780

Springpoint Senior Living, Inc. and Affiliates

Consolidating Schedule, Statement of Operations and Changes in Net Assets (Deficit)
Year Ended December 31, 2020

	Continuing Care Retirement Communities	Affordable Housing Communities	Low Income Housing Tax Credit Communities	Other Entities	Combined Total	Eliminating and Consolidating Entries	Consolidated Balance
Changes in Net Assets (Deficit) without Donor Restrictions							
Revenues and other support:							
Revenue from residential facilities	$ 72,638,487	$ 7,826,179	$ 12,742,207	$ -	$ 93,206,873	$ -	$ 93,206,873
Revenue from healthcare facilities	61,978,527	-	-	12,518,909	74,497,436	-	74,497,436
Services to residents	4,571,808	-	-	6,376,789	10,948,597	-	10,948,597
Developer and management fees	-	-	-	12,049,111	12,049,111	(12,049,111)	-
Contributions and bequests	618,738	-	-	2,110,365	2,729,103	(1,030,609)	1,698,494
Interest and dividends	1,227,055	3,094	32,630	772,220	2,034,999	(21,935)	2,013,064
Other revenue	7,339,823	77,260	330,417	1,811,246	9,558,746	(793,201)	8,765,545
Net assets released from restrictions used for operations	901,687	-	-	1,172,715	2,074,402	(304,974)	1,769,428
Total revenues and other support	149,276,125	7,906,533	13,105,254	36,811,355	207,099,267	(14,199,830)	192,899,437
Expenses:							
Professional care of residents	43,177,460	-	-	13,868,113	57,045,573	-	57,045,573
Resident services	4,484,970	-	-	-	4,484,970	-	4,484,970
Dining services	21,645,363	-	-	1,215,776	22,861,139	(230,495)	22,630,644
Operation and maintenance of facility	27,242,657	3,355,535	4,679,753	726,514	36,004,459	-	36,004,459
Housekeeping and laundry	6,919,475	-	-	296,255	7,215,730	-	7,215,730
Administrative and general	15,482,295	2,649,575	2,697,644	14,047,295	34,876,809	(467,046)	34,409,763
Resident assistance and program services	-	-	-	1,997,271	1,997,271	(1,335,583)	661,688
Marketing	6,372,820	-	-	1,437,871	7,810,691	-	7,810,691
Insurance	2,498,395	439,681	692,637	336,663	3,967,376	-	3,967,376
Springpoint Senior Living, Inc. management fee	9,362,136	544,020	715,007	1,526,010	12,147,173	(12,147,173)	-
Interest	8,944,314	-	2,809,081	1,298,703	13,052,098	(915,309)	12,136,789
Provision for bad debts	1,427,135	-	-	402,348	1,829,483	-	1,829,483
Total expenses	147,557,020	6,988,811	11,594,122	37,152,819	203,292,772	(15,095,606)	188,197,166
Operating income (loss)	1,719,105	917,722	1,511,132	(341,464)	3,806,495	895,776	4,702,271
Unrealized gains on investments	3,877,063	-	-	5,002,373	8,879,436	-	8,879,436
Net realized gains (losses) on investments	2,300,648	-	-	(1,310,829)	989,819	-	989,819
Amortization of entrance fees	18,252,984	-	-	739,283	18,992,267	-	18,992,267
Change in fair value of derivative financial instruments	(8,901,206)	-	-	(235,953)	(9,137,159)	-	(9,137,159)
Loss on disposal of fixed assets	(90,899)	(21,022)	(375)	1,334	(110,962)	-	(110,962)
Forgiveness of debt	-	1,557,460	-	-	1,557,460	-	1,557,460
Net asset transfer	-	-	672,292	3,286,171	3,958,463	(3,958,463)	-
Equity contribution (distribution) from limited partner	-	-	(10,860)	-	(10,860)		(10,860)
Goodwill impairment loss	(13,950,864)	-	-	-	(13,950,864)	-	(13,950,864)
Depreciation and amortization	(30,434,006)	(2,450,347)	(3,513,551)	(1,536,189)	(37,934,093)	430,652	(37,503,441)
Revenues and other support in excess of (less than) expenses	(27,227,175)	3,813	(1,341,362)	5,604,726	(22,959,998)	(2,632,035)	(25,592,033)
Pension liability adjustment	(76,486)	-	-	-	(76,486)	-	(76,486)
Increase (decrease) in net assets (deficit) without donor restrictions	$ (27,303,661)	$ 3,813	$ (1,341,362)	$ 5,604,726	$ (23,036,484)	$ (2,632,035)	$ (25,668,519)

Springpoint Senior Living, Inc. and Affiliates

Consolidating Schedule, Statement of Operations and Changes in Net Assets (Deficit)
Year Ended December 31, 2020

	Continuing Care Retirement Communities	Affordable Housing Communities	Low Income Housing Tax Credit Communities	Other Entities	Combined Total	Eliminating and Consolidating Entries	Consolidated Balance
Changes in Net Assets with Donor Restrictions							
Contributions	$ 956,544	$ -	$ -	$ 604,420	$ 1,560,964	$ (304,974)	$ 1,255,990
Change in value of split-interest agreements	-	-	-	44,867	44,867	-	44,867
Investment income	58,410	-	-	434,464	492,874	-	492,874
Net unrealized loss on investments	(33,131)	-	-	-	(33,131)	-	(33,131)
Change in value of perpetual trusts	-	-	-	261,787	261,787	(36,534)	225,253
Net assets released from restrictions for operations	(901,687)	-	-	(1,172,715)	(2,074,402)	304,974	(1,769,428)
(Decrease) increase in net assets with donor restrictions	80,136	-	-	172,823	252,959	(36,534)	216,425
Change in net assets (deficit)	(27,223,525)	3,813	(1,341,362)	5,777,549	(22,783,525)	(2,668,569)	(25,452,094)
Net Assets (Deficit), Beginning	(107,911,417)	(23,505,612)	10,102,572	91,681,103	(29,633,354)	4,090,815	(25,542,539)
Net Assets (Deficit), Ending	$ (135,134,942)	$ (23,501,799)	$ 8,761,210	$ 97,458,652	$ (52,416,879)	$ 1,422,246	$ (50,994,633)

Springpoint Senior Living, Inc. and Affiliates

Continuing Care Retirement Communities: Combining Schedule, Balance Sheet
December 31, 2020

	Atrium	Crestwood	Meadow Lakes	Monroe	The Moorings	The Oaks	Montgomery	Winchester Gardens	Combined Total
Assets									
Current Assets									
Cash and cash equivalents	$ 2,914,003	$ 2,241,587	$ (1,090,288)	$ 3,892,032	$ 4,170,334	$ 1,452,618	$ 12,090,488	$ 2,395,244	$ 28,066,018
Current portion of assets whose use is limited	38,291	93,678	185,378	4,150	-	10,927	84,118	229,481	646,023
Accounts receivable, net	401,339	2,041,232	787,510	815,855	2,725,457	1,142,791	1,187,362	1,331,164	10,432,710
Other current assets	332,730	447,241	504,524	334,618	329,925	571,462	422,397	561,943	3,504,840
Total current assets	3,686,363	4,823,738	387,124	5,046,655	7,225,716	3,177,798	13,784,365	4,517,832	42,649,591
Investments	7,819,831	11,325,347	-	2,505,444	4,911,304	3,966,370	27,378,787	9,757,990	67,665,073
Assets Whose Use is Limited	2,149,983	3,018,373	4,130,571	3,414,455	3,783,406	3,897,731	4,723,337	4,226,375	29,344,231
Property and Equipment, Net	54,783,649	27,112,700	44,898,059	27,228,832	34,417,445	74,728,683	62,248,968	59,623,346	385,041,682
Goodwill, Net	-	-	-	675,588	19,297,864	29,121,740	-	9,747,989	58,843,181
Other Assets, Net	-	-	-	-	315,190	203,245	-	147,894	666,329
Total assets	$ 68,439,826	$ 46,280,158	$ 49,415,754	$ 38,870,974	$ 69,950,925	$ 115,095,567	$ 108,135,457	$ 88,021,426	$ 584,210,087

Springpoint Senior Living, Inc. and Affiliates

Continuing Care Retirement Communities: Combining Schedule, Balance Sheet
December 31, 2020

	Atrium	Crestwood	Meadow Lakes	Monroe	The Moorings	The Oaks	Montgomery	Winchester Gardens	Combined Total
Liabilities and Net Assets (Deficit)									
Current Liabilities									
Current maturities of long-term debt and capital lease obligations	$ 322,894	$ 604,629	$ 308,647	$ 202,657	$ 631,244	$ 502,826	$ 328,531	$ 36,725	$ 2,938,153
Current portion of construction line of credit	-	-	-	-	-	-	-	1,404,000	1,404,000
Construction payable	-	-	121,556	42,717	-	-	255,140	85,283	504,696
Accounts payable	229,562	395,827	538,976	159,275	256,380	618,832	505,897	324,933	3,029,682
Accrued expenses	494,490	577,026	1,272,275	524,122	828,483	1,056,916	1,120,008	833,981	6,707,301
Due to affiliates	489,051	105,371	64,905	(39,250)	210,354	(959,732)	242,431	2,757,750	2,870,880
Residents' deposits	133,301	111,896	323,401	229,363	203,620	107,251	387,737	410,786	1,907,355
Total current liabilities	1,669,298	1,794,749	2,629,760	1,118,884	2,130,081	1,326,093	2,839,744	5,853,458	19,362,067
Long-Term Debt and Capital Lease Obligations	28,107,287	24,887,869	17,686,218	8,334,822	16,121,475	36,770,428	47,934,850	26,983,836	206,826,785
Notes Payable to Affiliate	14,710,000	-	-	-	-	3,000,000	-	5,000,000	22,710,000
Due to Affiliates	5,288,925	-	-	-	-		-	-	5,288,925
Refundable Entrance Fees	34,150,240	6,205,223	33,150,906	30,986,795	43,530,298	55,060,187	60,867,931	64,485,944	328,437,524
Deferred Revenue From Entrance Fees	12,236,389	6,349,123	16,219,430	10,428,370	9,579,898	13,493,328	15,679,048	11,192,021	95,177,607
Construction Line of Credit, Net of Current Portion	-	-	-	-	-		-	23,788,000	23,788,000
Derivative Financial Instruments	3,033,474	1,933,603	1,064,990	617,830	-		3,273,278	5,159,069	15,082,244
Deferred Revenue	-	-	9,729	33,333	-	31,158	-	18,658	92,878
Other Liabilities	2,381,716	-	-	-	-	-	-	197,283	2,578,999
Total liabilities	101,577,329	41,170,567	70,761,033	51,520,034	71,361,752	109,681,194	130,594,851	142,678,269	719,345,029
Net Assets (Deficit)									
Net assets without donor restrictions	(33,178,313)	5,049,697	(21,418,826)	(13,000,257)	(1,416,702)	(1,812,637)	(22,491,519)	(54,669,894)	(142,938,451)
Net assets with donor restrictions	40,810	59,894	73,547	351,197	5,875	22,010	32,125	13,051	598,509
Member's equity	-	-	-	-	-	7,205,000	-	-	7,205,000
Total net assets (deficit)	(33,137,503)	5,109,591	(21,345,279)	(12,649,060)	(1,410,827)	5,414,373	(22,459,394)	(54,656,843)	(135,134,942)
Total liabilities and net assets (deficit)	$ 68,439,826	$ 46,280,158	$ 49,415,754	$ 38,870,974	$ 69,950,925	$ 115,095,567	$ 108,135,457	$ 88,021,426	$ 584,210,087

Springpoint Senior Living, Inc. and Affiliates

Continuing Care Retirement Communities: Combining Schedule, Statement of Operations and Changes in Net Assets (Deficit)
Year Ended December 31, 2020

	Atrium	Crestwood	Meadow Lakes	Monroe	The Moorings	The Oaks	Montgomery	Winchester Gardens	Combined Total
Changes in Net Assets (Deficit) without Donor Restrictions									
Revenues and other support:									
Revenue from residential facilities	$ 7,560,561	$ 7,800,408	$ 11,313,790	$ 8,050,418	$ 5,217,079	$ 10,322,685	$ 13,099,425	$ 9,274,121	$ 72,638,487
Revenue from healthcare facilities	5,301,966	8,010,391	9,734,927	2,264,047	8,751,711	10,646,063	9,989,699	7,279,723	61,978,527
Services to residents	256,305	1,373,092	644,904	579,407	229,630	466,610	834,652	187,208	4,571,808
Contributions and bequests	92,776	89,852	102,710	107,192	39,527	93,529	54,057	39,095	618,738
Interest and dividends	133,704	178,647	49,744	71,509	65,034	61,433	444,962	222,022	1,227,055
Other revenue	332,548	1,322,531	981,085	406,570	774,401	1,814,983	1,080,131	627,574	7,339,823
Net assets released from restriction used for operations	153,603	145,103	91,745	96,991	5,237	139,414	186,486	83,108	901,687
Total revenues and other support	13,831,463	18,920,024	22,918,905	11,576,134	15,082,619	23,544,717	25,689,412	17,712,851	149,276,125
Expenses:									
Professional care of patients	4,017,104	5,787,985	6,538,456	1,878,201	4,960,443	8,135,305	6,592,790	5,267,176	43,177,460
Resident services	575,687	458,764	581,960	395,487	366,788	809,976	549,654	746,654	4,484,970
Dining services	1,936,513	2,736,493	3,232,029	2,626,076	2,002,276	2,644,137	3,443,536	3,024,303	21,645,363
Operation and maintenance of facility	2,293,188	2,388,573	5,025,418	2,945,964	1,810,755	3,989,031	3,896,075	4,893,653	27,242,657
Housekeeping and laundry	728,286	909,876	1,206,338	505,721	523,834	1,146,876	1,021,089	877,455	6,919,475
Administrative and general	1,522,723	2,135,984	1,470,779	2,188,311	1,820,616	2,243,268	2,174,063	1,926,551	15,482,295
Marketing	532,593	879,554	730,500	841,567	611,518	1,025,981	789,153	961,954	6,372,820
Insurance	288,712	278,294	329,133	227,501	242,397	416,135	312,077	404,146	2,498,395
Springpoint Senior Living, Inc. management fee	945,097	1,233,988	1,503,785	822,335	535,994	1,344,301	1,747,256	1,229,380	9,362,136
Interest	1,151,040	1,056,575	505,811	338,698	737,411	1,652,233	1,680,325	1,822,221	8,944,314
Provision for doubtful accounts	186,986	457,777	172,706	1,769	53,074	268,907	139,201	146,715	1,427,135
Total expenses	14,177,929	18,323,863	21,296,915	12,771,630	13,665,106	23,676,150	22,345,219	21,300,208	147,557,020
Operating (loss) income	(346,466)	596,161	1,621,990	(1,195,496)	1,417,513	(131,433)	3,344,193	(3,587,357)	1,719,105
Unrealized losses on investments	471,466	685,309	188,377	344,277	388,954	188,529	960,321	649,830	3,877,063
Net realized gains on investments	166,368	220,338	64,813	32,222	(35,190)	64,872	1,533,538	253,687	2,300,648
Amortization of entrance fees	2,071,861	1,684,939	3,004,828	2,443,546	1,396,933	2,591,710	2,361,527	2,697,640	18,252,984
Net change in fair value of derivative financial instruments	(1,713,311)	(1,401,030)	(665,322)	(439,479)	-		(2,171,558)	(2,510,506)	(8,901,206)
Gain (loss) on disposal of fixed assets					1,306		(96,605)	4,400	(90,899)
Goodwill impairment loss	-	-	-	-	-	-	-	(13,950,864)	(13,950,864)
Depreciation and amortization	(2,849,049)	(3,142,057)	(4,683,796)	(3,009,916)	(1,721,557)	(3,590,149)	(5,161,265)	(6,276,217)	(30,434,006)
Revenues and other support (less than) in excess of expenses	(2,199,131)	(1,356,340)	(469,110)	(1,824,846)	1,447,959	(876,471)	770,151	(22,719,387)	(27,227,175)
Pension liability adjustment	-	-	(76,486)	-	-	-	-	-	(76,486)
(Decrease) increase in net assets (deficit) without donor restrictions	$ (2,199,131)	$ (1,356,340)	$ (545,596)	$ (1,824,846)	$ 1,447,959	$ (876,471)	$ 770,151	$ (22,719,387)	$ (27,303,661)

Springpoint Senior Living, Inc. and Affiliates

Continuing Care Retirement Communities: Combining Schedule, Statement of Operations and Changes in Net Assets (Deficit)
Year Ended December 31, 2020

	Atrium	Crestwood	Meadow Lakes	Monroe	The Moorings	The Oaks	Montgomery	Winchester Gardens	Combined Total
Changes in Net Assets with Donor Restrictions									
Contributions	$ 162,280	$ 145,395	$ 104,995	$ 101,140	$ 9,368	$ 147,323	$ 196,849	$ 89,194	$ 956,544
Investment income	-	-	-	58,410	-	-	-	-	58,410
Net unrealized loss on investments	-	-	-	(33,131)	-	-	-	-	(33,131)
Net assets released from restriction used for operations	(153,603)	(145,103)	(91,745)	(96,991)	(5,237)	(139,414)	(186,486)	(83,108)	(901,687)
(Decrease) increase in net assets with donor restrictions	8,677	292	13,250	29,428	4,131	7,909	10,363	6,086	80,136
Change in net assets (deficit)	(2,190,454)	(1,356,048)	(532,346)	(1,795,418)	1,452,090	(868,562)	780,514	(22,713,301)	(27,223,525)
Net Assets (Deficit), Beginning	(30,947,049)	6,465,639	(20,812,933)	(10,853,642)	(2,862,917)	6,282,935	(23,239,908)	(31,943,542)	(107,911,417)
Net Assets (Deficit), Ending	$ (33,137,503)	$ 5,109,591	$ (21,345,279)	$ (12,649,060)	$ (1,410,827)	$ 5,414,373	$ (22,459,394)	$ (54,656,843)	$ (135,134,942)

Springpoint Senior Living, Inc. and Affiliates

Affordable Housing Communities: Combining Schedule, Balance Sheet

December 31, 2020

	Dover	Countryside Meadows	Wheaton Pointe	Franklin	Howell	Manchester Pines	Portland Pointe	Watchung Terrace	Stafford By the Bay	The Gables	Combined Total
Assets											
Current Assets											
Cash and cash equivalents	$ 47,881	$ 17,473	$ 71,633	$ 48,595	$ 45,993	$ 90,385	$ 75,084	$ 75,484	$ 40,397	$ 6,232	$ 519,157
Accounts receivable, net	66	1,218	111	1,868	(22)	1,025	(474)	46	14,605	3,286	21,729
Other current assets	8,437	2,853	1,088	2,849	3,225	-	-	-	-	2,764	21,216
Total current assets	56,384	21,544	72,832	53,312	49,196	91,410	74,610	75,530	55,002	12,282	562,102
Assets Whose Use is Limited	677,728	900,569	647,304	723,049	674,857	571,358	351,947	631,379	634,270	684,360	6,496,821
Property and Equipment, Net	9,703,240	2,410,339	4,771,525	5,850,231	3,635,838	10,543,871	2,486,108	2,715,725	5,318,492	4,504,806	51,940,175
Total assets	$ 10,437,352	$ 3,332,452	$ 5,491,661	$ 6,626,592	$ 4,359,891	$ 11,206,639	$ 2,912,665	$ 3,422,634	$ 6,007,764	$ 5,201,448	$ 58,999,098
Liabilities and Net Deficit											
Current Liabilities											
Accounts payable	$ 32,110	$ 19,646	$ 41,984	$ 40,226	$ 23,858	$ 27,697	$ 32,145	$ 59,932	$ 48,679	$ 29,317	$ 355,594
Accrued expenses	24,438	25,540	17,086	20,643	25,246	27,049	16,263	21,260	17,622	14,237	209,384
Due to affiliates	(5,144)	(3,860)	3,397	4,997	12,415	24,698	9,255	(4,688)	5,806	6,409	53,285
Residents' deposits	31,055	27,838	19,207	26,621	30,777	32,381	23,191	33,188	29,880	14,289	268,427
Total current liabilities	82,459	69,164	81,674	92,487	92,296	111,825	80,854	109,692	101,987	64,252	886,690
Long-Term Debt	778,680	-	-	-	-	800,000	-	-	-	-	1,578,680
Capital Advances	10,812,100	5,773,700	8,179,100	8,767,400	7,434,000	11,639,400	5,274,727	6,270,600	7,869,900	8,014,600	80,035,527
Total liabilities	11,673,239	5,842,864	8,260,774	8,859,887	7,526,296	12,551,225	5,355,581	6,380,292	7,971,887	8,078,852	82,500,897
Net Deficit											
Net deficit without donor restrictions	(1,235,887)	(2,510,412)	(2,769,113)	(2,233,295)	(3,166,405)	(1,344,586)	(2,442,916)	(2,957,658)	(1,964,123)	(2,877,404)	(23,501,799)
Total liabilities and net deficit	$ 10,437,352	$ 3,332,452	$ 5,491,661	$ 6,626,592	$ 4,359,891	$ 11,206,639	$ 2,912,665	$ 3,422,634	$ 6,007,764	$ 5,201,448	$ 58,999,098

Springpoint Senior Living, Inc. and Affiliates

Affordable Housing Communities: Combining Schedule, Statement of Operations and Changes in Net Assets (Deficit)
Year Ended December 31, 2020

	Dover	Countryside Meadows	Wheaton Pointe	Franklin	Howell	Manchester Pines	Portland Pointe	Watchung Terrace	Stafford By the Bay	The Gables	Combined Total
Revenues and Other Support											
Revenue from residential facilities	$ 775,936	$ 796,444	$ 801,873	$ 766,860	$ 751,309	$ 800,449	$ 681,026	$ 794,070	$ 907,621	$ 750,591	$ 7,826,179
Interest and dividends	330	424	347	340	312	256	182	287	291	325	3,094
Other revenue	15,330	1,077	8,704	7,731	6,933	7,473	3,723	10,533	14,664	1,092	77,260
Total revenues and other support	791,596	797,945	810,924	774,931	758,554	808,178	684,931	804,890	922,576	752,008	7,906,533
Expenses:											
Operation and maintenance of facility	320,393	327,201	353,169	339,677	345,561	361,447	277,612	275,980	439,507	314,988	3,355,535
Administrative and general	254,109	291,091	252,539	282,197	246,572	262,803	255,932	245,717	295,323	263,292	2,649,575
Insurance	48,304	42,350	43,123	46,634	43,501	51,873	31,080	40,768	49,767	42,281	439,681
Springpoint Senior Living, Inc. management fee	54,432	66,732	52,416	52,416	56,987	65,678	38,254	55,831	52,416	48,858	544,020
Total expenses	677,238	727,374	701,247	720,924	692,621	741,801	602,878	618,296	837,013	669,419	6,988,811
Operating income	114,358	70,571	109,677	54,007	65,933	66,377	82,053	186,594	85,563	82,589	917,722
Gain (loss) on disposal of fixed assets	(21,022)	-	-	-	-	-	-	-	-	-	(21,022)
Forgiveness of debt	-	-	-	778,680	-	-	-	-	778,780	-	1,557,460
Depreciation and amortization	(339,562)	(184,113)	(239,477)	(257,927)	(225,521)	(337,423)	(176,812)	(228,122)	(237,968)	(223,422)	(2,450,347)
Change in net deficit without donor restrictions	(246,226)	(113,542)	(129,800)	574,760	(159,588)	(271,046)	(94,759)	(41,528)	626,375	(140,833)	3,813
Net Deficit, Beginning	(989,661)	(2,396,870)	(2,639,313)	(2,808,055)	(3,006,817)	(1,073,540)	(2,348,157)	(2,916,130)	(2,590,498)	(2,736,571)	(23,505,612)
Net Deficit, Ending	$ (1,235,887)	$ (2,510,412)	$ (2,769,113)	$ (2,233,295)	$ (3,166,405)	$ (1,344,586)	$ (2,442,916)	$ (2,957,658)	$ (1,964,123)	$ (2,877,404)	$ (23,501,799)

Springpoint Senior Living, Inc. and Affiliates

Low Income Housing Tax Credit Communities: Combining Schedule, Balance Sheet
December 31, 2020

	Asbury	Butler	Howell	Heritage at Whiting	Mount Holly	Plainfield	Ramsey	Wall	Combined Total
Assets									
Current Assets									
Cash and cash equivalents	$ 1,032,353	$ 421,569	$ 416,344	$ 132,247	$ 66,696	$ 64,199	$ 644,688	$ 292,865	$ 3,070,961
Accounts receivable, net	52,121	3,372	8,685	5,320	(44)	17,923	60,320	6,676	154,373
Other current assets	345,578	64,130	76,728	57,632	-	113,269	73,195	56,340	786,872
Total current assets	1,430,052	489,071	501,757	195,199	66,652	195,391	778,203	355,881	4,012,206
Assets Whose Use is Limited	2,823,011	1,002,921	1,089,481	978,431	141,483	1,567,902	1,007,258	909,224	9,519,711
Property and Equipment, Net	39,868,114	6,580,894	7,447,872	8,223,649	2,825,848	12,867,215	8,633,452	5,611,809	92,058,853
Other Assets, Net	110,807	-	6,127	43,749	3,052	33,155	-	-	196,890
Total assets	$ 44,231,984	$ 8,072,886	$ 9,045,237	$ 9,441,028	$ 3,037,035	$ 14,663,663	$ 10,418,913	$ 6,876,914	$ 105,787,660
Liabilities and Net Assets (Deficit)									
Current Liabilities									
Current maturities of long-term debt	$ 181,120	$ 172,948	$ 156,062	$ 17,468	$ -	$ 160,959	$ 186,686	$ 148,603	$ 1,023,846
Accounts payable	112,193	26,333	51,316	39,669	40,105	95,365	13,133	12,961	391,075
Accrued expenses	563,780	38,042	29,772	174,187	23,295	68,184	32,137	20,240	949,637
Due to affiliates	1,303,154	36,080	26,447	403,607	57,914	19,653	36,510	23,085	1,906,450
Residents' deposits	295,542	31,822	34,797	50,717	14,983	49,951	30,297	23,973	532,082
Total current liabilities	2,455,789	305,225	298,394	685,648	136,297	394,112	298,763	228,862	4,803,090
Long-Term Debt	20,313,979	4,355,813	3,939,624	8,156,873	1,911,136	6,055,762	4,707,322	3,741,373	53,181,882
Notes Payable to Affiliate	20,822,474	2,200,731	3,178,292	787,944	223,199	2,498,825	4,117,958	2,004,529	35,833,952
Other Liabilities	2,202,171	20,451	24,843	627,531	249,241	36,848	28,869	17,572	3,207,526
Total liabilities	45,794,413	6,882,220	7,441,153	10,257,996	2,519,873	8,985,547	9,152,912	5,992,336	97,026,450
Net Assets (Deficit)									
Partner's equity (deficit)	(1,863)	-	-	(2,002,375)	1,630,680	575,595	-	-	202,037
Non-controlling ownership interest in limited partnerships	(1,560,566)	-	-	1,185,407	(1,113,518)	5,102,521	-	-	3,613,844
Net assets without donor restrictions	-	1,190,666	1,604,084	-	-	-	1,266,001	884,578	4,945,329
Total net assets (deficit)	(1,562,429)	1,190,666	1,604,084	(816,968)	517,162	5,678,116	1,266,001	884,578	8,761,210
Total liabilities and net assets (deficit)	$ 44,231,984	$ 8,072,886	$ 9,045,237	$ 9,441,028	$ 3,037,035	$ 14,663,663	$ 10,418,913	$ 6,876,914	$ 105,787,660

Springpoint Senior Living, Inc. and Affiliates

Low Income Housing Tax Credit Communities: Combining Schedule, Statement of Operations and Changes in Net Assets (Deficit)
Year Ended December 31, 2020

	Asbury	Butler	Howell	Heritage at Whiting	Mount Holly	Plainfield	Ramsey	Wall	Combined Total
Revenues and Other Support									
Revenue from residential facilities	$ 3,949,691	$ 1,427,467	$ 1,556,879	$ 602,270	$ 251,353	$ 2,176,832	$ 1,516,377	$ 1,261,338	$ 12,742,207
Interest and dividends	8,116	4,267	4,377	1,964	439	5,356	4,277	3,834	32,630
Other revenue	221,862	5,984	13,834	14,722	8,976	50,908	5,162	8,969	330,417
Total revenues and other support	4,179,669	1,437,718	1,575,090	618,956	260,768	2,233,096	1,525,816	1,274,141	13,105,254
Expenses:									
Operation and maintenance of facility	1,812,737	414,661	428,231	229,730	185,959	842,383	378,096	387,956	4,679,753
Administrative and general	751,952	270,101	331,819	173,119	82,606	478,213	284,241	325,593	2,697,644
Insurance	324,398	46,959	56,174	49,063	37,900	87,476	52,241	38,426	692,637
Springpoint Senior Living, Inc. management fee	240,013	71,268	80,463	52,661	19,223	117,274	80,463	53,642	715,007
Interest	766,903	314,937	327,992	138,983	29,692	554,971	401,736	273,867	2,809,081
Total expenses	3,896,003	1,117,926	1,224,679	643,556	355,380	2,080,317	1,196,777	1,079,484	11,594,122
Operating income (loss)	283,666	319,792	350,411	(24,600)	(94,612)	152,779	329,039	194,657	1,511,132
Net asset transfer (to) from affiliate	-	210,441	131,300	-	68,236	-	115,882	146,433	672,292
Equity contribution (distribution) from limited partner	-	(210,441)	(131,300)	593,196	-	-	(115,882)	(146,433)	(10,860)
Gain (loss) on disposal of fixed assets	-	-	-	-	-	(375)	-	-	(375)
Depreciation and amortization	(1,501,386)	(294,511)	(334,902)	(214,765)	(177,946)	(503,037)	(279,846)	(207,158)	(3,513,551)
Change in net assets (deficit) without donor restrictions	(1,217,720)	25,281	15,509	353,831	(204,322)	(350,633)	49,193	(12,501)	(1,341,362)
Net Assets (Deficit), Beginning	(344,709)	1,165,385	1,588,575	(1,170,799)	721,484	6,028,749	1,216,808	897,079	10,102,572
Net Assets (Deficit), Ending	$ (1,562,429)	$ 1,190,666	$ 1,604,084	$ (816,968)	$ 517,162	$ 5,678,116	$ 1,266,001	$ 884,578	$ 8,761,210

Springpoint Senior Living, Inc. and Affiliates

Other Entities: Combining Schedule, Balance Sheet

December 31, 2020

	SSL	Foundation	Presbyterian Home at Wall, Inc.	Presbyterian Home of Plainfield, Inc.	AHS	Springpoint at Tinton Falls	Springpoint at Manalapan	Senior Net, Inc.	Integrated Management Services, Inc.	PTS	MHS	Village Point	Springpoint at Haddonfield, Inc.	Springpoint At Home	Springpoint Choice	Cadbury At Cherry Hill, Inc.	Combined Total
Assets																	
Current Assets																	
Cash and cash equivalents	$ (4,592,987)	$ 1,596,724	$ 1,350,568	$ 433,675	$ -	$ -	$ 29	$ (87,763)	$ (456,071)	$ -	$ -	$ -	$ 9,566	$ 176,587	$ 124,545	$ 1,627	$ (1,443,500)
Current portion of assets whose use is limited	-	-	-	-	-	-	-	-	-	-	-	148,862	-	-	-	-	148,862
Accounts receivable, net	-	-	-	-	-	-	-	38,007	-	-	-	1,231,003	-	614,236	13,363	-	1,896,609
Due from affiliates	-	310,773	-	-	-	-	-	1,072	426,112	-	-	-	-	-	-	-	737,957
Other current assets	987,567	121,569	-	-	-	-	61,949	1,102	1,487,747	-	-	354,080	-	39,565	27,474	-	3,081,053
Total current assets	(3,605,420)	2,029,066	1,350,568	433,675	-	-	61,978	(47,582)	1,457,788	-	-	1,733,945	9,566	830,388	165,382	1,627	4,420,981
Investments	-	42,257,205	984,993	-	2,752,359	3,821,991	3,500,000	-	-	578,226	100	-	-	-	1,335,346	-	55,230,220
Assets Whose Use is Limited	2,905,834	4,720,555	-	-	-	-	-	-	-	-	-	-	-	-	648,980	-	8,275,369
Investments Held Under Split-Interest Agreements	-	3,788,849	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,788,849
Investments Held by Others under Split-Interest Agreements	-	710,921	-	-	-	-	-	-	-	-	-	-	-	-	-	-	710,921
Beneficial Interest in Perpetual Trusts	-	3,643,034	-	-	-	-	-	-	-	-	-	-	726,106	-	-	-	4,369,140
Due From Affiliates	16,152,542	-	-	-	-	-	-	-	-	-	-	-	-		-	-	16,152,542
Notes Receivable	30,366,627	176,026	2,792,574	2,498,825	-	-	-	-	-	-	-	-	-	-	-	-	35,834,052
Loans Receivable From Affiliate	20,336,753	-	3,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	23,336,753
Property and Equipment, Net	935,110	10,580	-	-	-	-	-	134	185,410	-	-	24,881,785	-	39,803	220,302	-	26,273,124
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-	2,270,750	3,268,699	-	5,539,449
Other Assets, Net	5,988,900	-	-	-	-	-	-	-	-	-	-	1,537,083	-	52,282	-	-	7,578,265
Total assets	$ 73,080,346	$ 57,336,236	$ 8,128,135	$ 2,932,500	$ 2,752,359	$ 3,821,991	$ 3,561,978	$ (47,448)	$ 1,643,198	$ 578,226	$ 100	$ 28,152,813	$ 735,672	$ 3,193,223	$ 5,638,709	$ 1,627	$ 191,509,665

Springpoint Senior Living, Inc. and Affiliates
Other Entities: Combining Schedule, Balance Sheet
December 31, 2020

	SSL	Foundation	Presbyterian Home at Wall, Inc.	Presbyterian Home of Plainfield, Inc.	AHS	Springpoint at Tinton Falls	Springpoint at Manalapan	Senior Net, Inc.	Integrated Management Services, Inc.	PTS	MHS	Village Point	Springpoint at Haddonfield, Inc.	Springpoint At Home	Springpoint Choice	Cadbury At Cherry Hill, Inc.	Combined Total
Liabilities and Net Assets (Deficit)																	
Current Liabilities																	
Current maturities of long-term debt and capital lease obligations	$ 267,721	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 71,395	$ -	$ -	$ 566,690	$ -	$ 170,455	$ -	$ -	$ 1,076,261
Construction payable	-	-	-	-	-	-	-	-	-	-	-	109,283	-	-	-	-	109,283
Accounts payable	313,652	5,428	-	-	-	-	-	2,542	-	-	-	1,680,418	-	9,913	70,980	-	2,082,933
Accrued expenses	9,587,897	110,258	-	-	-	-	-	5,477	-	-	-	626,646	-	229,986	52,032	-	10,612,296
Due to affiliates	-	-	(1,124,266)	(578,226)	1,791,211	604,056	-	-	-	593,002	12,056	1,659,255	-	2,170,041	41,508	-	5,168,637
Total current liabilities	10,169,270	115,686	(1,124,266)	(578,226)	1,791,211	604,056	-	8,019	71,395	593,002	12,056	4,642,292	-	2,580,395	164,520	-	19,049,410
Long-Term Debt and Capital Lease Obligations	8,482,994	-	-	-	-	-	-	-	123,106	-	-	25,512,162	-	653,524	-	-	34,771,786
Notes Payable to Affiliate	-	-	-	-	-	-	-	-	-	-	-	-	-	626,753	-	-	626,753
Due to Affiliate	-	-	-	-	-	-	-	-	-	-	-	-	-	1,649,955	-	-	1,649,955
Liability for Split-Interest Agreements and Deferred Gift Agreements	-	2,868,677	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,868,677
Refundable Entrance Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	361,852	-	361,852
Deferred Revenue From Entrance Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,086,687	-	7,086,687
Deferred Revenue	18,609,541	60,392	577,830	719,764	-	-	-	-	1,460,646	-	-	-	-	-	-	-	21,428,173
Derivative Financial Instruments	584,016	-	-	-	-	-	-	-	-	-	-	135,643	-	-	-	-	719,659
Other Liabilities	4,097,113	-	-	-	-	-	-	-	-	-	-	1,390,948	-	-	-	-	5,488,061
Total liabilities	41,942,934	3,044,755	(546,436)	141,538	1,791,211	604,056	-	8,019	1,655,147	593,002	12,056	31,681,045	-	5,510,627	7,613,059	-	94,051,013
Net Assets (Deficit)																	
Net assets (deficit) without donor restrictions	37,310,871	43,822,612	17,206,112	2,790,962	961,148	3,217,935	61,978	(55,467)	(11,949)	(14,776)	(11,956)	(7,028,232)	9,566	(2,317,404)	(2,474,350)	1,627	93,468,677
Net assets with donor restrictions	-	10,468,869	-	-	-	-	-	-	-	-	-	-	726,106	-	-	-	11,194,975
Member's equity	(6,173,459)	-	(8,531,541)	-	-	-	3,500,000	-	-	-	-	3,500,000	-	-	500,000	-	(7,205,000)
Total net assets (deficit)	31,137,412	54,291,481	8,674,571	2,790,962	961,148	3,217,935	3,561,978	(55,467)	(11,949)	(14,776)	(11,956)	(3,528,232)	735,672	(2,317,404)	(1,974,350)	1,627	97,458,652
Total liabilities and net assets (deficit)	$ 73,080,346	$ 57,336,236	$ 8,128,135	$ 2,932,500	$ 2,752,359	$ 3,821,991	$ 3,561,978	$ (47,448)	$ 1,643,198	$ 578,226	$ 100	$ 28,152,813	$ 735,672	$ 3,193,223	$ 5,638,709	$ 1,627	$ 191,509,665

Springpoint Senior Living, Inc. and Affiliates

Other Entities: Combining Schedule, Statement of Operations and Changes in Net Assets (Deficit)
Year Ended December 31, 2020

	SSL	Foundation	Presbyterian Home at Wall, Inc.	Presbyterian Home of Plainfield, Inc.	AHS	Springpoint at Tinton Falls	Springpoint at Manalapan	Senior Net, Inc.	Integrated Management Services, Inc.	PTS	MHS	Village Point	Springpoint at Haddonfield, Inc.	Springpoint At Home	Springpoint Choice	Cadbury At Cherry Hill, Inc.	Combined Total
Changes in Net Assets (Deficit) Without Donor Restrictions																	
Revenues and other support:																	
Revenue from healthcare facilities	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 12,518,909	$ -	$ -	$ -	$ -	$ 12,518,909
Services to residents	-	-	-	-	-	-	-	-	-	-	-	29,441	-	4,795,420	1,551,928	-	6,376,789
Developer and management fees	11,340,525	-	-	-	-	-	-	-	619,621	-	-	-	-	-	88,965	-	12,049,111
Contributions and bequests	-	1,610,286	68,236	-	-	-	-	196,519	183,064	-	-	34,619	-	17,641	-	-	2,110,365
Interest and dividends	21,935	641,252	-	-	-	-	61,978	-	-	-	-	20,450	-	-	26,605	-	772,220
Other revenue	848,481	(165,286)	-	-	-	-	-	-	88,601	-	-	1,000,440	-	182	38,828	-	1,811,246
Net assets released from restrictions used for operations	-	1,130,983	-	-	-	-	-	-	-	-	-	11,375	30,357	-	-	-	1,172,715
Total revenues and other support	12,210,941	3,217,235	68,236	-	-	-	61,978	196,519	891,286	-	-	13,615,234	30,357	4,813,243	1,706,326	-	36,811,355
Expenses:																	
Professional care of patients	-	-	-	-	-	-	-	-	-	-	-	8,394,823	-	3,856,029	1,617,261	-	13,868,113
Dining services	-	-	-	-	-	-	-	-	-	-	-	1,215,776	-	-	-	-	1,215,776
Operation and maintenance of facility	50,348	-	-	-	-	-	-	-	-	-	-	659,108	-	-	17,058	-	726,514
Housekeeping and laundry	-	-	-	-	-	-	-	-	-	-	-	296,255	-	-	-	-	296,255
Administrative and general	8,999,191	1,154,788	31	-	2,476	-	-	224,863	514	2,476	2,431	1,221,213	31	1,152,872	1,288,224	(1,815)	14,047,295
Residents assistance and program services	-	1,761,941	-	-	-	-	-	-	70,788	-	-	134,185	30,357	-	-	-	1,997,271
Marketing	999,090	-	-	-	-	-	-	-	-	-	-	191,470	-	29,103	218,208	-	1,437,871
Insurance	99,552	-	-	-	-	-	-	1,019	28,801	-	-	167,158	-	35,872	4,261	-	336,663
Springpoint Senior Living, Inc. management fee	-	-	-	-	-	-	-	-	708,222	-	-	501,674	-	215,027	101,087	-	1,526,010
Interest	299,637	-	-	-	-	-	-	-	12,632	-	-	920,422	-	66,012	-	-	1,298,703
Provision for doubtful accounts	-	-	-	-	-	-	-	2,581	-	-	-	346,933	-	50,800	2,034	-	402,348
Total expenses	10,447,818	2,916,729	31	-	2,476	-	-	228,463	820,957	2,476	2,431	14,049,017	30,388	5,405,715	3,248,133	(1,815)	37,152,819
Operating income (loss)	1,763,123	300,506	68,205	-	(2,476)	-	61,978	(31,944)	70,329	(2,476)	(2,431)	(433,783)	(31)	(592,472)	(1,541,807)	1,815	(341,464)
Unrealized gains on investments	-	4,833,255	-	-	-	-	-	-	-	-	-	-	-	-	169,118	-	5,002,373
Net realized gains on investments	-	(1,287,724)	-	-	-	-	-	-	-	-	-	-	-	-	(23,105)	-	(1,310,829)
Amortization of entrance fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	739,283	-	739,283
Net change in fair value of derivative financial instruments	(395,365)	-	-	-	-	-	-	-	-	-	-	159,412	-	-	-	-	(235,953)
Gain (loss) on disposal of fixed assets	-	-	-	-	-	-	-	-	1,334	-	-	-	-	-	-	-	1,334
Net asset transfer (to) from affiliate	1,500,000	-	(5,000,000)	-	68,236	3,217,935	3,500,000	-	-	-	-	-	-	-	-	-	3,286,171
Depreciation and amortization	(384,309)	(5,594)	-	-	-	-	-	(135)	(71,755)	-	-	(1,028,195)	-	(27,549)	(18,652)	-	(1,536,189)
Revenues and other support in excess of (less than) expenses and change in net assets (deficit) without donor restrictions	2,483,449	3,840,443	(4,931,795)	-	65,760	3,217,935	3,561,978	(32,079)	(92)	(2,476)	(2,431)	(1,302,566)	(31)	(620,021)	(675,163)	1,815	5,604,726
Changes in Net Assets With Donor Restrictions																	
Contributions	-	562,688	-	-	-	-	-	-	-	-	-	11,375	30,357	-	-	-	604,420
Change in value of split-interest agreements	-	44,867	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44,867
Investment income	-	434,464	-	-	-	-	-	-	-	-	-	-	-	-	-	-	434,464
Change in value of perpetual trust	-	225,253	-	-	-	-	-	-	-	-	-	-	36,534	-	-	-	261,787
Net assets released from restrictions used for operations	-	(1,130,983)	-	-	-	-	-	-	-	-	-	(11,375)	(30,357)	-	-	-	(1,172,715)
Increase (decrease) in net assets with donor restrictions	-	136,289	-	-	-	-	-	-	-	-	-	-	36,534	-	-	-	172,823
Change in net assets (deficit)	2,483,449	3,976,732	(4,931,795)	-	65,760	3,217,935	3,561,978	(32,079)	(92)	(2,476)	(2,431)	(1,302,566)	36,503	(620,021)	(675,163)	1,815	5,777,549
Net Assets (Deficit), Beginning	28,653,963	50,314,749	13,606,366	2,790,962	895,388	-	-	(23,388)	(11,857)	(12,300)	(9,525)	(2,225,666)	699,169	(1,697,383)	(1,299,187)	(188)	91,681,103
Net Assets (Deficit), Ending	$ 31,137,412	$ 54,291,481	$ 8,674,571	$ 2,790,962	$ 961,148	$ 3,217,935	$ 3,561,978	$ (55,467)	$ (11,949)	$ (14,776)	$ (11,956)	$ (3,528,232)	$ 735,672	$ (2,317,404)	$ (1,974,350)	$ 1,627	$ 97,458,652