Springpoint Senior Living, Inc. and Affiliates

Consolidated Financial Statements
and Supplementary Information

December 31, 2021 and 2020

Springpoint Senior Living, Inc. and Affiliates

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December 31, 2021 and 2020

Independent Auditors' Report

To the Board of Trustees of
Springpoint Senior Living, Inc. and Affiliates

Opinion

We have audited the consolidated financial statements of Springpoint Senior Living, Inc. and Affiliates (collectively, the Company), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The information on pages 36-53 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations or changes in net assets of the individual organizations, and it 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
August 16, 2022

Springpoint Senior Living, Inc. and Affiliates

Consolidated Balance Sheets
December 31, 2021 and 2020

Assets	2021	2020
Current Assets		
Cash and cash equivalents	$ 70,966,641	$ 28,726,805
Current portion of assets whose use is limited	1,461,866	794,885
Accounts receivable, net of allowance for doubtful accounts of $3,091,108 in 2021 and $2,804,433 in 2020	13,285,102	12,505,421
Other current assets	7,692,677	7,390,664
Total current assets	93,406,286	49,417,775
Investments	128,863,183	114,757,623
Assets Whose Use is Limited	61,359,349	53,636,132
Investments Held Under Split-Interest Agreements	4,168,201	3,788,849
Investments Held by Others Under Split-Interest Agreements	998,851	710,921
Beneficial Interest in Perpetual Trusts	3,944,084	3,643,034
Property and Equipment, Net	552,287,791	544,744,452
Goodwill, Net	64,382,630	64,382,630
Other Assets, Net	2,226,581	2,043,533
Total assets	$ 911,636,956	$ 837,124,949

Liabilities and Net Assets (Deficit)	2021	2020
Current Liabilities		
Current maturities of long-term debt and capital lease obligations	$ 32,516,015	$ 6,442,260
Construction payable	1,328,113	613,979
Accounts payable	6,445,681	4,373,453
Accrued expenses	23,212,408	18,288,733
Residents' deposits	3,748,662	2,707,864
Total current liabilities	67,250,879	32,426,289
Long-Term Debt and Capital Lease Obligations	353,058,777	320,147,133
Capital Advances	80,035,527	80,035,527
Liability for Split-Interest Agreements and Deferred Gift Agreements	2,862,082	2,868,677
Refundable Entrance Fees	335,029,424	328,799,376
Deferred Revenue From Entrance Fees	116,725,416	102,264,294
Derivative Financial Instruments	2,862,298	15,801,903
Other Liabilities	8,035,066	5,776,383
Total liabilities	965,859,469	888,119,582
Net Assets (Deficit)		
Net deficit without donor restrictions	(68,394,842)	(65,675,855)
Noncontrolling ownership interest in limited partnerships	1,161,591	3,613,844
Net assets with donor restrictions	13,010,738	11,067,378
Total net deficit	(54,222,513)	(50,994,633)
Total liabilities and net assets (deficit)	$ 911,636,956	$ 837,124,949

See notes to consolidated financial statements

	2021	2020
Changes in Net Deficit Without Donor Restrictions		
Revenues and other support:		
Revenue from residential facilities	$ 93,572,682	$ 93,206,873
Revenue from healthcare facilities	74,630,880	74,497,436
Services to residents	11,742,426	10,948,597
Contributions and bequests	905,198	1,698,494
Interest and dividends	2,002,830	2,013,064
Other revenue	9,180,144	8,765,545
Net assets released from restrictions used for operations	1,095,417	1,769,428
Total revenues and other support	193,129,577	192,899,437
Expenses:		
Professional care of residents	58,449,605	57,045,573
Resident services	4,738,012	4,484,970
Dining services	23,905,342	22,630,644
Operation and maintenance of facility	38,375,316	36,004,459
Housekeeping and laundry	7,502,667	7,215,730
Administrative and general	39,568,105	34,409,763
Resident assistance and program services	514,105	661,688
Marketing	9,869,473	7,810,691
Insurance	4,856,134	3,967,376
Interest	12,514,448	12,136,789
Provision for bad debt	1,616,150	1,829,483
Total expenses	201,909,357	188,197,166
Operating (loss) income	(8,779,780)	4,702,271
Net unrealized gains on investments	11,929,126	8,879,436
Net realized gains on investments	2,650,615	989,819
Amortization of entrance fees	19,633,677	18,992,267
Change in fair value of derivative financial instruments	3,315,996	(9,137,159)
Gain (loss) on disposal of fixed assets	460,126	(110,962)
Forgiveness of debt	-	1,557,460
Contributions for capital purposes	4,474,748	-
Equity distribution to limited partner	-	(10,860)
Goodwill impairment loss	-	(13,950,864)
Depreciation and amortization	(38,779,772)	(37,503,441)
Revenues and other support less then expenses	(5,095,264)	(25,592,033)
Pension liability adjustment	(75,976)	(76,486)
Increase in net deficit without donor restrictions	(5,171,240)	(25,668,519)
Changes in Net Assets With Donor Restrictions		
Contributions	1,673,210	1,255,990
Change in value of split-interest agreements	323,707	44,867
Investment income	744,387	492,874
Net unrealized loss on investments	(3,577)	(33,131)
Change in value of perpetual trusts	301,050	225,253
Net assets released from restrictions used for operations	(1,095,417)	(1,769,428)
Increase in net assets with donor restrictions	1,943,360	216,425
Change in net deficit	(3,227,880)	(25,452,094)
Net Deficit, Beginning	(50,994,633)	(25,542,539)
Net Deficit, Ending	$ (54,222,513)	$ (50,994,633)

See notes to consolidated financial statements

	2021	2020
Cash Flows From Operating Activities		
Increase in net deficit	$ (3,227,880)	$ (25,452,094)
Adjustments to reconcile increase in net deficit to net cash provided by operating activities:		
Change in value of split-interest agreements	(323,707)	(44,867)
Net change in fair value of derivative financial instruments	(3,315,996)	9,137,159
Depreciation and amortization	38,779,772	37,503,441
(Gain) loss on disposal of fixed assets	(460,126)	110,962
Contributions for capital purposes	(4,474,748)	-
Net realized and unrealized gains on investments	(14,576,164)	(9,836,124)
Amortization of entrance fees	(19,633,677)	(18,992,267)
Loss on goodwill impairment	-	13,950,864
Interest component of deferred financing costs	261,318	1,465,115
Amortization of bond premium	(602,497)	(87,750)
Net cash received under nonrefundable entrance fee plans	24,446,222	15,671,842
Change in investments held by others under split-interest agreements	(287,930)	451,664
Change in beneficial interest in perpetual trusts	(301,050)	(225,253)
Changes in assets and liabilities:		
Accounts receivable, net	(779,681)	2,884,357
Other current assets	(302,013)	(1,183,361)
Other assets	(341,928)	(524,898)
Accounts payable	2,072,228	(745,414)
Accrued expenses	4,923,675	(383,725)
Residents' deposits	1,040,798	(374,822)
Other liabilities	2,258,683	1,571,702
Net cash provided by operating activities	25,155,299	24,896,531
Cash Flows From Investing Activities		
Net (purchases) sales of investments and assets whose use is limited	(5,826,030)	409,851
Payment of construction payable for property and equipment	(613,979)	(1,399,739)
Purchases of property and equipment	(18,964,279)	(16,293,217)
Net cash used in investing activities	(25,404,288)	(17,283,105)
Cash Flows From Financing Activities		
Payment of long-term debt and financing lease obligation	(14,048,295)	(8,372,196)
Proceeds from long-term debt	55,893,158	-
Borrowings on construction lines of credit	-	1,581,832
Payment of construction lines of credit	-	(3,046,000)
Payment of derivative instrument liability	(9,623,609)	-
Net cash received (paid) under refundable entrance fee plans	15,878,625	(4,122,620)
Payments under deferred gift agreements and split-interest agreements	317,112	23,543
Forgiveness of debt	-	(1,557,460)
Payment of deferred financing costs	(3,455,250)	(84,211)
Net cash provided by (used in) financing activities	44,961,741	(15,577,112)
Net increase (decrease) in cash, cash equivalents and restricted cash and cash equivalents	44,712,752	(7,963,686)
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	53,563,502	61,527,188
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	$ 98,276,254	$ 53,563,502
Supplemental Disclosure of Cash Flow Information		
Interest paid	$ 9,943,161	$ 10,881,809
Supplemental Disclosure of Noncash Activities		
Financing lease obligation incurred for property and equipment	$ 20,936,965	$ 336,781
Long-term debt refinanced	$ 173,310,551	$ -
Construction payable for property and equipment	$ 1,328,113	$ 613,979
Contributions for capital purposes	$ 4,474,748	$ -
Reconciliation of Cash, Cash Equivalents and Restricted Cash and Cash Equivalents		
Cash and cash equivalents	$ 70,966,641	$ 28,726,805
Cash and cash equivalents included in the current portion of assets whose use is limited	1,461,866	794,885
Cash and cash equivalents included in assets whose use is limited	25,847,747	24,041,812
Total cash, cash equivalents and restricted cash and cash equivalents	$ 98,276,254	$ 53,563,502

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.

Life Plan 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)

Assisted Living Community (under development):

Springpoint at Manalapan, Inc. (Manalapan)

Nonfacility 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.
Springpoint Choice, Inc. (Springpoint Choice)
Springpoint at Tinton Falls, Inc.

Nonfacility 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 and Limited Partnerships:

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)

Other Consolidated Limited Partnerships:

AHS has a 0.01% 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% 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% 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 Limited 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 noncontrolling ownership interest in limited partnerships were as follows:

	Total	Controlling Interest	Noncontrolling Interest
Balances at January 1, 2020	$ 10,102,572	$ 1,257,339	$ 8,845,233
Revenues less than expenses	(2,002,795)	(199)	(2,002,596)
Capital contributions	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
Revenues less than expenses	(2,452,499)	(246)	(2,452,253)
Capital distributions	73,803	73,803	-
Balances at December 31, 2021	$ 1,437,185	$ 275,594	$ 1,161,591

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 2021 and 2020.

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%) 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 The Moorings in the amount of $19,297,864, Springpoint Choice 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 $2,270,750, and the purchase of a life plan community by The Oaks, in the amount of $29,121,740.

Based on the assessment of various qualitative factors, management concluded that it is more likely than not that the fair value of Springpoint at Home, The Oaks, The Moorings, Springpoint Choice and Monroe exceeded their carrying amount, including goodwill. Therefore, additional testing to identify potential impairment was unnecessary. As such, no impairment losses were recorded in 2021.

Goodwill for Winchester Gardens was originally recorded upon the transfer of membership in the amount of $38,678,853. Winchester Gardens performed a quantitative assessment for the year ended December 31, 2020 because the actual results from operations 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 consolidated statements of operations and changes in net deficit.

The changes in the carrying amount of Winchester Garden's goodwill for the years ended December 31, 2021 and 2020, are as follows:

	2021	2020
Balance as of January 1:		
Goodwill balance	$ 38,678,853	$ 38,678,853
Accumulated impairment losses	(28,930,864)	(14,980,000)
	9,747,989	23,698,853
Impairment losses	-	(13,950,864)
Goodwill, net	$ 9,747,989	$ 9,747,989
Balance as of December 31:		
Goodwill balance	$ 38,678,853	$ 38,678,853
Accumulated impairment losses	(28,930,864)	(28,930,864)
Goodwill, net	$ 9,747,989	$ 9,747,989

Other Assets

Included in other assets are project development costs, project acquisition costs, costs associated with a noncompete 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, The Oaks and Manalapan. These costs were capitalized and are being amortized using the straight-line method. At December 31, 2021 and 2020, the project acquisition costs, net of accumulated amortization, were $648,411 and $399,763, respectively. Accumulated amortization at December 31, 2021 and 2020 was $792,093 and $683,742, 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, 2021 and 2020, tax credit fees, net of accumulated amortization, were $146,361 and $196,890, respectively. Accumulated amortization at December 31, 2021 and 2020 was $815,437 and $764,908, respectively.

Also included in other assets as of December 31, 2021 and 2020 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 4%.

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 Life Plan 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 life plan 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, 2021 and 2020 were $341,861,450 and $337,914,155, respectively. The refundable entrance fees and deferred revenue from entrance fees reported on the consolidated balance sheets totaling $451,754,840 and $431,063,670 as of December 31, 2021 and 2020, 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%) exceeds the deferred revenue from entrance fees, a liability is recorded with the corresponding charge to income. This calculation is performed periodically. 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 as of December 31, 2021 and 2020.

Derivative Financial Instruments

The Springpoint Senior Living Obligated Group (the Obligated Group) consists of SSL, Crestwood, Meadow Lakes, Monroe, Atrium, Montgomery and The Oaks. The Obligated Group entered into interest rate swap agreements, which are considered derivative financial instruments, to manage interest rate risk on their long-term debt. 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 $2,862,298 and $15,801,903 at December 31, 2021 and 2020, 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 2021 or 2020.

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 life plan 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 life plan 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 $19,633,677 in 2021 and $18,992,267 in 2020, 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 $21,550,000 in 2021 and $20,570,000 in 2020 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 $435,114 and $6,247,345 in 2021 and 2020, respectively, related to this funding. In accordance with the terms and conditions, the Company could apply the funding against lost revenues and eligible expenses not reimbursed from other sources.

The Company incurred lost revenues and eligible expenses of $435,114 in 2021 and $6,247,345 in 2020 in accordance with the terms of the respective funding sources, which were recognized and included in other revenues in the accompanying consolidated statements of operations and changes in net deficit.

The Company's methodology for calculating lost revenues was the difference between 2020 budgeted revenue compared to actual revenue in 2021 and 2020.

In 2021 and 2020, the Company applied to the Federal Emergency Management Agency (FEMA) for eligible 2021 and 2020 expenses. The applications were approved and funding of $6,710,573 in 2021 and $1,334,210 in 2020 was obligated and recorded as FEMA funding in the accompanying consolidated statement of operations and changes in net deficit to offset eligible expenses in accordance with the terms and conditions of the funding source. As of December 31, 2021 and 2020 $6,913,913 and $1,130,870 of this funding was received. There are no outstanding receivables from FEMA as of December 31, 2021.

The majority of the funding received is subject to future reporting and audit requirements. Noncompliance with the terms and conditions of the funding sources could result in repayment of some or all of the support, which can be subject to government review and interpretation. An estimate of the possible effects of these matters cannot be made as of the date these financial statements were issued.

Performance Indicator

Operating (loss) income 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, HSC and BSC 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 2021 and 2020.

Reclassification

Certain 2020 amounts have been reclassified to conform to the 2021 consolidated financial statements presentation.

New Accounting Pronouncement

Reference Rate Reform

During March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting.* ASU No. 2020-04 provides optional expedients and exceptions for applying generally accepted accounting principles (GAAP) to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform, if certain criteria are met. Entities may elect the optional expedients and exceptions included in ASU No. 2020-04 as of March 12, 2020 and through December 31, 2022. The Company has not elected the optional expedients and exceptions included in ASU No. 2020-4 as of December 31, 2021.

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:

	2021			
	Healthcare Facilities	**Services to Residents**	**Residential Facilities**	**Total**
Self-pay	$ 43,292,567	$ 11,742,426	$ 93,572,682	$ 148,607,675
Medicare and other	22,528,809	-	-	22,528,809
Medical assistance	8,809,504	-	-	8,809,504
Amortization of nonrefundable entrance fees	-	-	19,633,677	19,633,677
Total	$ 74,630,880	$ 11,742,426	$ 113,206,359	$ 199,579,665

	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

4. Investments

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

	2021	**2020**
Cash and cash equivalents	$ 4,286,971	$ 4,371,813
Alternative investments, limited partnerships	-	494,227
Commingled funds	17,141,660	16,998,587
Fixed income mutual funds	33,140,808	30,209,320
Equity mutual funds	74,293,744	62,683,676
Total	$ 128,863,183	$ 114,757,623

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:

	2021	2020
Cash and cash equivalents	$ 27,309,613	$ 24,836,697
Alternative investments, limited partnerships	-	31,223
Fixed income mutual funds	12,369,280	10,340,501
Equity mutual funds	16,112,362	13,110,343
Fixed income	944,007	862,923
Commingled funds	6,085,953	5,249,330
Total	62,821,215	54,431,017
Less current portion	1,461,866	794,885
Assets whose use is limited, noncurrent	$ 61,359,349	$ 53,636,132

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

	2021	2020
Bond indenture agreements	$ 8,568,117	$ 7,681,136
Liquid reserve	26,342,901	21,767,055
HUD reserve funds	6,495,512	6,228,393
LIHTC reserve funds	9,464,287	8,987,631
Residents' Assistance Fund	2,899,632	2,600,823
Residents' deposits	2,268,785	1,595,394
Other donor restricted funds	3,089,825	2,430,955
Deferred SERP compensation	3,458,134	2,905,834
Construction fund escrow	234,022	233,796
Total	$ 62,821,215	$ 54,431,017

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:

	2021			
	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 volume	$ 1,921,840	$ 1,921,840	$ -	$ -
Large cap	53,341,615	53,341,615	-	-
Small cap	13,798,959	13,798,959	-	-
International	21,343,692	21,343,692	-	-
Fixed income mutual funds, Core	45,510,088	45,510,088	-	-
Fixed income	944,007	-	944,007	-
Investments held under split-interest agreements	4,168,201	-	4,168,201	-
Investments held by others under split-interest agreements	998,851	-	-	998,851
Beneficial interest in perpetual trusts	3,944,084	-	-	3,944,084
	145,971,337	$ 135,916,194	$ 5,112,208	$ 4,942,935
Cash and cash equivalents	31,596,584			
Total	$ 177,567,921			

	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 volume	$ 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			

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

	2021	2020
Current portion of assets whose use is limited	$ 1,461,866	$ 794,885
Investments	128,863,183	114,757,623
Assets whose use is limited	61,359,349	53,636,132
Investments held under split-interest agreements	4,168,201	3,788,849
Investments held by others under split-interest agreements	998,851	710,921
Beneficial interest in perpetual trusts	3,944,084	3,643,034
	200,795,534	177,331,444
Less commingled funds, measured at net asset value	23,227,613	22,247,917
Total	$ 177,567,921	$ 155,083,527

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 2021 and 2020 are as follows:

	2021	2020
Sales	$ (337,704)	$ (177,296)

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:

	December 31, 2021 Fair Value	December 31, 2020 Fair Value	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Limited partnerships, equity	$ -	$ 525,450	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. The limited partnerships were sold in 2021. There are 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 for the years ended December 31:

	2021	2020
Beginning balance	$ 710,921	$ 1,162,585
Net valuation gain (loss)	287,930	(451,664)
Ending balance	$ 998,851	$ 710,921

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 for the years ended December 31:

	2021	2020
Beginning balance	$ 3,643,034	$ 3,417,781
Net valuation gain	301,050	225,253
Ending balance	$ 3,944,084	$ 3,643,034

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, 2021 and 2020.

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

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

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, 2021.

	December 31, 2021 Fair Value	December 31, 2020 Fair Value	Redemption Frequency (If Currently Eligible)	Redemption Notice Periods
Equity funds	$ 7,548,055	$ 6,293,567	Monthly	6-15 days
Fixed income funds	15,679,558	15,954,350	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:

	2021	2020
Land and land improvements	$ 45,825,257	$ 42,453,769
Buildings and improvements	629,593,517	693,182,618
Rental property	219,979,697	217,735,086
Furniture and fixtures	12,114,714	20,282,042
Equipment	64,009,236	52,135,919
Leasehold improvements	135,161	135,161
Total	971,657,582	1,025,924,595
Less accumulated depreciation	(424,587,423)	(486,036,553)
Construction in progress	5,217,632	4,856,410
Property and equipment, net	$ 552,287,791	$ 544,744,452

Equipment includes equipment held under financing lease obligations with a carrying value of $21,521,694 and $896,747 at December 31, 2021 and 2020, respectively.

Included in construction in progress is $51,958 and $20,089 of capitalized interest as of December 31, 2021 and 2020, respectively.

Depreciation expense was $38,620,892 and $37,336,248 during 2021 and 2020, respectively. During 2021, certain property and equipment was disposed of, reducing accumulated depreciation by $100,070,022.

8. Long-Term Debt

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

	2021	2020
Affordable Housing Program loans due March 1, 2024 and May 6, 2026, bearing no interest.	$ 1,578,680	$ 1,578,680
Asbury, First mortgage (Tranche A) payable in monthly installments with interest at 5.9% per annum through 2050.	8,275,145	8,383,184
Asbury, First mortgage (Tranche B) payable in monthly installments with interest at 5.65% per annum. Fully repaid in 2021.	-	73,081
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
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.	4,371,724	4,544,674
Howell, First mortgage payable in monthly installments with interest at 5.4% per annum through 2037.	3,944,878	4,100,939
Wall, First mortgage payable in monthly installments with interest at 2.98% per annum through 2033.	6,388,429	-
Wall, First mortgage payable in monthly installments with interest at 5.4%. Fully repaid in 2021.	-	3,904,917
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.	6,066,806	6,227,765

	2021	2020
Ramsey, First mortgage payable in monthly installments with interest at 3.14% per annum through 2033.	$ 11,241,160	$ -
Ramsey, First mortgage payable in monthly installments with interest at 5.4%. Fully repaid in 2021.	-	4,905,668
Heritage at Whiting, First mortgage note I, payable in monthly installments with interest at 4.35% per annum through 2037.	406,438	423,907
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, 2021, the rate was 1.30%.	27,205,000	27,205,000
Taxable Term Loan, issued on behalf of Winchester, with maturities through 2041 and interest at the sum of one month LIBOR x plus 150 basis points, with a minimum rate of 2.5%. As of December 31, 2021, the rate was 2.5%	24,841,000	25,192,000
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 one month LIBOR x 75% plus 178 basis points. At December 31, 2021, the rate was 1.84%.	25,844,000	26,409,000
Bank Loan, issued on behalf of Village Point, maturities through 2023 and interest at 1 month LIBOR plus 400 basis points. At December 31, 2021, the rate was 4.5%.	1,000,000	-
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%.	15,300,000	15,915,000
National Finance Authority (NFA) Revenue Refunding Bonds, Series 2021 tax-exempt bonds, issued on behalf of the Obligated Group, with maturities through 2051 and fixed interest rates ranging from 1.0% to 4.0%.	114,820,000	-
Taxable Series 2021 Term Loan, issued on behalf of the Obligated Group, with maturities through 2051 and interest at the sum of 1 month LIBOR plus 205 basis. At December 31, 2021, the rate was 2.16%.	29,507,361	-
Taxable Series 2021 Term Loan, issued on behalf of the Obligated Group, with maturities through 2051 and interest at the sum of 1 month LIBOR plus 200 basis. At December 31, 2021, the rate was 2.11%.	54,137,991	-

	2021	2020
Bank Loan, issued on behalf of Springpoint at Home, with maturities through 2021 and interest at 4.75%.	$ 644,963	$ 823,979
Long-term obligations of Obligated Group repaid in 2021	-	174,292,610
Financing lease obligations	21,521,695	896,747
Total	379,352,825	327,134,706
Less:		
Deferred finance cost, net	5,055,500	1,861,568
Unamortized bond premium	(11,277,467)	(1,316,255)
Current maturities	32,516,015	6,442,260
Long-term debt, net	$ 353,058,777	$ 320,147,133

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 and Affordable Housing 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 November 1, 2014, Winchester Gardens entered into a $12,215,000 taxable term loan with a commercial bank. On October 1, 2016, the loan was modified to increase the available draw to $28,000,000. The loan 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. The loan is collateralized by substantially all property and equipment and a pledge of gross receipts.

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.

During 2021, Village Point entered into an agreement with a bank for a loan in the amount of $1,000,000 (Village Point Bank Loan). Proceeds from the Village Point Bank Loan were used to fund working capital.

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.

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 (Springpoint at Home Bank Loan). Proceeds from the Springpoint at Home Bank Loan were used to finance the acquisition of business assets.

On February 3, 2021, the NFA issued, on behalf of the Obligated Group, $114,820,000 Refunding Revenue Bonds (Series 2021 tax-exempt bonds). The proceeds from the Series 2021 tax-exempt bonds were allocated to each member of the Obligated Group based on their direct use of the proceeds. The proceeds were used to refund prior bond issues, pay certain interest rate swap termination fees, pay or reimburse capital expenditures of certain Obligated Group members and to pay certain costs incurred in connection with the issuance of the Series 2021 tax-exempt bonds. The Series 2021 tax-exempt bonds are collateralized by substantially all property and equipment, a pledge of gross receipts and all net entrance fees.

On February 3, 2021, the Obligated Group entered into agreements with banks for two variable rate taxable loans in the amount of $85,000,000 (Taxable Loans). Proceeds from the Taxable Loans were used to refund prior taxable loans, pay certain interest rate swap termination fees, pay or reimburse capital expenditures of certain Obligated Group members and to pay certain costs incurred in connection with the issuance of the Taxable Loans. The Taxable Loans are collateralized by substantially all property and equipment, a pledge of gross receipts and all net entrance fees.

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 bonds were repaid during 2021 with proceeds from the Series 2021 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 bonds were repaid during 2021 with proceeds from the Taxable Series 2021 term loans.

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 bonds were repaid during 2021 with proceeds from the Series 2021 tax-exempt bonds.

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 bonds were repaid during 2021 with proceeds from the Series 2021 tax-exempt bonds and the Taxable Series 2021 term loans.

On June 19, 2019, Atrium entered into an agreement with a bank for a loan in the amount of $10,000,000 (Atrium Bank Loan). Proceeds from the Atrium Bank Loan were used to pay down a portion of a note payable to SSL. The Atrium Bank Loan was repaid during 2021 with proceeds from the Taxable Series 2021 term loans.

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 Oaks Bank Loan was repaid during 2021 with proceeds from the Taxable Series 2021 term loans.

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 bonds were repaid during 2021 with proceeds from the Series 2021 tax-exempt bonds.

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 was repaid during 2021 with proceeds from the Taxable Series 2021 term loans.

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

At December 31, 2021, 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, 2021, Village Point did not meet certain restrictive debt covenants required under the Series 2015 Bonds and Village Point Bank Loan. Village Point did not receive a waiver for these violations and therefore, the corresponding liabilities have been classified as current as of December 31, 2021 on the accompanying consolidated balance sheet.

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, 2021 and 2020, deferred financing costs, net of accumulated amortization, were $5,055,500 and $1,861,568, respectively. Accumulated amortization at December 31, 2021 and 2020 is $1,036,203 and $2,662,079, respectively.

Scheduled maturities of long-term debt are as follows:

Years ending December 31:	
2022	$ 32,516,015
2023	7,369,820
2024	7,687,111
2025	9,139,776
2026	9,436,782
Thereafter	313,203,321
Total	$ 379,352,825

9. Derivative Financial Instruments

In connection with certain bonds, the Obligated Group, 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 Obligated Group, Winchester Gardens and Village Point do not utilize interest rate swap agreements or other financial instruments for trading or other speculative purposes.

The Obligated Group, 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 $3,315,996 in 2021 and $(9,137,159) in 2020.

As of December 31, 2021, the Obligated Group had the following interest rate swaps in effect:

Notional Amount	Fixed Rate	Variable Rate	Period
$29,507,361	3.391%	One month LIBOR, plus 205 basis points (2.16% at December 31, 2021)	February 2021 to February 2033
$54,137,991	3.58%	One month LIBOR plus, 200 basis points (2.11% at December 31, 2021)	February 2021 to February 2036

The fair value of the interest rate swap agreements was $(350,281) at December 31, 2021 and $(10,507,191) at December 31, 2020 and was obtained from the financial institution.

As of December 31, 2021, 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 (1.07% at December 31, 2021)	December 2014 to November 2029
$4,247,888	3.58%	USD-LIBOR plus, 140 basis points (1.5% at December 31, 2021)	December 2016 to September 2026
$4,247,888	3.49%	USD-LIBOR plus, 140 basis points (1.5% at December 31, 2021)	July 2017 to September 2026
$4,247,888	3.67%	USD-LIBOR plus, 140 basis points (1.5% at December 31, 2021)	November 2017 to September 2026
$4,247,888	4.07%	USD-LIBOR plus, 140 basis points (1.5% at December 31, 2021)	February 2018 to September 2026

The fair value of the interest rate swap agreements was $(2,927,371) at December 31, 2021 and $(5,159,069) at December 31, 2020 and was obtained from the financial institution.

As of December 31, 2021, Village Point had the following interest rate swaps in effect:

Notional Amount	Fixed Rate	Variable Rate	Period
$25,844,000	0.325%	USD-LIBOR x 75% (.07% at December 31, 2021)	November 2020 to June 2025

The fair value of the interest rate swap agreements was $415,354 at December 31, 2021 and $(135,643) at December 31, 2020 and was obtained from the financial institution.

10. Net Assets With Donor Restrictions

Net assets with donor restrictions of $13,010,738 and $11,067,378 at December 31, 2021 and 2020, 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:

	2021	2020
Split-interest agreements	$ 2,304,970	$ 1,631,093
Restricted for the benefit of residents and community needs	10,705,768	9,436,285
Total	$ 13,010,738	$ 11,067,378

11. 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, 2021 and 2020, the capital advances received totaled $80,035,527, which have been reported as a noncurrent liability in the consolidated balance sheets.

12. 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% of the employee contribution not to exceed 2.5%. Employees are vested in employee and employer contributions immediately upon participation.

In 2005, SSL initiated a Supplemental Executive Retirement Plan (SERP). During 2021 and 2020, the SERP funding was approximately $379,000 each year, and carried a balance of approximately $3,458,000 and $2,906,000 at December 31, 2021 and 2020, respectively.

Pension expense under the Plan and the SERP was approximately $1,518,000 and $2,462,000 for the years ended December 31, 2021 and 2020, 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 shows the Union Plan's projected benefit obligation and fair value of plan assets at December 31:

	2021	2020
Projected benefit obligation at end of year	$ 868,046	$ 917,873
Fair value of plan assets at end of year	$ 718,061	$ 624,920
Funded status at end of year	$ (149,985)	$ (292,953)

Amounts recognized in the consolidated balance sheets at December 31:

	2021	2020
Accrued expenses	$ (149,985)	$ (292,953)

Amounts recognized in net deficit without restrictions at December 31:

	2021	2020
Unrecognized net loss	$ 149,512	$ 277,468

A net actuarial loss of $149,512 represents the unrecognized component of net periodic pension cost at December 31, 2021.

An actuarial loss of $12,850 is expected to be recognized in net periodic pension cost in the next fiscal year.

The accumulated benefit obligation at December 31, 2021 and 2020 is $868,046 and $917,873, respectively.

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

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

Years ending December 31:		
2022	$	160,000
2023		100,000
2024		54,000
2025		63,000
2026		34,000
Thereafter		250,000
Total	$	661,000

The Company anticipates making a contribution of $21,472 the Union Plan during 2022.

13. Commitments and Contingencies

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% 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 liquid reserve requirements at December 31, 2021 and 2020.

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 States of New Jersey and Delaware 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 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 $15,939,000 and $14,221,000 for the years ended December 31, 2021 and 2020, respectively. These amounts are included in the various departmental expense categories in the accompanying consolidated financial statements.

14. 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:

	2021	2020
Medicare	17 %	19 %
Medicaid	4	6
Self-pay residents and other	79	75
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 55% 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.

15. 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.

16. 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:

	2021	2020
Cash and cash equivalents	$ 70,966,641	$ 28,726,805
Accounts receivable, net	13,285,102	12,505,421
Investments	128,863,183	114,757,623
Total	$ 213,114,926	$ 155,989,849

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.

17. 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:

	2021			
	Program Services	**Management and General**	**Fundraising**	**Total**
Salary and wages	$ 73,124,044	$ 16,162,766	$ -	$ 89,286,810
Employee taxes and benefits	20,207,614	3,713,443	-	23,921,057
Food products	7,486,156	-	-	7,486,156
Supplies and maintenance	10,311,943	799,927	-	11,111,870
Contracted services	9,196,694	173,225	-	9,369,919
Utilities	9,749,764	-	-	9,749,764
Property taxes	9,345,739	-	-	9,345,739
Other	19,555,719	7,629,812	321,913	27,507,444
Depreciation and amortization	38,779,772	-	-	38,779,772
Interest expense	12,514,448	-	-	12,514,448
Provision for doubtful accounts	-	1,616,150	-	1,616,150
Total	$ 210,271,893	$ 30,095,323	$ 321,913	$ 240,689,129

	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	6,875,585	228,252	20,243,852
Depreciation and amortization	37,503,441	-	-	37,503,441
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	$ 209,869,752	$ 29,664,429	$ 228,252	$ 239,762,433

18. 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 August 16, 2022, which is the date the consolidated financial statements were issued.

Springpoint Senior Living, Inc. and Affiliates

Consolidating Schedule, Balance Sheet
December 31, 2021

	Life Plan Communities	Affordable Housing Communities	Low Income Housing Tax Credit Communities	Other Operating Entities	Other Entities	Combined Total	Eliminating and Consolidating Entries	Consolidated Balance
Assets								
Current Assets								
Cash and cash equivalents	$ 52,925,303	$ 725,104	$ 2,063,972	$ (1,009,114)	$ 16,261,376	$ 70,966,641	$ -	$ 70,966,641
Current portion of assets whose use is limited	984,378	-	-	477,488	-	1,461,866	-	1,461,866
Accounts receivable, net	11,029,616	41,440	142,243	2,071,803	-	13,285,102	-	13,285,102
Due from affiliates	-	-	-	431,162	7,645,234	8,076,396	(8,076,396)	-
Other current assets	3,344,601	17,939	984,415	949,791	2,407,638	7,704,384	(11,707)	7,692,677
Total current assets	68,283,898	784,483	3,190,630	2,921,130	26,314,248	101,494,389	(8,088,103)	93,406,286
Investments	78,926,196	-	-	1,526,264	56,695,998	137,148,458	(8,285,275)	128,863,183
Assets Whose Use is Limited	34,113,865	6,768,366	9,998,352	1,084,543	9,394,223	61,359,349	-	61,359,349
Investments Held Under Split-Interest Agreements	-	-	-	-	4,168,201	4,168,201	-	4,168,201
Investments Held by Others Under Split-Interest Agreements	-	-	-	-	998,851	998,851	-	998,851
Beneficial Interest in Perpetual Trusts	-	-	-	-	4,724,192	4,724,192	(780,108)	3,944,084
Due From Other Affiliates	-	-	-	-	12,878,687	12,878,687	(12,878,687)	-
Notes Receivable	-	-	-	-	30,361,157	30,361,157	(30,361,157)	-
Loans Receivable From Affiliate	-	-	-	-	26,358,628	26,358,628	(26,358,628)	-
Property and Equipment, Net	372,047,167	50,124,905	90,132,125	45,020,797	5,101,528	562,426,522	(10,138,731)	552,287,791
Goodwill, Net	58,843,181	-	-	5,539,449	-	64,382,630	-	64,382,630
Other Assets, Net	566,868	-	146,361	1,933,816	5,557,298	8,204,343	(5,977,762)	2,226,581
Total assets	$ 612,781,175	$ 57,677,754	$ 103,467,468	$ 58,025,999	$ 182,553,011	$ 1,014,505,407	$ (102,868,451)	$ 911,636,956

Springpoint Senior Living, Inc. and Affiliates

Consolidating Schedule, Balance Sheet
December 31, 2021

	Life Plan Communities	Affordable Housing Communities	Low Income Housing Tax Credit Communities	Other Operating Entities	Other Entities	Combined Total	Eliminating and Consolidating Entries	Consolidated Balance
Liabilities and Net Assets (Deficit)								
Current Liabilities								
Current maturities of long-term debt and financing lease obligations	$ 4,085,903	$ -	$ 1,018,268	$ 26,978,549	$ 433,295	$ 32,516,015	$ -	$ 32,516,015
Construction payable	1,328,113	-	-	-	-	1,328,113	-	1,328,113
Accounts payable	4,322,482	494,494	591,000	356,302	681,403	6,445,681	-	6,445,681
Accrued expenses	9,103,975	207,377	1,147,488	1,221,638	11,727,105	23,407,583	(195,175)	23,212,408
Due to affiliates	908,141	81,411	1,948,581	3,073,880	2,483,648	8,495,661	(8,495,661)	-
Residents' deposits	2,941,742	272,855	534,065	-	-	3,748,662	-	3,748,662
Total current liabilities	22,690,356	1,056,137	5,239,402	31,630,369	15,325,451	75,941,715	(8,690,836)	67,250,879
Long-Term Debt and Financing Lease Obligations	250,543,093	1,578,680	60,848,075	21,054,249	19,034,680	353,058,777	-	353,058,777
Notes Payable to Affiliate	25,710,000	-	30,361,158	648,628	-	56,719,786	(56,719,786)	-
Capital Advances	-	80,035,527	-	-	-	80,035,527	-	80,035,527
Due to Affiliates	9,105,650	-	-	3,415,479	-	12,521,129	(12,521,129)	-
Liability for Split-Interest Agreements and Deferred Gift Agreements	-	-	-	-	2,862,082	2,862,082	-	2,862,082
Deferred Revenue	51,991	-	-	-	20,327,110	20,379,101	(20,379,101)	-
Refundable Entrance Fees	334,667,572	-	-	361,852	-	335,029,424	-	335,029,424
Deferred Revenue From Entrance Fees	109,281,807	-	-	7,443,609	-	116,725,416	-	116,725,416
Derivative Financial Instruments	3,288,440	-	-	(415,354)	(10,788)	2,862,298	-	2,862,298
Other Liabilities	3,546,769	-	2,859,684	1,740,695	4,962,248	13,109,396	(5,074,330)	8,035,066
Total liabilities	758,885,678	82,670,344	99,308,319	65,879,527	62,500,783	1,069,244,651	(103,385,182)	965,859,469
Net Assets (Deficit)								
Net assets (deficit) without donor restrictions	(153,942,597)	(24,992,590)	2,997,558	(15,353,528)	121,599,475	(69,691,682)	1,296,840	(68,394,842)
Noncontrolling ownership interest in limited partnerships	-	-	1,161,591	-	-	1,161,591	-	1,161,591
Net assets with donor restrictions	633,094	-	-	-	13,157,753	13,790,847	(780,109)	13,010,738
Member's equity	7,205,000	-	-	7,500,000	(14,705,000)	-	-	-
Total net assets (deficit)	(146,104,503)	(24,992,590)	4,159,149	(7,853,528)	120,052,228	(54,739,244)	516,731	(54,222,513)
Total liabilities and net assets (deficit)	$ 612,781,175	$ 57,677,754	$ 103,467,468	$ 58,025,999	$ 182,553,011	$ 1,014,505,407	$ (102,868,451)	$ 911,636,956

Springpoint Senior Living, Inc. and Affiliates

Consolidating Schedule, Statement of Operations and Changes in Net Assets (Deficit)
Year Ended December 31, 2021

	Life Plan Communities	Affordable Housing Communities	Low Income Housing Tax Credit Communities	Other Operating Entities	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	$ 72,026,299	$ 8,184,653	$ 13,361,730	$ -	$ -	$ 93,572,682	$ -	$ 93,572,682
Revenue from healthcare facilities	61,267,555	-	-	13,363,325	-	74,630,880	-	74,630,880
Services to residents	5,235,269	-	-	6,507,157	-	11,742,426	-	11,742,426
Developer and management fees	-	-	-	121,367	12,152,308	12,273,675	(12,273,675)	-
Contributions and bequests	662,825	-	-	307,698	1,238,191	2,208,714	(1,303,516)	905,198
Interest and dividends	1,202,143	1,685	5,541	56,487	2,606,196	3,872,052	(1,869,222)	2,002,830
Other revenue	6,736,421	54,786	257,020	1,536,065	1,332,485	9,916,777	(736,633)	9,180,144
Net assets released from restrictions used for operations	861,223	-	-	10,408	334,090	1,205,721	(110,304)	1,095,417
Total revenues and other support	147,991,735	8,241,124	13,624,291	21,902,507	17,663,270	209,422,927	(16,293,350)	193,129,577
Expenses:								
Professional care of residents	43,710,046	-	-	14,636,981	102,578	58,449,605	-	58,449,605
Resident services	4,738,012	-	-	-	-	4,738,012	-	4,738,012
Dining services	22,877,191	-	-	1,245,854	-	24,123,045	(217,703)	23,905,342
Operation and maintenance of facility	29,156,027	3,550,478	4,967,837	655,995	44,979	38,375,316	-	38,375,316
Housekeeping and laundry	7,187,870	-	-	314,797	-	7,502,667	-	7,502,667
Administrative and general	20,155,346	2,626,745	2,658,457	5,208,827	9,381,406	40,030,781	(462,676)	39,568,105
Resident assistance and program services	-	-	-	-	1,927,925	1,927,925	(1,413,820)	514,105
Marketing	7,478,820	-	-	1,363,166	1,027,487	9,869,473	-	9,869,473
Insurance	3,104,346	514,160	827,956	264,952	144,720	4,856,134	-	4,856,134
Springpoint Senior Living, Inc. management fee	9,409,515	554,833	721,211	934,949	713,985	12,334,493	(12,334,493)	-
Interest	8,877,124	-	3,041,653	681,265	644,506	13,244,548	(730,100)	12,514,448
Provision for bad debts	1,301,824	-	-	314,326	-	1,616,150	-	1,616,150
Total expenses	157,996,121	7,246,216	12,217,114	25,621,112	13,987,586	217,068,149	(15,158,792)	201,909,357
Operating income (loss)	(10,004,386)	994,908	1,407,177	(3,718,605)	3,675,684	(7,645,222)	(1,134,558)	(8,779,780)
Unrealized gains on investments	6,994,289	-	-	175,945	4,758,892	11,929,126	-	11,929,126
Net realized gains on investments	1,453,456	-	-	38,675	1,158,484	2,650,615	-	2,650,615
Amortization of entrance fees	18,855,638	-	-	778,039	-	19,633,677	-	19,633,677
Change in fair value of derivative financial instruments	2,725,618	-	-	550,997	39,381	3,315,996	-	3,315,996
Gain on disposal of fixed assets	395,783	-	-	55,049	9,294	460,126	-	460,126
Contributions for capital purposes	-	-	-	-	4,474,748	4,474,748	-	4,474,748
Net asset transfer	-	-	(2,457,798)	-	2,605,403	147,605	(147,605)	-
Depreciation and amortization	(31,348,568)	(2,485,699)	(3,551,440)	(1,420,153)	(404,563)	(39,210,423)	430,651	(38,779,772)
Revenues and other support in excess of (less than) expenses	(10,928,170)	(1,490,791)	(4,602,061)	(3,540,053)	16,317,323	(4,243,752)	(851,512)	(5,095,264)
Pension liability adjustment	(75,976)	-	-	-	-	(75,976)	-	(75,976)
Increase (decrease) in net assets (deficit) without donor restrictions	$ (11,004,146)	$ (1,490,791)	$ (4,602,061)	$ (3,540,053)	$ 16,317,323	$ (4,319,728)	$ (851,512)	$ (5,171,240)

Springpoint Senior Living, Inc. and Affiliates

Consolidating Schedule, Statement of Operations and Changes in Net Assets (Deficit)
Year Ended December 31, 2021

	Life Plan Communities	Affordable Housing Communities	Low Income Housing Tax Credit Communities	Other Operating Entities	Other Entities	Combined Total	Eliminating and Consolidating Entries	Consolidated Balance
Changes in Net Assets With Donor Restrictions								
Contributions	$ 872,302	$ -	$ -	$ 10,408	$ 900,804	$ 1,783,514	$ (110,304)	$ 1,673,210
Change in value of split-interest agreements	-	-	-	-	323,707	323,707	-	323,707
Investment income	27,083	-	-	-	717,304	744,387	-	744,387
Net unrealized loss on investments	(3,577)	-	-	-	-	(3,577)	-	(3,577)
Change in value of perpetual trusts	-	-	-	-	355,053	355,053	(54,003)	301,050
Net assets released from restrictions used for operations	(861,223)	-	-	(10,408)	(334,090)	(1,205,721)	110,304	(1,095,417)
Increase (decrease) in net assets with donor restrictions	34,585	-	-	-	1,962,778	1,997,363	(54,003)	1,943,360
Change in net assets (deficit)	(10,969,561)	(1,490,791)	(4,602,061)	(3,540,053)	18,280,101	(2,322,365)	(905,515)	(3,227,880)
Net Assets (Deficit), Beginning	(135,134,942)	(23,501,799)	8,761,210	(4,313,475)	101,772,127	(52,416,879)	1,422,246	(50,994,633)
Net Assets (Deficit), Ending	$ (146,104,503)	$ (24,992,590)	$ 4,159,149	$ (7,853,528)	$ 120,052,228	$ (54,739,244)	$ 516,731	$ (54,222,513)

Springpoint Senior Living, Inc. and Affiliates

Life Plan Communities: Combining Schedule, Balance Sheet
December 31, 2021

	Atrium	Crestwood	Meadow Lakes	Monroe	The Moorings	The Oaks	Montgomery	Winchester Gardens	Combined Total
Assets									
Current Assets									
Cash and cash equivalents	$ 2,981,531	$ 3,193,713	$ 9,357,330	$ 3,475,399	$ 6,990,331	$ 6,989,011	$ 15,014,359	$ 4,923,629	$ 52,925,303
Current portion of assets whose use is limited	27,799	188,413	204,925	22,989	-	60,559	113,796	365,897	984,378
Accounts receivable, net	571,804	1,391,280	883,147	872,821	2,836,480	1,522,611	1,285,182	1,666,291	11,029,616
Other current assets	292,497	335,019	574,113	312,214	302,758	551,616	440,849	535,535	3,344,601
Total current assets	3,873,631	5,108,425	11,019,515	4,683,423	10,129,569	9,123,797	16,854,186	7,491,352	68,283,898
Investments	8,434,695	10,113,758	-	2,794,803	5,476,117	4,278,241	36,594,884	11,233,698	78,926,196
Assets Whose Use is Limited	3,009,735	3,269,171	5,114,399	3,726,554	3,978,031	3,628,430	6,828,842	4,558,703	34,113,865
Property and Equipment, Net	52,660,632	25,350,283	42,304,249	26,324,735	34,495,570	73,659,621	60,408,099	56,843,978	372,047,167
Goodwill, Net	-	-	-	675,588	19,297,864	29,121,740	-	9,747,989	58,843,181
Other Assets, Net	-	-	-	-	315,190	165,137	-	86,541	566,868
Total assets	$ 67,978,693	$ 43,841,637	$ 58,438,163	$ 38,205,103	$ 73,692,341	$ 119,976,966	$ 120,686,011	$ 89,962,261	$ 612,781,175

Springpoint Senior Living, Inc. and Affiliates

Life Plan Communities: Combining Schedule, Balance Sheet
December 31, 2021

	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 financing lease obligations	$ 543,846	$ 565,662	$ 513,971	$ 201,518	$ 662,247	$ 740,936	$ 818,633	$ 39,090	$ 4,085,903
Construction payable	30,070	-	29,473	309,292	-	96,541	399,327	463,410	1,328,113
Accounts payable	347,213	481,967	903,695	385,373	346,000	946,671	553,141	358,422	4,322,482
Accrued expenses	884,636	720,212	1,810,901	564,569	1,030,707	1,545,353	1,697,405	850,192	9,103,975
Due to (from) affiliates	478,724	142,411	220,292	277,427	(342,148)	258,812	748,202	(875,579)	908,141
Residents' deposits	129,742	203,012	364,526	188,857	612,750	137,279	517,699	787,877	2,941,742
Total current liabilities	2,414,231	2,113,264	3,842,858	1,927,036	2,309,556	3,725,592	4,734,407	1,623,412	22,690,356
Long-Term Debt and Financing Lease Obligations	30,251,209	26,193,272	28,421,307	8,724,376	15,396,521	39,853,313	49,889,534	51,813,561	250,543,093
Notes Payable to Affiliate	14,710,000	-	-	-	-	3,000,000	-	8,000,000	25,710,000
Due to Affiliates	5,288,925	-	-	-	-	-	-	3,816,725	9,105,650
Refundable Entrance Fees	34,993,144	6,771,991	32,199,312	30,170,062	43,395,757	57,596,526	66,414,824	63,125,956	334,667,572
Deferred Revenue From Entrance Fees	12,748,684	6,392,589	17,922,293	12,118,959	12,321,594	13,531,801	17,146,154	17,099,733	109,281,807
Derivative Financial Instruments	63,905	161,436	(21,742)	46,258	-	111,212	-	2,927,371	3,288,440
Deferred Revenue	-	-	-	33,333	-	-	-	18,658	51,991
Other Liabilities	2,381,716	-	-	-	496,900	-	-	668,153	3,546,769
Total liabilities	102,851,814	41,632,552	82,364,028	53,020,024	73,920,328	117,818,444	138,184,919	149,093,569	758,885,678
Net Assets (Deficit)									
Net (deficit) assets without donor restrictions	(34,940,415)	2,154,735	(23,994,204)	(15,177,065)	(232,114)	(5,073,943)	(17,536,952)	(59,142,639)	(153,942,597)
Net assets with donor restrictions	67,294	54,350	68,339	362,144	4,127	27,465	38,044	11,331	633,094
Member's equity	-	-	-	-	-	7,205,000	-	-	7,205,000
Total net assets (deficit)	(34,873,121)	2,209,085	(23,925,865)	(14,814,921)	(227,987)	2,158,522	(17,498,908)	(59,131,308)	(146,104,503)
Total liabilities and net assets (deficit)	$ 67,978,693	$ 43,841,637	$ 58,438,163	$ 38,205,103	$ 73,692,341	$ 119,976,966	$ 120,686,011	$ 89,962,261	$ 612,781,175

Springpoint Senior Living, Inc. and Affiliates

Life Plan Communities: Combining Schedule, Statement of Operations and Changes in Net Assets (Deficit)
Year Ended December 31, 2021

	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	$ 6,754,406	$ 7,283,593	$ 11,294,953	$ 8,314,892	$ 5,355,891	$ 10,394,222	$ 13,602,118	$ 9,026,224	$ 72,026,299
Revenue from healthcare facilities	4,763,748	7,209,423	8,625,132	2,668,656	8,555,349	10,202,783	9,923,833	9,318,631	61,267,555
Services to residents	214,664	1,432,487	715,340	695,544	296,171	477,159	972,174	431,730	5,235,269
Contributions and bequests	75,872	69,168	115,996	73,975	48,380	104,067	115,629	59,738	662,825
Interest and dividends	116,104	147,842	46,309	69,634	73,249	78,730	538,448	131,827	1,202,143
Other revenue	754,355	1,254,582	670,985	606,715	239,233	1,392,938	1,179,820	637,793	6,736,421
Net assets released from restriction used for operations	106,686	137,576	110,264	119,707	6,748	118,384	178,278	83,580	861,223
Total revenues and other support	12,785,835	17,534,671	21,578,979	12,549,123	14,575,021	22,768,283	26,510,300	19,689,523	147,991,735
Expenses:									
Professional care of patients	4,001,395	5,569,441	6,486,304	2,052,852	5,124,756	7,988,038	6,488,274	5,998,986	43,710,046
Resident services	607,945	503,133	540,156	441,386	386,075	873,865	611,919	773,533	4,738,012
Dining services	1,970,981	2,851,550	3,273,326	2,847,921	2,118,929	2,725,113	3,649,080	3,440,291	22,877,191
Operation and maintenance of facility	2,620,510	2,361,517	5,254,668	3,110,017	1,969,222	4,608,941	4,169,528	5,061,624	29,156,027
Housekeeping and laundry	769,312	900,902	1,229,961	479,144	538,700	1,284,831	1,121,621	863,399	7,187,870
Administrative and general	2,173,485	2,651,772	2,428,460	2,809,550	1,601,910	2,923,435	3,049,728	2,517,006	20,155,346
Marketing	762,428	874,290	842,545	1,070,891	664,849	1,059,369	999,309	1,205,139	7,478,820
Insurance	329,983	339,986	461,044	292,457	289,047	527,124	387,829	476,876	3,104,346
Springpoint Senior Living, Inc. management fee	904,769	1,059,364	1,416,464	846,232	591,705	1,368,406	1,907,836	1,314,739	9,409,515
Interest	1,033,872	975,588	910,329	324,982	707,000	1,380,150	1,634,980	1,910,223	8,877,124
Provision for doubtful accounts	185,396	561,911	92,470	1,847	16,061	315,402	75,003	53,734	1,301,824
Total expenses	15,360,076	18,649,454	22,935,727	14,277,279	14,008,254	25,054,674	24,095,107	23,615,550	157,996,121
Operating (loss) income	(2,574,241)	(1,114,783)	(1,356,748)	(1,728,156)	566,767	(2,286,391)	2,415,193	(3,926,027)	(10,004,386)
Unrealized gains on investments	558,850	742,362	223,178	384,876	410,057	379,512	3,734,476	560,978	6,994,289
Net realized gains on investments	106,489	136,501	42,527	78,872	88,839	71,129	813,465	115,634	1,453,456
Amortization of entrance fees	2,848,088	644,404	3,238,155	2,168,375	1,887,079	2,464,372	3,081,940	2,523,225	18,855,638
Net change in fair value of derivative financial instruments	243,498	(51,290)	68,471	(14,292)	-	(111,212)	358,745	2,231,698	2,725,618
Gain (loss) on disposal of fixed assets	-	-	-	-	-	-	(2,853)	398,636	395,783
Depreciation and amortization	(2,944,786)	(3,252,156)	(4,714,985)	(3,066,483)	(1,768,154)	(3,778,716)	(5,446,399)	(6,376,889)	(31,348,568)
Revenues and other support (less than) in in excess of expenses	(1,762,102)	(2,894,962)	(2,499,402)	(2,176,808)	1,184,588	(3,261,306)	4,954,567	(4,472,745)	(10,928,170)
Pension liability adjustment	-	-	(75,976)	-	-	-	-	-	(75,976)
(Decrease) increase in net assets (deficit) without donor restrictions	$ (1,762,102)	$ (2,894,962)	$ (2,575,378)	$ (2,176,808)	$ 1,184,588	$ (3,261,306)	$ 4,954,567	$ (4,472,745)	$ (11,004,146)

Springpoint Senior Living, Inc. and Affiliates

Life Plan Communities: Combining Schedule, Statement of Operations and Changes in Net Assets (Deficit)
Year Ended December 31, 2021

	Atrium	Crestwood	Meadow Lakes	Monroe	The Moorings	The Oaks	Montgomery	Winchester Gardens	Combined Total
Changes in Net Assets With Donor Restrictions									
Contributions	$ 133,170	$ 132,032	$ 105,056	$ 107,148	$ 5,000	$ 123,839	$ 184,197	$ 81,860	$ 872,302
Investment income	-	-	-	27,083	-	-	-	-	27,083
Net unrealized loss on investments	-	-	-	(3,577)	-	-	-	-	(3,577)
Net assets released from restriction used for operations	(106,686)	(137,576)	(110,264)	(119,707)	(6,748)	(118,384)	(178,278)	(83,580)	(861,223)
Increase (decrease) in net assets with donor restrictions	26,484	(5,544)	(5,208)	10,947	(1,748)	5,455	5,919	(1,720)	34,585
Change in net assets (deficit)	(1,735,618)	(2,900,506)	(2,580,586)	(2,165,861)	1,182,840	(3,255,851)	4,960,486	(4,474,465)	(10,969,561)
Net Assets (Deficit), Beginning	(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)
Net Assets (Deficit), Ending	$ (34,873,121)	$ 2,209,085	$ (23,925,865)	$ (14,814,921)	$ (227,987)	$ 2,158,522	$ (17,498,908)	$ (59,131,308)	$ (146,104,503)

Springpoint Senior Living, Inc. and Affiliates

Affordable Housing Communities: Combining Schedule, Balance Sheet
December 31, 2021

	Dover	Countryside Meadows	Wheaton Pointe	Franklin	Crossroads	Manchester Pines	Portland Pointe	Watchung Terrace	Stafford By the Bay	The Gables	Combined Total
Assets											
Current Assets											
Cash and cash equivalents	$ 63,149	$ 83,798	$ 120,115	$ 3,053	$ 16,081	$ 87,024	$ 59,249	$ 90,764	$ 115,000	$ 86,871	$ 725,104
Accounts receivable, net	1,927	5,053	(548)	3,860	20,774	638	2,967	4,052	2,636	81	41,440
Other current assets	8,847	1,425	2,563	962	1,469	583	649	481	-	960	17,939
Total current assets	73,923	90,276	122,130	7,875	38,324	88,245	62,865	95,297	117,636	87,912	784,483
Assets Whose Use is Limited	715,888	950,976	723,978	757,481	713,696	615,445	338,078	671,461	583,611	697,752	6,768,366
Property and Equipment, Net	9,414,401	2,237,469	4,641,243	5,653,609	3,453,502	10,230,876	2,398,428	2,500,632	5,252,597	4,342,148	50,124,905
Total assets	$ 10,204,212	$ 3,278,721	$ 5,487,351	$ 6,418,965	$ 4,205,522	$ 10,934,566	$ 2,799,371	$ 3,267,390	$ 5,953,844	$ 5,127,812	$ 57,677,754
Liabilities and Net Deficit											
Current Liabilities											
Accounts payable	$ 43,768	$ 17,867	$ 119,383	$ 44,951	$ 31,155	$ 33,721	$ 43,436	$ 38,478	$ 64,896	$ 56,839	$ 494,494
Accrued expenses	25,357	18,200	13,704	17,830	23,268	28,446	17,058	25,831	17,732	19,951	207,377
Due to affiliates	485	13,416	8,821	24,522	3,101	1,878	1,510	9,707	2,268	15,703	81,411
Residents' deposits	33,202	27,608	18,676	26,357	31,046	33,023	23,331	34,636	30,532	14,444	272,855
Total current liabilities	102,812	77,091	160,584	113,660	88,570	97,068	85,335	108,652	115,428	106,937	1,056,137
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	11,693,592	5,850,791	8,339,684	8,881,060	7,522,570	12,536,468	5,360,062	6,379,252	7,985,328	8,121,537	82,670,344
Net Deficit											
Net deficit without donor restrictions	(1,489,380)	(2,572,070)	(2,852,333)	(2,462,095)	(3,317,048)	(1,601,902)	(2,560,691)	(3,111,862)	(2,031,484)	(2,993,725)	(24,992,590)
Total liabilities and net deficit	$ 10,204,212	$ 3,278,721	$ 5,487,351	$ 6,418,965	$ 4,205,522	$ 10,934,566	$ 2,799,371	$ 3,267,390	$ 5,953,844	$ 5,127,812	$ 57,677,754

Springpoint Senior Living, Inc. and Affiliates

Affordable Housing Communities: Combining Schedule, Statement of Operations and Changes in Net Deficit
Year Ended December 31, 2021

	Dover	Countryside Meadows	Wheaton Pointe	Franklin	Crossroads	Manchester Pines	Portland Pointe	Watchung Terrace	Stafford By the Bay	The Gables	Combined Total
Revenues and Other Support											
Revenue from residential facilities	$ 807,870	$ 834,806	$ 835,434	$ 803,639	$ 783,282	$ 813,315	$ 718,302	$ 827,799	$ 963,332	$ 796,874	$ 8,184,653
Interest and dividends	176	237	175	189	171	149	93	163	150	182	1,685
Other revenue	7,945	1,220	5,538	4,418	5,931	8,385	5,663	6,337	6,820	2,529	54,786
Total revenues and other support	815,991	836,263	841,147	808,246	789,384	821,849	724,058	834,299	970,302	799,585	8,241,124
Expenses											
Operation and maintenance of facility	346,423	357,155	358,019	369,173	347,547	357,108	308,794	378,266	371,586	356,407	3,550,478
Administrative and general	264,689	247,799	209,309	305,227	262,134	259,855	268,776	274,156	306,560	228,240	2,626,745
Insurance	56,618	49,551	50,175	54,583	50,747	59,416	36,934	48,387	58,350	49,399	514,160
Springpoint Senior Living, Inc. management fee	54,432	65,736	59,251	52,416	56,987	64,740	39,597	55,501	52,416	53,757	554,833
Total expenses	722,162	720,241	676,754	781,399	717,415	741,119	654,101	756,310	788,912	687,803	7,246,216
Operating income	93,829	116,022	164,393	26,847	71,969	80,730	69,957	77,989	181,390	111,782	994,908
Depreciation and amortization	(347,322)	(177,680)	(247,613)	(255,647)	(222,612)	(338,046)	(187,732)	(232,193)	(248,751)	(228,103)	(2,485,699)
Change in net deficit without donor restrictions	(253,493)	(61,658)	(83,220)	(228,800)	(150,643)	(257,316)	(117,775)	(154,204)	(67,361)	(116,321)	(1,490,791)
Net Deficit, Beginning	(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)
Net Deficit, Ending	$ (1,489,380)	$ (2,572,070)	$ (2,852,333)	$ (2,462,095)	$ (3,317,048)	$ (1,601,902)	$ (2,560,691)	$ (3,111,862)	$ (2,031,484)	$ (2,993,725)	$ (24,992,590)

Springpoint Senior Living, Inc. and Affiliates

Limited Partnerships: Combining Schedule, Balance Sheet
December 31, 2021

	Asbury	Butler	Howell	Heritage at Whiting	Mount Holly	Plainfield	Ramsey	Wall	Combined Total
Assets									
Current Assets									
Cash and cash equivalents	$ 238,820	$ 483,050	$ 249,128	$ 52,194	$ 22,885	$ 32,192	$ 639,083	$ 346,620	$ 2,063,972
Accounts receivable, net	75,218	9,203	16,038	8,571	1,985	18,088	7,469	5,671	142,243
Other current assets	479,978	72,975	88,913	57,571	27,103	135,299	69,576	53,000	984,415
Total current assets	794,016	565,228	354,079	118,336	51,973	185,579	716,128	405,291	3,190,630
Assets Whose Use is Limited	2,776,475	1,017,713	1,174,773	997,499	158,237	1,511,617	1,442,559	919,479	9,998,352
Property and Equipment, Net	39,110,762	6,441,452	7,259,569	8,046,752	2,657,795	12,477,294	8,714,888	5,423,613	90,132,125
Other Assets, Net	83,385	-	2,136	39,741	-	21,099	-	-	146,361
Total assets	$ 42,764,638	$ 8,024,393	$ 8,790,557	$ 9,202,328	$ 2,868,005	$ 14,195,589	$ 10,873,575	$ 6,748,383	$ 103,467,468
Liabilities and Net Assets (Deficit)									
Current Liabilities									
Current maturities of long-term debt	$ 114,590	$ 182,522	$ 164,701	$ 18,242	$ -	$ 172,767	$ 233,169	$ 132,277	$ 1,018,268
Accounts payable	160,826	101,094	97,958	37,333	46,637	70,188	66,609	10,355	591,000
Accrued expenses	646,419	58,552	32,928	261,749	23,954	51,256	49,563	23,067	1,147,488
Due to affiliates	1,441,486	24,266	24,368	309,069	60,722	29,545	28,044	31,081	1,948,581
Residents' deposits	294,814	33,767	36,053	49,522	15,786	49,707	29,705	24,711	534,065
Total current liabilities	2,658,135	400,201	356,008	675,915	147,099	373,463	407,090	221,491	5,239,402
Long-Term Debt	20,213,216	4,174,279	3,775,865	8,142,357	1,914,238	5,883,664	10,696,118	6,048,338	60,848,075
Notes Payable to Affiliate	21,162,801	2,264,997	3,279,253	825,150	228,226	2,600,731	-	-	30,361,158
Other Liabilities	1,849,721	19,673	24,843	627,621	255,143	35,895	30,395	16,393	2,859,684
Total liabilities	45,883,873	6,859,150	7,435,969	10,271,043	2,544,706	8,893,753	11,133,603	6,286,222	99,308,319
Net Assets (Deficit)									
Partner's equity (deficit)	(2,019)	-	-	(2,002,400)	1,704,456	575,557	-	-	275,594
Noncontrolling ownership interest in limited partnerships	(3,117,216)	-	-	933,685	(1,381,157)	4,726,279	-	-	1,161,591
Net assets without donor restrictions	-	1,165,243	1,354,588	-	-	-	(260,028)	462,161	2,721,964
Total net assets (deficit)	(3,119,235)	1,165,243	1,354,588	(1,068,715)	323,299	5,301,836	(260,028)	462,161	4,159,149
Total liabilities and net assets (deficit)	$ 42,764,638	$ 8,024,393	$ 8,790,557	$ 9,202,328	$ 2,868,005	$ 14,195,589	$ 10,873,575	$ 6,748,383	$ 103,467,468

Springpoint Senior Living, Inc. and Affiliates

Limited Partnerships: Combining Schedule, Statement of Operations and Changes in Net Assets (Deficit)
Year Ended December 31, 2021

	Asbury	Butler	Howell	Heritage at Whiting	Mount Holly	Plainfield	Ramsey	Wall	Combined Total
Revenues and Other Support									
Revenue from residential facilities	$ 3,990,728	$ 1,513,855	$ 1,606,999	$ 620,693	$ 276,786	$ 2,206,192	$ 1,838,119	$ 1,308,358	$ 13,361,730
Interest and dividends	1,453	673	759	323	139	879	685	630	5,541
Other revenue	167,621	10,318	3,969	13,457	6,931	45,112	4,897	4,715	257,020
Total revenues and other support	4,159,802	1,524,846	1,611,727	634,473	283,856	2,252,183	1,843,701	1,313,703	13,624,291
Expenses:									
Operation and maintenance of facility	1,860,777	441,358	477,067	235,469	205,632	878,652	456,758	412,124	4,967,837
Administrative and general	749,830	277,896	319,114	180,626	74,122	466,425	250,256	340,188	2,658,457
Insurance	382,141	54,852	64,973	59,807	44,574	102,794	73,978	44,837	827,956
Springpoint Senior Living, Inc. management fee	240,013	72,410	81,746	52,661	18,931	119,159	81,746	54,545	721,211
Interest	987,174	305,648	319,529	139,167	29,819	547,120	424,385	288,811	3,041,653
Total expenses	4,219,935	1,152,164	1,262,429	667,730	373,078	2,114,150	1,287,123	1,140,505	12,217,114
Operating income (loss)	(60,133)	372,682	349,298	(33,257)	(89,222)	138,033	556,578	173,198	1,407,177
Net asset transfer (to) from affiliate	-	(102,651)	(252,911)	-	73,803	-	(1,786,717)	(389,322)	(2,457,798)
Depreciation and amortization	(1,496,673)	(295,454)	(345,883)	(218,490)	(178,444)	(514,313)	(295,890)	(206,293)	(3,551,440)
Change in net assets (deficit) without donor restrictions	(1,556,806)	(25,423)	(249,496)	(251,747)	(193,863)	(376,280)	(1,526,029)	(422,417)	(4,602,061)
Net Assets (Deficit), Beginning	(1,562,429)	1,190,666	1,604,084	(816,968)	517,162	5,678,116	1,266,001	884,578	8,761,210
Net Assets (Deficit), Ending	$ (3,119,235)	$ 1,165,243	$ 1,354,588	$ (1,068,715)	$ 323,299	$ 5,301,836	$ (260,028)	$ 462,161	$ 4,159,149

Springpoint Senior Living, Inc. and Affiliates

Other Operating Entities: Combining Schedule, Balance Sheet
December 31, 2021

	Manalapan	Senior Net, Inc.	Village Point	Springpoint at Home	Springpoint Choice	Combined Total
Assets						
Current Assets						
Cash and cash equivalents	$ 2,308,614	$ (72,209)	$ (3,547,409)	$ 226,149	$ 75,741	$ (1,009,114)
Current portion of assets whose use is limited	-	-	477,488	-	-	477,488
Accounts receivable, net	-	29,138	1,618,953	379,017	44,695	2,071,803
Due from affiliates	-	800	430,362	-	-	431,162
Other current assets	62,369	1,112	823,265	36,768	26,277	949,791
Total current assets	2,370,983	(41,159)	(197,341)	641,934	146,713	2,921,130
Investments	-	-	-	-	1,526,264	1,526,264
Assets Whose Use is Limited	-	-	384,532	-	700,011	1,084,543
Property and Equipment, Net	21,014,676	80	23,929,097	35,211	41,733	45,020,797
Goodwill	-	-	-	2,270,750	3,268,699	5,539,449
Derivative Financial Instruments	-	-	415,354	-	-	415,354
Other Assets, Net	356,999	-	1,537,083	39,734	-	1,933,816
Total assets	$ 23,742,658	$ (41,079)	$ 26,068,725	$ 2,987,629	$ 5,683,420	$ 58,441,353

Springpoint Senior Living, Inc. and Affiliates

Other Operating Entities: Combining Schedule, Balance Sheet
December 31, 2021

	Manalapan	Senior Net, Inc.	Village Point	Springpoint at Home	Springpoint Choice	Combined Total
Liabilities and Net Assets (Deficit)						
Current Liabilities						
Current maturities of long-term debt and financing lease obligations	$ 293,628	$ -	$ 26,495,396	$ 189,525	$ -	$ 26,978,549
Accounts payable	23,832	1,414	206,107	16,187	108,762	356,302
Accrued expenses	90,310	3,858	804,534	233,103	89,833	1,221,638
Due to affiliates	637,803	-	-	2,386,849	49,228	3,073,880
Total current liabilities	1,045,573	5,272	27,506,037	2,825,664	247,823	31,630,369
Long-Term Debt and Financing Lease Obligations	20,597,306	-	1,505	455,438	-	21,054,249
Notes Payable to Affiliate	-	-	-	648,628	-	648,628
Due to Affiliate	-	-	1,558,148	1,857,331	-	3,415,479
Refundable Entrance Fees	-	-	-	-	361,852	361,852
Deferred Revenue From Entrance Fees	-	-	-	-	7,443,609	7,443,609
Other Liabilities	21,000	-	1,719,695	-	-	1,740,695
Total liabilities	21,663,879	5,272	30,785,385	5,787,061	8,053,284	66,294,881
Net Assets (Deficit)						
Net assets (deficit) without donor restrictions	(1,421,221)	(46,351)	(8,216,660)	(2,799,432)	(2,869,864)	(15,353,528)
Net assets with donor restrictions	-	-	-	-	-	-
Member's equity	3,500,000	-	3,500,000	-	500,000	7,500,000
Total net assets (deficit)	2,078,779	(46,351)	(4,716,660)	(2,799,432)	(2,369,864)	(7,853,528)
Total liabilities and net assets (deficit)	$ 23,742,658	$ (41,079)	$ 26,068,725	$ 2,987,629	$ 5,683,420	$ 58,441,353

Springpoint Senior Living, Inc. and Affiliates

Other Operating Entities: Combining Schedule, Statement of Operations and Changes in Net Assets (Deficit)
Year Ended December 31, 2021

	Manalapan	Senior Net, Inc.	Village Point	Springpoint at Home	Springpoint Choice	Combined Total
Changes in Net Assets (Deficit) Without Donor Restrictions						
Revenues and other support:						
Revenue from healthcare facilities	$ -	$ -	$ 13,363,325	$ -	$ -	$ 13,363,325
Services to residents	-	-	35,827	4,812,799	1,658,531	6,507,157
Developer and management fees	-	-	-	-	121,367	121,367
Contributions and bequests	-	235,372	41,685	28,917	1,724	307,698
Interest and dividends	13,387	-	15,771	-	27,329	56,487
Other revenue	8	-	1,135,893	387,276	12,888	1,536,065
Net assets released from restrictions used for operations	-	-	10,408	-	-	10,408
Total revenues and other support	13,395	235,372	14,602,909	5,228,992	1,821,839	21,902,507
Expenses:						
Professional care of patients	31,706	-	9,268,292	3,811,117	1,525,866	14,636,981
Dining services	22,949	-	1,222,905	-	-	1,245,854
Operation and maintenance of facility	30,256	-	619,354	-	6,385	655,995
Housekeeping and laundry	1,381	-	313,416	-	-	314,797
Administrative and general	241,926	225,017	1,898,349	1,537,839	1,305,696	5,208,827
Marketing	791,410	-	257,549	26,931	287,276	1,363,166
Insurance	4,185	1,185	213,356	36,108	10,118	264,952
Springpoint Senior Living, Inc. management fee	-	-	616,080	207,376	111,493	934,949
Interest	24,602	-	604,129	52,534	-	681,265
Provision for doubtful accounts	-	-	297,389	14,901	2,036	314,326
Total expenses	1,148,415	226,202	15,310,819	5,686,806	3,248,870	25,621,112
Operating income (loss)	(1,135,020)	9,170	(707,910)	(457,814)	(1,427,031)	(3,718,605)
Unrealized gains on investments	-	-	-	-	175,945	175,945
Net realized gains on investments	-	-	-	-	38,675	38,675
Amortization of entrance fees	-	-	-	-	778,039	778,039
Net change in fair value of derivative financial instruments	-	-	550,997	-	-	550,997
Gain on disposal of fixed assets	-	-	-	-	55,049	55,049
Depreciation and amortization	(348,179)	(54)	(1,031,515)	(24,214)	(16,191)	(1,420,153)
Revenues and other support in excess of (less than) expenses and change in net assets (deficit) without donor restrictions	(1,483,199)	9,116	(1,188,428)	(482,028)	(395,514)	(3,540,053)
Changes in Net Assets With Donor Restrictions						
Contributions	-	-	10,408	-	-	10,408
Net assets released from restrictions used for operations	-	-	(10,408)	-	-	(10,408)
Increase (decrease) in net assets with donor restrictions	-	-	-	-	-	-
Change in net assets (deficit)	(1,483,199)	9,116	(1,188,428)	(482,028)	(395,514)	(3,540,053)
Net Assets (Deficit), Beginning	3,561,978	(55,467)	(3,528,232)	(2,317,404)	(1,974,350)	(4,313,475)
Net Assets (Deficit), Ending	$ 2,078,779	$ (46,351)	$ (4,716,660)	$ (2,799,432)	$ (2,369,864)	$ (7,853,528)

Springpoint Senior Living, Inc. and Affiliates

Other Entities: Combining Schedule, Balance Sheet
December 31, 2021

	SSL	Foundation	Presbyterian Home at Wall, Inc.	Presbyterian Home of Plainfield, Inc.	AHS	Springpoint at Tinton Falls	Integrated Management Services, Inc.	PTS	MHS	Springpoint at Haddonfield, Inc.	Cadbury at Cherry Hill, Inc.	Springpoint Realty, Inc.	Combined Total
Assets													
Current Assets													
Cash and cash equivalents	$ 14,485,125	$ 538,759	$ 1,350,568	$ 442,172	$ -	$ -	$ (566,441)	$ -	$ -	$ 9,566	$ 1,627	$ -	$ 16,261,376
Due from affiliates	3,211,339	271,228	1,124,235	578,226	-	1,927,470	532,736	-	-	-	-	-	7,645,234
Other current assets	707,261	42,827	-	-	-	-	1,651,785	-	-	-	-	5,765	2,407,638
Total current assets	18,403,725	852,814	2,474,803	1,020,398	-	1,927,470	1,618,080	-	-	9,566	1,627	5,765	26,314,248
Investments	-	48,410,723	1,058,796	-	2,826,162	3,821,991	-	578,226	100	-	-	-	56,695,998
Assets Whose Use is Limited	3,739,494	5,654,729	-	-	-	-	-	-	-	-	-	-	9,394,223
Investments Held Under Split-Interest Agreements	-	4,168,201	-	-	-	-	-	-	-	-	-	-	4,168,201
Investments Held by Others Under Split-Interest Agreements	-	998,851	-	-	-	-	-	-	-	-	-	-	998,851
Beneficial Interest in Perpetual Trusts	-	3,944,084	-	-	-	-	-	-	-	780,108	-	-	4,724,192
Due From Affiliates	12,878,687	-	-	-	-	-	-	-	-	-	-	-	12,878,687
Notes Receivable	26,754,223	181,053	825,150	2,600,731	-	-	-	-	-	-	-	-	30,361,157
Loans Receivable From Affiliate	23,358,628	-	3,000,000	-	-	-	-	-	-	-	-	-	26,358,628
Property and Equipment, Net	424,822	8,120	-	-	-	-	119,855	-	-	-	-	4,548,731	5,101,528
Derivative Financial Instruments	10,788	-	-	-	-	-	-	-	-	-	-	-	10,788
Other Assets, Net	5,557,298	-	-	-	-	-	-	-	-	-	-	-	5,557,298
Total assets	$ 91,127,665	$ 64,218,575	$ 7,358,749	3,621,129	$ 2,826,162	$ 5,749,461	$ 1,737,935	$ 578,226	$ 100	$ 789,674	$ 1,627	$ 4,554,496	$ 182,563,799

Springpoint Senior Living, Inc. and Affiliates

Other Entities: Combining Schedule, Balance Sheet
December 31, 2021

	SSL	Foundation	Presbyterian Home at Wall, Inc.	Presbyterian Home of Plainfield, Inc.	AHS	Springpoint at Tinton Falls	Integrated Management Services, Inc.	PTS	MHS	Springpoint at Haddonfield, Inc.	Cadbury at Cherry Hill, Inc.	Springpoint Realty, Inc.	Combined Total
Liabilities and Net Assets (Deficit)													
Current Liabilities													
Current maturities of long-term debt and financing lease obligations	$ 380,729	$ -	$ -	$ -	$ -	$ -	$ 52,566	$ -	$ -	$ -	$ -	$ -	$ 433,295
Accounts payable	670,710	9,328	-	-	-	-	1,366	-	-	(1)	-	-	681,403
Accrued expenses	11,593,132	133,395	-	-	-	-	360	-	-	-	-	218	11,727,105
Due to affiliates	-	-	-	-	1,790,874	-	-	595,402	12,537	31	-	84,804	2,483,648
Total current liabilities	12,644,571	142,723	-	-	1,790,874	-	54,292	595,402	12,537	30	-	85,022	15,325,451
Long-Term Debt and Financing Lease Obligations	18,965,259	-	-	-	-	-	69,421	-	-	-	-	-	19,034,680
Liability for Split-Interest Agreements and Deferred Gift Agreements	-	2,862,082	-	-	-	-	-	-	-	-	-	-	2,862,082
Deferred Revenue	17,672,219	-	205,050	830,167	-	-	1,619,674	-	-	-	-	-	20,327,110
Other Liabilities	4,896,829	65,419	-	-	-	-	-	-	-	-	-	-	4,962,248
Total liabilities	54,178,878	3,070,224	205,050	830,167	1,790,874	-	1,743,387	595,402	12,537	30	-	85,022	62,511,571
Net Assets (Deficit)													
Net assets (deficit) without donor restrictions	43,122,246	48,770,706	15,685,240	2,790,962	1,035,288	5,749,461	(5,452)	(17,176)	(12,437)	9,536	1,627	4,469,474	121,599,475
Net assets with donor restrictions	-	12,377,645	-	-	-	-	-	-	-	780,108	-	-	13,157,753
Member's equity	(6,173,459)	-	(8,531,541)	-	-	-	-	-	-	-	-	-	(14,705,000)
Total net assets (deficit)	36,948,787	61,148,351	7,153,699	2,790,962	1,035,288	5,749,461	(5,452)	(17,176)	(12,437)	789,644	1,627	4,469,474	120,052,228
Total liabilities and net assets (deficit)	$ 91,127,665	$ 64,218,575	$ 7,358,749	$ 3,621,129	$ 2,826,162	$ 5,749,461	$ 1,737,935	$ 578,226	$ 100	$ 789,674	$ 1,627	$ 4,554,496	$ 182,563,799

Springpoint Senior Living, Inc. and Affiliates

Other Entities: Combining Schedule, Statement of Operations and Changes in Net Assets (Deficit)
Year Ended December 31, 2021

	SSL	Foundation	Presbyterian Home at Wall, Inc.	Presbyterian Home of Plainfield, Inc.	AHS	Springpoint at Tinton Falls	Integrated Management Services, Inc.	PTS	MHS	Springpoint at Haddonfield, Inc.	Cadbury at Cherry Hill, Inc.	Springpoint Realty, Inc.	Combined Total
Changes in Net Assets (Deficit) Without Donor Restrictions													
Revenues and other support:													
Developer and management fees	$ 11,525,827	$ -	$ -	$ -	$ -	$ -	$ 626,481	$ -	$ -	$ -	$ -	$ -	$ 12,152,308
Contributions and bequests	-	891,307	73,803	-	-	-	273,081	-	-	-	-	-	1,238,191
Interest and dividends	1,479,702	674,111	452,383	-	-	-	-	-	-	-	-	-	2,606,196
Other revenue	1,104,453	140,528	-	-	-	-	87,504	-	-	-	-	-	1,332,485
Net assets released from restrictions used for operations	-	304,226	-	-	-	-	-	-	-	29,864	-	-	334,090
Total revenues and other support	14,109,982	2,010,172	526,186	-	-	-	987,066	-	-	29,864	-	-	17,663,270
Expenses:													
Professional care of patients	-	-	-	-	-	-	102,578	-	-	-	-	-	102,578
Dining services	-	-	-	-	-	-	-	-	-	-	-	-	-
Operation and maintenance of facility	40,114	-	-	-	-	-	-	-	-	-	-	4,865	44,979
Administrative and general	8,244,019	1,132,689	31	-	(2,275)	62	1,828	2,400	2,431	31	-	190	9,381,406
Residents assistance and program services	-	1,839,620	-	-	-	-	58,442	-	-	29,863	-	-	1,927,925
Marketing	1,027,487	-	-	-	-	-	-	-	-	-	-	-	1,027,487
Insurance	112,901	1,579	-	-	-	-	30,021	-	-	-	-	219	144,720
Springpoint Senior Living, Inc. management fee	-	-	-	-	-	-	713,985	-	-	-	-	-	713,985
Interest	634,591	-	-	-	-	-	9,915	-	-	-	-	-	644,506
Total expenses	10,059,112	2,973,888	31	-	(2,275)	62	916,769	2,400	2,431	29,894	-	5,274	13,987,586
Operating income (loss)	4,050,870	(963,716)	526,155	-	2,275	(62)	70,297	(2,400)	(2,431)	(30)	-	(5,274)	3,675,684
Unrealized gains on investments	-	4,758,892	-	-	-	-	-	-	-	-	-	-	4,758,892
Net realized gains on investments	-	1,158,484	-	-	-	-	-	-	-	-	-	-	1,158,484
Net change in fair value of derivative financial instruments	39,381	-	-	-	-	-	-	-	-	-	-	-	39,381
Gain on disposal of fixed assets	7,539	-	-	-	-	-	1,755	-	-	-	-	-	9,294
Contributions for capital purposes	-	-	-	-	-	-	-	-	-	-	-	4,474,748	4,474,748
Net asset transfer from (to) affiliate	2,047,027	-	(2,047,027)	-	71,865	2,531,588	-	-	1,950	-	-	-	2,605,403
Depreciation and amortization	(333,442)	(5,566)	-	-	-	-	(65,555)	-	-	-	-	-	(404,563)
Revenues and other support in excess of (less than) expenses and change in net assets (deficit) without donor restrictions	5,811,375	4,948,094	(1,520,872)	-	74,140	2,531,526	6,497	(2,400)	(481)	(30)	-	4,469,474	16,317,323
Changes in Net Assets With Donor Restrictions													
Contributions	-	870,941	-	-	-	-	-	-	-	29,863	-	-	900,804
Change in value of split-interest agreements	-	323,707	-	-	-	-	-	-	-	-	-	-	323,707
Investment income	-	717,304	-	-	-	-	-	-	-	-	-	-	717,304
Change in value of perpetual trust	-	301,050	-	-	-	-	-	-	-	54,003	-	-	355,053
Net assets released from restrictions used for operations	-	(304,226)	-	-	-	-	-	-	-	(29,864)	-	-	(334,090)
Increase in net assets with donor restrictions	-	1,908,776	-	-	-	-	-	-	-	54,002	-	-	1,962,778
Change in net assets (deficit)	5,811,375	6,856,870	(1,520,872)	-	74,140	2,531,526	6,497	(2,400)	(481)	53,972	-	4,469,474	18,280,101
Net Assets (Deficit), Beginning	31,137,412	54,291,481	8,674,571	2,790,962	961,148	3,217,935	(11,949)	(14,776)	(11,956)	735,672	1,627	-	101,772,127
Net Assets (Deficit), Ending	$ 36,948,787	$ 61,148,351	$ 7,153,699	$ 2,790,962	$ 1,035,288	$ 5,749,461	$ (5,452)	$ (17,176)	$ (12,437)	$ 789,644	$ 1,627	$ 4,469,474	$ 120,052,228