

Springpoint Senior Living, Inc. and Affiliates

Consolidated Financial Statements
and Supplementary Information

December 31, 2023 and 2022

Springpoint Senior Living, Inc. and Affiliates

Table of Contents

December 31, 2023 and 2022

	<u>Page</u>
Independent Auditors' Report	1
Consolidated Financial Statements	
Consolidated Balance Sheets	3
Consolidated Statements of Operations and Changes in Net Deficit	4
Consolidated Statements of Cash Flows	5
Notes to Consolidated Financial Statements	6
Supplementary Information	
Consolidating Schedule, Balance Sheet	35
Consolidating Schedule, Statement of Operations and Changes in Net Assets (Deficit)	37
Life Plan Communities: Combining Schedule, Balance Sheet	39
Life Plan Communities: Combining Schedule, Statement of Operations and Changes in Net Assets (Deficit)	41
Affordable Housing Communities: Combining Schedule, Balance Sheet	43
Affordable Housing Communities: Combining Schedule, Statement of Operations and Changes in Net Deficit	44
Low Income Housing Tax Credit Communities: Combining Schedule, Balance Sheet	45
Low Income Housing Tax Credit Communities: Combining Schedule, Statement of Operations and Changes in Net Assets (Deficit)	46
Other Operating Entities: Combining Schedule, Balance Sheet	47
Other Operating Entities: Combining Schedule, Statement of Operations and Changes in Net Assets (Deficit)	49
Other Entities: Combining Schedule, Balance Sheet	50
Other Entities: Combining Schedule, Statement of Operations and Changes in Net Assets (Deficit)	52

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, 2023 and 2022 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, 2023 and 2022, and the changes in its net deficit 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 consolidated 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.

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 35-52 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 deficit 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, PA
May 21, 2024

Springpoint Senior Living, Inc. and Affiliates

Consolidated Balance Sheets

December 31, 2023 and 2022

	2023	2022		2023	2022
Assets			Liabilities and Net Assets (Deficit)		
Current Assets			Current Liabilities		
Cash and cash equivalents	\$ 57,742,556	\$ 50,137,747	Current maturities of long-term debt	\$ 7,669,109	\$ 8,092,899
Current portion of assets whose use is limited	1,543,948	1,020,130	Construction payable	399,686	1,378,026
Accounts receivable, net of allowance for credit losses			Accounts payable	5,883,784	4,911,866
of \$4,047,581 in 2023 and \$3,083,299 in 2022	14,951,867	14,252,863	Accrued expenses	23,153,964	28,617,372
Other current assets	7,245,450	12,274,749	Residents' deposits	3,950,817	3,762,004
Total current assets	81,483,821	77,685,489	Total current liabilities	41,057,360	46,762,167
Investments	118,050,539	116,455,415	Long-Term Debt	368,958,072	379,436,667
Assets Whose Use is Limited	66,061,304	60,012,908	Line of Credit	10,000,000	-
Investments Held Under Split-Interest Agreements	3,188,090	3,227,972	Capital Advances	80,035,527	80,035,527
Investments Held by Others Under Split-Interest Agreements	1,022,416	948,221	Liability for Split-Interest Agreements and Deferred Gift Agreements	2,419,836	2,559,389
Beneficial Interest in Perpetual Trusts	3,421,646	3,141,386	Refundable Entrance Fees	310,800,954	323,496,922
Property and Equipment, Net	521,580,594	540,784,816	Deferred Revenue From Entrance Fees	141,875,856	128,926,514
Goodwill, Net	64,382,630	64,382,630	Other Liabilities	7,641,439	6,416,240
Derivative Financial Instruments	14,458,736	17,960,671	Total liabilities	962,789,044	967,633,426
Other Assets, Net	1,849,401	1,510,752	Net Assets (Deficit)		
			Net deficit without donor restrictions	(96,061,224)	(91,279,129)
			Noncontrolling ownership interest in limited partnership	(4,370,578)	(1,543,961)
			Net assets with donor restrictions	13,141,935	11,299,924
			Total net deficit	(87,289,867)	(81,523,166)
Total assets	\$ 875,499,177	\$ 886,110,260	Total liabilities and net assets (deficit)	\$ 875,499,177	\$ 886,110,260

See notes to consolidated financial statements

Springpoint Senior Living, Inc. and Affiliates

Consolidated Statements of Operations and Changes in Net Deficit
Years Ended December 31, 2023 and 2022

	2023	2022
Changes in Net Deficit Without Donor Restrictions		
Revenues and other support:		
Revenue from residential facilities	\$ 105,652,451	\$ 99,881,087
Revenue from healthcare facilities	90,518,331	78,911,084
Services to residents	15,261,218	13,796,826
Contributions and bequests	1,020,750	2,063,202
Interest and dividends	3,419,949	2,211,013
Other revenue	1,943,536	3,490,236
Net assets released from restrictions used for operations	1,406,806	2,087,793
Total revenues and other support	219,223,041	202,441,241
Expenses:		
Professional care of residents	66,901,503	62,694,383
Resident services	5,097,537	5,085,438
Dining services	30,488,612	26,838,763
Operation and maintenance of facility	41,330,771	40,495,652
Housekeeping and laundry	8,589,120	8,369,113
Administrative and general	36,018,646	35,994,376
Resident assistance and program services	723,554	328,222
Marketing	10,491,342	10,007,300
Insurance	5,392,545	5,089,458
Interest	15,192,134	13,728,974
Provision for doubtful accounts	2,517,708	1,247,384
Total expenses	222,743,472	209,879,063
Operating loss	(3,520,431)	(7,437,822)
Net unrealized gains (losses) on investments	12,717,117	(22,658,289)
Net realized gains on investments	1,748,900	1,011,544
Amortization of entrance fees	23,589,061	23,380,489
Change in fair value of derivative financial instruments	(2,217,935)	20,822,969
(Loss) gain on disposal of fixed assets	(15,403)	19,399
Gain on forgiveness of debt	2,000,000	-
Equity distribution to limited partner	-	(20,863)
Depreciation and amortization	(41,855,237)	(40,635,823)
Revenues and other support less than expenses	(7,553,928)	(25,518,396)
Pension liability adjustment	(54,784)	(71,443)
Increase in net deficit without donor restrictions	(7,608,712)	(25,589,839)
Changes in Net Assets With Donor Restrictions		
Contributions	1,758,513	2,154,173
Change in value of split-interest agreements	198,694	(121,866)
Investment gains (losses)	1,037,429	(790,983)
Net unrealized loss on investments	(26,079)	(61,647)
Change in value of perpetual trusts	280,260	(802,698)
Net assets released from restrictions used for operations	(1,406,806)	(2,087,793)
Increase (decrease) in net assets with donor restrictions	1,842,011	(1,710,814)
Change in net deficit	(5,766,701)	(27,300,653)
Net Deficit, Beginning	(81,523,166)	(54,222,513)
Net Deficit, Ending	<u>\$ (87,289,867)</u>	<u>\$ (81,523,166)</u>

See notes to consolidated financial statements

Springpoint Senior Living, Inc. and Affiliates

Consolidated Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities		
Change in net deficit	\$ (5,766,701)	\$ (27,300,653)
Adjustments to reconcile change in net deficit to net cash provided by operating activities:		
Change in value of split-interest agreements	(198,694)	121,866
Net change in fair value of derivative financial instruments	2,217,935	(20,822,969)
Depreciation and amortization	41,855,237	40,635,823
Loss (gain) on disposal of fixed assets	15,403	(19,399)
Net realized and unrealized (gains) losses on investments	(14,439,938)	21,708,392
Amortization of entrance fees	(23,589,061)	(23,380,489)
Interest component of deferred financing costs	563,991	292,810
Amortization of bond premium	(645,275)	(651,010)
Net cash received under nonrefundable entrance fee plans	28,226,807	27,060,592
Change in investments held by others under split-interest agreements	(74,195)	50,630
Change in beneficial interest in perpetual trusts	(280,260)	802,698
Changes in assets and liabilities:		
Accounts receivable, net	(699,004)	(967,761)
Other current assets	5,029,299	(4,582,072)
Other assets	(499,373)	535,082
Accounts payable	971,918	(1,533,815)
Accrued expenses	(5,463,408)	5,404,964
Residents' deposits	188,813	13,342
Other liabilities	1,225,199	(1,618,826)
Net cash provided by operating activities	<u>28,638,693</u>	<u>15,749,205</u>
Cash Flows From Investing Activities		
Net purchases (sales) of investments and assets whose use is limited	8,099,337	(5,645,472)
Payment of construction payable for property and equipment	(1,378,026)	(1,328,113)
Purchases of property and equipment	<u>(22,106,008)</u>	<u>(27,313,411)</u>
Net cash used in investing activities	<u>(15,384,697)</u>	<u>(34,286,996)</u>
Cash Flows From Financing Activities		
Payment of long-term debt and financing lease obligation	(31,093,128)	(14,990,546)
Proceeds from long-term debt	23,000,000	17,891,976
Proceeds from line of credit	10,000,000	-
Proceeds from termination of derivative instrument	1,284,000	-
Gain on forgiveness of debt	(2,000,000)	-
Net cash paid under refundable entrance fee plans	(4,384,372)	(3,011,507)
Receipts (payments) under deferred gift agreements and split-interest agreements	59,141	(424,559)
Payment of deferred financing costs	<u>(727,973)</u>	<u>(829,721)</u>
Net cash used in financing activities	<u>(3,862,332)</u>	<u>(1,364,357)</u>
Net increase (decrease) in cash, cash equivalents and restricted cash and cash equivalents	9,391,664	(19,902,148)
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	<u>78,374,106</u>	<u>98,276,254</u>
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	<u>\$ 87,765,770</u>	<u>\$ 78,374,106</u>
Supplemental Disclosure of Cash Flow Information		
Interest paid	<u>\$ 14,966,824</u>	<u>\$ 13,635,059</u>
Supplemental Disclosure of Noncash Activities		
Financing lease obligation incurred for property and equipment	<u>\$ -</u>	<u>\$ 241,265</u>
Construction payable for property and equipment	<u>\$ 399,686</u>	<u>\$ 1,378,026</u>
Reconciliation of Cash, Cash Equivalents and Restricted Cash and Cash Equivalents		
Cash and cash equivalents	\$ 57,742,556	\$ 50,137,747
Cash and cash equivalents included in the current portion of assets whose use is limited	1,543,948	1,020,130
Cash and cash equivalents included in assets whose use is limited	<u>28,479,266</u>	<u>27,216,229</u>
Total cash, cash equivalents and restricted cash and cash equivalents	<u>\$ 87,765,770</u>	<u>\$ 78,374,106</u>

See notes to consolidated financial statements

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

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:

- 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)
- Butler Senior Citizens Housing, LP (BSC)
- Howell Senior Citizens Housing, LP (HSC)

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

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

Affordable Housing Communities:

The Presbyterian Home at Galloway, Inc. (Countryside Meadows)
The Presbyterian Home at Franklin (Franklin)
The Presbyterian Home at Atlantic Highlands, Inc. (Portland Pointe)
Middlesex Borough Senior Citizens Housing Corporation (Watchung Terrace)
The Presbyterian Home at Howell, Inc. (Howell)
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)
Wall Senior Citizens Housing, LP (Wall)
Howell Senior Citizens Housing, LLC (Howell LLC)
Butler Senior Citizens Housing, LLC (Butler LLC)
Ramsey Senior Citizens Housing, LP (Ramsey)

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.

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

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, 2022	\$ 1,437,185	\$ 275,594	\$ 1,161,591
Revenues less than expenses	(2,684,957)	(268)	(2,684,689)
Capital contributions (distributions)	831,009	851,872	(20,863)
Balances at December 31, 2022	(416,763)	1,127,198	(1,543,961)
Revenues less than expenses	(2,826,905)	(288)	(2,826,617)
Capital contributions	58,165	58,165	-
Balances at December 31, 2023	<u>\$ (3,185,503)</u>	<u>\$ 1,185,075</u>	<u>\$ (4,370,578)</u>

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.

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

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 credit losses is recognized to reduce accounts receivable to its net realizable value for impairment of revenues due to 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 and other support 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 2023 and 2022.

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

Leases

The Company evaluates at contract inception whether a lease exists and recognizes a lease obligation and right-of-use (ROU) asset for all leases with a term greater than 12 months. Leases are classified as either financing or operating. All lease liabilities are measured as the present value of the future lease payments using a discount rate. The future lease payments used to measure the lease liability include fixed payments, as well as the exercise price of any options to purchase the underlying asset that have been deemed reasonably certain of being exercised, if applicable. Future lease payments for optional renewal periods that are not reasonably certain of being exercised are excluded from the measurement of the lease liability. For all leases, the ROU asset is initially derived from the measurement of the lease liability and adjusted for certain items, such as initial direct costs and lease incentives received. ROU assets are subject to long-lived impairment testing.

Operating lease expense is recognized on a straight-line basis over the lease term and is included within administrative and general expenses in the consolidated statements of operations and changes in net deficit. The lease term is determined based on the date the Company acquires control of the leased premises through the end of the lease term. Optional renewal periods are initially not included in the lease term unless they are deemed to be reasonably certain of being exercised at lease commencement.

Goodwill

The Company evaluates goodwill for impairment on an annual basis. The Company may first assess 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 determination that it is more likely than not that the fair value of the reporting unit is less than its carrying amount, including goodwill, the Company is required to perform a quantitative goodwill impairment test. If the carrying amount of a reporting unit exceeds the reporting unit's fair value, an impairment is recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit.

Goodwill includes amounts recorded by the reporting units of The Moorings in the amount of \$19,297,864, Winchester Gardens in the amount of \$9,747,989 (which has carrying amount of gross goodwill of \$38,678,853 and accumulated impairment losses of \$28,930,864), 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 the additional reporting units 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.

In 2023 and 2022, based on the assessment of various qualitative factors, management concluded that it is not more likely than not that the fair value of Springpoint Choice, Monroe and Springpoint at Home was less than their carrying amount, including goodwill. Therefore, additional testing to identify potential impairment was unnecessary. As such, no impairment losses were recorded in 2023 and 2022.

In 2023, based on the assessment of various qualitative factors, management concluded that it is not more likely than not that the fair value of The Moorings, the Oaks and Winchester Gardens was less than their carrying amount, including goodwill. Therefore, additional testing to identify potential impairment was unnecessary. In 2022, The Moorings, the Oaks and Winchester Gardens chose to perform a quantitative test and engaged an independent consultant to evaluate goodwill for impairment, and concluded that the fair value, exceeded its carrying amounts, including goodwill. As such, no impairment losses were recorded in 2023 and 2022.

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

Other Assets, Net

Included in other assets, net 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, which approximates the effective interest method. At December 31, 2023 and 2022, the project acquisition costs, net of accumulated amortization, were \$398,083 and \$513,285, respectively. Accumulated amortization at December 31, 2023 and 2022 was \$1,042,421 and \$927,219, 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, 2023 and 2022, tax credit fees, net of accumulated amortization, were \$60,267 and \$100,740, respectively. Accumulated amortization at December 31, 2023 and 2022 was \$592,019 and \$551,546, respectively.

Also included in other assets as of December 31, 2023 and 2022 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 remainderman under several charitable remainder trust agreements. In accordance with the trust agreements, the Foundation pays the designated beneficiaries a specified percentage of the income earned on the trust assets or a predetermined annual annuity amount. Upon the death of the beneficiaries, the trust assets are transferred to the Foundation.

The Foundation recognizes contribution revenue at the time an irrevocable charitable remainder trust is created in the amount of the excess of the fair value of the trust assets received over the liability for the present value of the estimated future payments to beneficiaries using a discount rate of 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 in value of perpetual trusts in the consolidated statements of operations and changes in net deficit as a component of increase (decrease) in net assets with donor restriction.

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

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, 2023 and 2022 were \$315,447,084 and \$329,072,221, respectively. The refundable entrance fees and deferred revenue from entrance fees reported on the consolidated balance sheets totaling \$452,676,810 and \$452,423,436 as of December 31, 2023 and 2022, 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

Monroe, Meadow Lakes, Crestwood, Montgomery, Atrium, Winchester Gardens, The Oaks, The Moorings and Springpoint Choice tri-annually 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. Deferred revenue from entrance fees exceeded the calculation of the present value of the net cost of future services for Monroe, Meadow Lakes, Crestwood, Montgomery, Atrium, Winchester Gardens, 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, 2023 and 2022.

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 asset for the fair value of the interest rate swap agreements is \$14,458,736 and \$17,960,671 at December 31, 2023 and 2022, 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 2023 or 2022.

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

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.

Net Resident Service Revenues

Net resident service 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:

Revenues From Healthcare Facilities

Revenues from 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.

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

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.

Revenues From Residential Facilities

Revenues from 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 \$23,589,061 in 2023 and \$23,380,489 in 2022.

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 \$22,782,000 in 2023 and \$21,889,000 in 2022 is recognized monthly over the lease term at the amounts due. These amounts are included in self-pay residential facilities in Note 3.

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

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 \$679,035 in 2022, related to this funding. No such funding was received in 2023. 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 \$679,035 in 2022 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 budgeted revenue compared to actual revenue in 2022.

In 2023 and 2022, the Company applied to the Federal Emergency Management Agency (FEMA) for eligible 2023 and 2022 expenses. The applications were approved and funding of \$99,726 in 2023 and \$549,715 in 2022 was obligated and recorded as other revenue in the accompanying consolidated statements 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, 2023 and 2022, \$99,726 and \$549,715, respectively, of this funding was received and there are no outstanding receivables from FEMA as of December 31, 2023 and 2022.

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 consolidated financial statements were issued.

Performance Indicator

Operating loss included on the consolidated statements of operations and changes in net deficit excludes certain noncash items and investment income and equity distribution to limited partner. 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.

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

Income Taxes

The member entities of the Company, except for PSL, PTS, AHS, MHS, WSC, Howell LLC, Butler LLC 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, Howell LLC, Butler LLC 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 2023 and 2022.

Reclassification

Certain 2022 amounts have been reclassified to conform to the 2023 consolidated financial statements presentation.

New Accounting Pronouncements

Reference Rate Reform

During March 2020, the FASB issued Accounting Standards Update (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, 2024. For a portion of their outstanding debt, the Company elected the optional practical expedient for debt contract modifications related to the discontinuation of reference rates included on ASU No. 2020-04 during 2023. The adoption of the optional practical expedient has not had a material effect and is not expected to have a material effect on the consolidated financial statements.

3. Net Resident Service Revenues

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

	2023			
	Healthcare Facilities	Services to Residents	Residential Facilities	Total
Self-pay	\$ 59,564,217	\$ 15,261,218	\$ 105,652,451	\$ 180,477,886
Medicare and other	21,371,965	-	-	21,371,965
Medical assistance	9,582,149	-	-	9,582,149
Amortization of nonrefundable entrance fees	-	-	23,589,061	23,589,061
Total	<u>\$ 90,518,331</u>	<u>\$ 15,261,218</u>	<u>\$ 129,241,512</u>	<u>\$ 235,021,061</u>

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

	2022			
	Healthcare Facilities	Services to Residents	Residential Facilities	Total
Self-pay	\$ 51,871,684	\$ 13,796,826	\$ 99,881,087	\$ 165,549,597
Medicare and other	18,082,654	-	-	18,082,654
Medical assistance	8,956,746	-	-	8,956,746
Amortization of nonrefundable entrance fees	-	-	23,380,489	23,380,489
Total	<u>\$ 78,911,084</u>	<u>\$ 13,796,826</u>	<u>\$ 123,261,576</u>	<u>\$ 215,969,486</u>

4. Investments

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

	2023	2022
Cash and cash equivalents	\$ 3,723,416	\$ 4,262,201
Commingled funds	15,985,311	16,211,728
Fixed income mutual funds	30,703,387	33,750,563
Equity mutual funds	67,638,425	62,230,923
Total	<u>\$ 118,050,539</u>	<u>\$ 116,455,415</u>

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:

	2023	2022
Cash and cash equivalents	\$ 30,023,214	\$ 28,236,359
Fixed income mutual funds	13,244,787	12,390,528
Equity mutual funds	16,751,705	13,710,441
Fixed income	1,395,651	1,289,763
Commingled funds	6,189,895	5,405,947
Total	67,605,252	61,033,038
Less current portion	<u>1,543,948</u>	<u>1,020,130</u>
Assets whose use is limited, noncurrent	<u>\$ 66,061,304</u>	<u>\$ 60,012,908</u>

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

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

	2023	2022
Bond indenture agreements	\$ 9,988,623	\$ 8,602,471
Liquid reserve	26,251,923	23,365,921
HUD reserve funds	7,230,138	6,798,808
LIHTC reserve funds	10,257,737	10,572,488
Residents' Assistance Fund	3,026,510	2,576,755
Residents' deposits	2,366,680	1,851,086
Other donor restricted funds	4,854,252	3,811,224
Deferred SERP compensation	3,561,014	3,218,891
Construction fund escrow	68,375	235,394
Total	\$ 67,605,252	\$ 61,033,038

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.

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

The financial instruments listed below were measured using the following inputs at December 31:

	2023			
	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	\$ 1,596,122	\$ 1,596,122	\$ -	\$ -
Large cap	48,928,454	48,928,454	-	-
Small cap	12,918,772	12,918,772	-	-
International	20,946,782	20,946,782	-	-
Fixed income mutual funds,				
Core	43,948,174	43,948,174	-	-
Fixed income	1,395,651	-	1,395,651	-
Investments held under				
split-interest agreements	3,188,090	-	3,188,090	-
Investments held by others				
under split-interest				
agreements	1,022,416	-	-	1,022,416
Beneficial interest in				
perpetual trusts	3,421,646	-	-	3,421,646
	137,366,107	\$ 128,338,304	\$ 4,583,741	\$ 4,444,062
Cash and cash equivalents	33,746,630			
Total	\$ 171,112,737			
Interest rate swap agreements	\$ 14,458,736	\$ -	\$ -	\$ 14,458,736

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

	2022			
	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	\$ 1,490,073	\$ 1,490,073	\$ -	\$ -
Large cap	45,058,602	45,058,602	-	-
Small cap	10,929,323	10,929,323	-	-
International	18,463,366	18,463,366	-	-
Fixed income mutual funds,				
Core	46,141,091	46,141,091	-	-
Fixed income	1,289,763	-	1,289,763	-
Investments held under				
split-interest agreements	3,227,972	-	3,227,972	-
Investments held by others				
under split-interest				
agreements	948,221	-	-	948,221
Beneficial interest in				
perpetual trusts	3,141,386	-	-	3,141,386
	130,689,797	\$ 122,082,455	\$ 4,517,735	\$ 4,089,607
Cash and cash equivalents	32,498,560			
Total assets	\$ 163,188,357			
Interest rate swap agreements	\$ 17,960,671	\$ -	\$ -	\$ 17,960,671

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

	2023	2022
Current portion of assets whose use is limited	\$ 1,543,948	\$ 1,020,130
Investments	118,050,539	116,455,415
Assets whose use is limited	66,061,304	60,012,908
Investments held under split-interest agreements	3,188,090	3,227,972
Investments held by others under split-interest agreements	1,022,416	948,221
Beneficial interest in perpetual trusts	3,421,646	3,141,386
	193,287,943	184,806,032
Less commingled funds, measured at net asset value	22,175,206	21,617,675
Total	\$ 171,112,737	\$ 163,188,357

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

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:

	2023	2022
Beginning balance	\$ 948,221	\$ 998,851
Net valuation gain (loss)	74,195	(50,630)
Ending balance	<u>\$ 1,022,416</u>	<u>\$ 948,221</u>

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:

	2023	2022
Beginning balance	\$ 3,141,386	\$ 3,944,084
Net valuation gain (loss)	280,260	(802,698)
Ending balance	<u>\$ 3,421,646</u>	<u>\$ 3,141,386</u>

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, 2023 and 2022.

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.

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.

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

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, 2023.

	December 31, 2023 Fair Value	December 31, 2022 Fair Value	Redemption Frequency (If Currently Eligible)	Redemption Notice Periods
Equity funds	\$ 7,233,944	\$ 7,351,335	Monthly	6-15 days
Fixed income funds	14,941,262	14,266,340	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:

	2023	2022
Land and land improvements	\$ 48,110,175	\$ 47,374,426
Buildings and improvements	657,696,105	652,044,719
Rental property	224,288,420	222,570,638
Furniture and fixtures	11,228,717	13,054,321
Equipment	68,451,226	68,900,001
Leasehold improvements	348,178	348,178
Total	1,010,122,821	1,004,292,283
Less accumulated depreciation	(490,484,151)	(464,850,486)
Construction in progress	1,941,924	1,343,019
Property and equipment, net	\$ 521,580,594	\$ 540,784,816

Equipment includes equipment held under financing lease obligations with a carrying value of \$19,467,637 and \$20,371,890 at December 31, 2023 and 2022, respectively.

Included in construction in progress is \$81,930 and \$81,168 of capitalized interest as of December 31, 2023 and 2022, respectively.

Depreciation expense was \$41,694,513 and \$40,351,455 during 2023 and 2022, respectively. During 2023 and 2022, certain property and equipment was disposed of, reducing accumulated depreciation by \$16,060,848 and \$339,055, respectively.

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

8. Long-Term Debt

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

	2023	2022
Affordable Housing Program loans due June 30, 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.	8,039,063	8,160,600
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 2.72% per annum through 2057.	8,894,503	9,055,681
Howell, First mortgage payable in monthly installments with interest at 2.73% per annum through 2057.	8,840,346	9,000,227
Wall, First mortgage payable in monthly installments with interest at 2.98% per annum through 2033.	6,119,823	6,256,152
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.	5,708,599	5,894,040

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

	2023	2022
Ramsey, First mortgage payable in monthly installments with interest at 3.14% per annum through 2033.	\$ 10,767,291	\$ 11,007,994
Heritage at Whiting, First mortgage note I, payable in monthly installments with interest at 4.35% per annum through 2037.	369,145	388,198
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 variable rate of the sum of 1 month SOFR x 83.86% plus 131.05 basis points. As of December 31, 2023, the rate was 5.77%.	27,205,000	27,205,000
Taxable Term Loan, issued on behalf of Winchester, with maturities through 2041 and interest at the sum of 1 month SOFR plus 161.4 basis points, with a minimum rate of 2.5%. As of December 31, 2023, the rate was 6.96%.	23,824,000	24,841,000
NJEDA Variable Rate Revenue Bonds, Series 2015 tax-exempt bonds, issued on behalf of Village Point. Paid in full in 2023.	-	25,253,000
Bank Loan, issued on behalf of Village Point. Paid in full in 2023.	-	475,000
Public Finance Authority, Series 2023 fixed rate Revenue Bonds (the Series 2023 Bonds), issued on behalf of Village Point, due in varying annual installments through June 2065 with interest at 6.875%.	23,000,000	-
Sussex County, Delaware Series 2016 tax-exempt Revenue Bonds, issued on behalf of The Moorings, with maturities through 2036 and fixed interest rate of 5.0%.	13,980,000	14,655,000
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%.	110,690,000	112,859,842
Taxable Series 2021 Term Loan, issued on behalf of the Obligated Group, with maturities through 2051 and interest at the sum of 1 month SOFR Rate Index plus 210.7 basis points. At December 31, 2023, the rate was 7.45%.	28,288,461	28,908,373
Taxable Series 2021 Term Loan, issued on behalf of the Obligated Group, with maturities through 2051 and interest at the sum of 1 month SOFR Rate plus 211.4 basis points. At December 31, 2023, the rate was 7.46%.	51,965,594	53,071,585

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Bank Loan, issued on behalf of Springpoint at Home, with maturities through 2025 and interest at 4.75%.	\$ 258,735	\$ 455,516
Financing lease obligations	<u>20,615,597</u>	<u>21,172,077</u>
Total	372,402,392	382,495,520
Less:		
Deferred finance cost, net	5,756,393	5,592,411
Unamortized bond premium	(9,981,182)	(10,626,457)
Current maturities	<u>7,669,109</u>	<u>8,092,899</u>
Long-term debt, net	<u>\$ 368,958,072</u>	<u>\$ 379,436,667</u>

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 June 30, 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.

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 (Winchester Gardens Bank Loan). 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 (Series 2015 Bonds). Proceeds from the Series 2015 tax-exempt bonds were used to provide financing to build a new skilled nursing facility. The Series 2015 Bonds were paid in full in 2023.

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. The Bank Loan was paid in full in 2023.

On May 17, 2023, the Public Finance Authority issued on behalf of Village Point, \$23,000,000 Series 2023 Bonds (Series 2023 Bonds). Proceeds from the Series 2023 Bonds were used to (i) finance the refunding of the Series of 2015 Bonds, (ii) fund a debt service reserve fund with respect to the bonds, and (iii) pay a portion of the costs of issuing the bonds.

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

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.

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

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, 2023 and 2022, deferred financing costs, net of accumulated amortization, were \$5,756,393 and \$5,592,411, respectively. Accumulated amortization at December 31, 2023 and 2022 is \$1,382,013 and \$1,267,265, respectively.

Scheduled maturities of long-term debt are as follows:

Years ending December 31:	
2024	\$ 7,669,109
2025	9,185,839
2026	9,528,829
2027	9,870,536
2028	10,149,300
Thereafter	325,998,779
Total	<u>\$ 372,402,392</u>

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

9. Line of Credit

On December 23, 2022, the Obligated Group entered into a \$10,000,000 line of credit (Line) with a commercial bank. The Line matures in December 2025. Interest on the Line will be assessed at 1-Month CME Term SOFR Rate plus 200 basis points. The Line was issued to finance general working capital, capital expenditures and other operating needs. Borrowings on the Line at December 31, 2023 were \$10,000,000. There were no borrowings on the Line at December 31, 2022. The Line is collateralized by substantially all property and equipment and a pledge of gross receipts and all net entrance fees.

10. 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 3 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 in the consolidated statements of operations and changes in net deficit. The change in fair value on derivative financial instruments was \$(2,217,935) in 2023 and \$20,822,969 in 2022.

As of December 31, 2023, the Obligated Group had the following interest rate swaps in effect:

Notional Amount	Fixed Rate	Variable Rate	Period
\$ 28,288,461	3.391 %	1 month SOFR Rate Index plus 210.7 basis points (7.45%% at December 31, 2023)	February 2021 to February 2033
51,965,594	3.58 %	1 month SOFR Rate Index plus 211.4 basis points (7.46% at December 31, 2023)	February 2021 to February 2036

Effective July 1, 2023, the Obligated Group amended the terms to one of its interest rate swap agreements to replace the LIBOR reference rate with SOFR, realign the swap receipts with the floating rate of interest paid on the bond, and increase the fixed rate of the swap from 3.04% to 3.84%. All other terms under this interest rate swap agreement remained unchanged.

The fair value of the interest rate swap agreements was \$13,298,805 at December 31, 2023 and \$14,697,372 at December 31, 2022 and was obtained from the financial institution.

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

As of December 31, 2023, Winchester Gardens had the following interest rate swaps in effect:

Notional Amount	Fixed Rate	Variable Rate	Period
		1 month SOFR x 83.86% plus 131.05 basis points	
\$ 27,205,000	3.84 %	(5.77% at December 31, 2023)	July 2023 to November 2029
		1 month SOFR plus 161.4 basis points	
14,985,920	3.80 %	(6.96% at December 31, 2023)	July 2023 to September 2026

Effective July 1, 2023, Winchester Gardens consolidated four interest rate swap agreements into one, and amended the terms of all interest rate swap agreements to replace the LIBOR reference rate with SOFR, realign the swap receipts with the floating rate of interest paid on the loans, and increase the fixed rate of the swaps from 3.04% and 3.70% to the fixed rates reflected in the table above. All other terms under these interest rate swap agreements remained unchanged.

The fair value of the interest rate swap agreements was \$1,159,931 at December 31, 2023 and \$1,620,400 at December 31, 2022 and was obtained from the financial institution.

As of December 31, 2022, Village Point had the following interest rate swaps in effect:

Notional Amount	Fixed Rate	Variable Rate	Period
		USD-LIBOR x 75%	
\$ 25,253,000	0.325 %	(3.09% at December 31, 2022)	November 2020 to June 2025

The fair value of the interest rate swap agreements was \$1,642,899 at December 31, 2022 and was obtained from the financial institution.

In connection with the Series 2015 Bonds refinancing noted above, the swap was terminated on May 1, 2023, resulting in a gain on swap termination of approximately \$1,300,000, which is included in the change in fair value of derivative financial instruments on the consolidated statements of operations and changes in net deficit.

11. Net Assets With Donor Restrictions

Net assets with donor restrictions of \$13,141,935 and \$11,299,924 at December 31, 2023 and 2022, 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:

	2023	2022
Split-interest agreements	\$ 1,790,670	\$ 1,616,804
Restricted for the benefit of residents and community needs	11,351,265	9,683,120
Total	<u>\$ 13,141,935</u>	<u>\$ 11,299,924</u>

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

12. Capital Advances

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

As of December 31, 2023 and 2022, the capital advances received totaled \$80,035,527, which have been reported as a noncurrent liability in the consolidated balance sheets.

13. Retirement Plans

SSL and its affiliates sponsor a defined contribution 401(k) plan (the Plan). 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 3.0%. Employees are vested in employee and employer contributions immediately upon participation.

In 2005, SSL initiated a Supplemental Executive Retirement Plan (SERP). The SERP funding was approximately \$468,000 and \$450,000 at December 31, 2023 and 2022, respectively, which is included in administrative and general expenses on the consolidated statements of operations and changes in net deficit. The SERP carried a balance of approximately \$3,561,000 and \$3,219,000 at December 31, 2023 and 2022, respectively, which is included in other liabilities on the consolidated balance sheets.

Pension expense under the Plan and the SERP was approximately \$1,859,000 and \$1,806,000 for the years ended December 31, 2023 and 2022, 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:

	2023	2022
Projected benefit obligation at end of year	\$ 629,546	\$ 637,523
Fair value of plan assets at end of year	\$ 613,835	\$ 542,560
Funded status at end of year	\$ (15,711)	\$ (94,963)

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

Amounts recognized in the consolidated balance sheets at December 31:

	<u>2023</u>	<u>2022</u>
Accrued expenses	\$ (15,711)	\$ (94,963)

Amounts recognized in net deficit without donor restrictions at December 31:

	<u>2023</u>	<u>2022</u>
Unrecognized net loss	\$ 60,787	\$ 108,935

A net actuarial loss of \$60,787 represents the unrecognized component of net periodic pension cost at December 31, 2023. No actuarial loss is expected to be recognized in net periodic pension cost in the next fiscal year.

The accumulated benefit obligation at December 31, 2023 and 2022 is \$629,546 and \$637,523, 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:	
2024	\$ 240,000
2025	59,000
2026	30,000
2027	58,000
2028	25,000
Thereafter	<u>170,000</u>
Total	<u>\$ 582,000</u>

The Company anticipates making a contribution of \$72,886 to the Union Plan during 2024.

14. 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, 2023 and 2022.

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

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.

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

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 \$10,452,000 and \$13,254,000 for the years ended December 31, 2023 and 2022, respectively. These amounts are included in the various departmental expense categories in the accompanying consolidated financial statements.

15. Concentrations

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

	<u>2023</u>	<u>2022</u>
Medicare	19 %	15 %
Medicaid	7	4
Self-pay residents and other	<u>74</u>	<u>81</u>
Total	<u>100 %</u>	<u>100 %</u>

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, which expires May 8, 2025, covered approximately 64% and 58% of Meadow Lakes' labor force in 2023 and 2022, respectively.

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

16. Rental Assistance Contracts

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

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

17. Liquidity and Availability of Resources

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

	2023	2022
Cash and cash equivalents	\$ 57,742,556	\$ 50,137,747
Accounts receivable, net	14,951,867	14,252,863
Investments	118,050,539	116,455,415
Total	<u>\$ 190,744,962</u>	<u>\$ 180,846,025</u>

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

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

18. Functional Expenses

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

	2023			
	Program Services	Management and General	Fundraising	Total
Salary and wages	\$ 89,846,978	\$ 17,743,872	\$ -	\$ 107,590,850
Employee taxes and benefits	15,057,632	3,299,589	-	18,357,221
Food products	8,655,480	-	-	8,655,480
Supplies and maintenance	11,917,672	775,287	-	12,692,959
Contracted services	11,361,977	1,431,936	-	12,793,913
Utilities	10,511,466	-	-	10,511,466
Property taxes	9,440,475	-	-	9,440,475
Other	18,567,739	5,916,925	522,005	25,006,669
Depreciation and amortization	41,855,237	-	-	41,855,237
Interest expense	15,192,134	-	-	15,192,134
Provision for doubtful accounts	-	2,517,708	-	2,517,708
Total	<u>\$ 232,406,790</u>	<u>\$ 31,685,317</u>	<u>\$ 522,005</u>	<u>\$ 264,614,112</u>

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

	2022			
	Program Services	Management and General	Fundraising	Total
Salary and wages	\$ 81,977,017	\$ 17,017,698	\$ -	\$ 98,994,715
Employee taxes and benefits	17,712,959	3,706,983	-	21,419,942
Food products	7,928,562	-	-	7,928,562
Supplies and maintenance	11,266,521	773,557	-	12,040,078
Contracted services	10,391,238	1,035,083	-	11,426,321
Utilities	10,680,188	-	-	10,680,188
Property taxes	8,833,001	-	-	8,833,001
Other	17,258,138	5,998,868	322,892	23,579,898
Depreciation and amortization	40,635,823	-	-	40,635,823
Interest expense	13,728,974	-	-	13,728,974
Provision for doubtful accounts	-	1,247,384	-	1,247,384
Total	<u>\$ 220,412,421</u>	<u>\$ 29,779,573</u>	<u>\$ 322,892</u>	<u>\$ 250,514,886</u>

19. Subsequent Events

Subsequent events are events or transactions that occur after the consolidated 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 May 21, 2024, which is the date the consolidated financial statements were issued.

Springpoint Senior Living, Inc. and Affiliates

Consolidating Schedule, Balance Sheet

December 31, 2023

	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	\$ 40,542,272	\$ 977,304	\$ 3,567,424	\$ 114,103	\$ 12,541,453	\$ 57,742,556	\$ -	\$ 57,742,556
Current portion of assets whose use is limited	1,128,211	-	-	415,737	-	1,543,948	-	1,543,948
Accounts receivable, net	13,306,824	64,462	170,928	1,409,653	-	14,951,867	-	14,951,867
Due from affiliates	-	-	-	-	14,309,573	14,309,573	(14,309,573)	-
Other current assets	2,223,533	11,314	74,273	331,298	4,620,204	7,260,622	(15,172)	7,245,450
Total current assets	57,200,840	1,053,080	3,812,625	2,270,791	31,471,230	95,808,566	(14,324,745)	81,483,821
Investments	74,931,559	-	-	1,520,797	48,908,359	125,360,715	(7,310,176)	118,050,539
Assets Whose Use is Limited	34,507,428	7,508,647	10,801,960	1,748,314	11,494,955	66,061,304	-	66,061,304
Investments Held Under Split-Interest Agreements	-	-	-	-	3,188,090	3,188,090	-	3,188,090
Investments Held by Others Under Split-Interest Agreements	-	-	-	-	1,022,416	1,022,416	-	1,022,416
Beneficial Interest in Perpetual Trusts	-	-	-	-	4,104,660	4,104,660	(683,014)	3,421,646
Due From Other Affiliates	-	-	-	-	17,489,787	17,489,787	(17,489,787)	-
Notes Receivable	-	-	-	-	9,971,536	9,971,536	(9,971,536)	-
Loans Receivable From Affiliate	-	-	-	-	28,495,449	28,495,449	(28,495,449)	-
Property and Equipment, Net	349,346,773	46,191,122	85,790,452	41,896,594	7,633,081	530,858,022	(9,277,428)	521,580,594
Goodwill, Net	58,843,181	-	-	5,539,449	-	64,382,630	-	64,382,630
Derivative Financial Instruments	12,738,793	-	-	-	1,719,943	14,458,736	-	14,458,736
Other Assets, Net	404,110	90,861	60,267	3,728,199	4,533,093	8,816,530	(6,967,129)	1,849,401
Total assets	<u>\$ 587,972,684</u>	<u>\$ 54,843,710</u>	<u>\$ 100,465,304</u>	<u>\$ 56,704,144</u>	<u>\$ 170,032,599</u>	<u>\$ 970,018,441</u>	<u>\$ (94,519,264)</u>	<u>\$ 875,499,177</u>

Springpoint Senior Living, Inc. and Affiliates

Consolidating Schedule, Balance Sheet

December 31, 2023

	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	\$ 5,627,712	\$ -	\$ 1,065,276	\$ 540,964	\$ 435,157	\$ 7,669,109	\$ -	\$ 7,669,109
Construction payable	399,686	-	-	-	-	399,686	-	399,686
Accounts payable	4,018,436	480,519	407,033	525,039	452,757	5,883,784	-	5,883,784
Accrued expenses	10,321,380	247,848	1,675,387	2,179,622	8,729,727	23,153,964	-	23,153,964
Due to affiliates	7,138,268	213,491	2,360,099	1,813,957	2,816,128	14,341,943	(14,341,943)	-
Residents' deposits	3,128,084	278,510	544,223	-	-	3,950,817	-	3,950,817
Total current liabilities	30,633,566	1,220,368	6,052,018	5,059,582	12,433,769	55,399,303	(14,341,943)	41,057,360
Long-Term Debt and Financing Lease Obligations	238,675,287	1,578,680	68,222,357	42,363,849	18,117,899	368,958,072	-	368,958,072
Line of Credit	2,616,954	-	-	-	7,383,046	10,000,000	-	10,000,000
Notes Payable to Affiliate	25,212,582	-	25,814,992	692,378	2,590,489	54,310,441	(54,310,441)	-
Capital Advances	-	80,035,527	-	-	-	80,035,527	-	80,035,527
Due to Affiliates	12,100,876	-	-	5,388,382	-	17,489,258	(17,489,258)	-
Liability for Split-Interest Agreements and Deferred Gift Agreements	-	-	-	-	2,419,836	2,419,836	-	2,419,836
Deferred Revenue	89,352	-	-	-	3,732,530	3,821,882	(3,821,882)	-
Refundable Entrance Fees	310,643,093	-	-	157,861	-	310,800,954	-	310,800,954
Deferred Revenue From Entrance Fees	133,008,831	-	-	8,867,025	-	141,875,856	-	141,875,856
Other Liabilities	2,597,657	95,706	2,110,628	3,665,677	5,209,226	13,678,894	(6,037,455)	7,641,439
Total liabilities	755,578,198	82,930,281	102,199,995	66,194,754	51,886,795	1,058,790,023	(96,000,979)	962,789,044
Net Assets (Deficit)								
Net assets (deficit) without donor restrictions	(175,415,226)	(28,086,571)	2,635,887	(22,657,511)	125,297,467	(98,225,954)	2,164,730	(96,061,224)
Noncontrolling ownership interest in limited partnerships	-	-	(4,370,578)	-	-	(4,370,578)	-	(4,370,578)
Net assets with donor restrictions	604,712	-	-	-	13,220,238	13,824,950	(683,015)	13,141,935
Member's equity	7,205,000	-	-	13,166,901	(20,371,901)	-	-	-
Total net assets (deficit)	(167,605,514)	(28,086,571)	(1,734,691)	(9,490,610)	118,145,804	(88,771,582)	1,481,715	(87,289,867)
Total liabilities and net assets (deficit)	\$ 587,972,684	\$ 54,843,710	\$ 100,465,304	\$ 56,704,144	\$ 170,032,599	\$ 970,018,441	\$ (94,519,264)	\$ 875,499,177

Springpoint Senior Living, Inc. and Affiliates

Consolidating Schedule, Statement of Operations and Changes in Net Assets (Deficit)

Year Ended December 31, 2023

	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	\$ 82,870,897	\$ 8,699,755	\$ 14,081,799	\$ -	\$ -	\$ 105,652,451	\$ -	\$ 105,652,451
Revenue from healthcare facilities	70,070,270	-	-	20,448,061	-	90,518,331	-	90,518,331
Services to residents	6,738,625	-	-	8,522,593	-	15,261,218	-	15,261,218
Developer and management fees	-	-	-	345,185	13,150,300	13,495,485	(13,495,485)	-
Contributions and bequests	1,216,985	-	-	594,214	1,272,133	3,083,332	(2,062,582)	1,020,750
Interest and dividends	2,244,200	3,414	41,171	43,812	1,109,227	3,441,824	(21,875)	3,419,949
Other revenue	1,081,753	46,650	298,892	21,329	937,176	2,385,800	(442,264)	1,943,536
Net assets released from restrictions used for operations	999,192	-	-	20,621	775,293	1,795,106	(388,300)	1,406,806
Total revenues and other support	165,221,922	8,749,819	14,421,862	29,995,815	17,244,129	235,633,547	(16,410,506)	219,223,041
Expenses:								
Professional care of residents	48,281,300	-	-	18,533,115	87,088	66,901,503	-	66,901,503
Resident services	4,803,686	-	-	293,851	-	5,097,537	-	5,097,537
Dining services	27,636,812	-	-	2,851,800	-	30,488,612	-	30,488,612
Operation and maintenance of facility	30,009,986	3,730,667	5,612,931	1,547,852	429,335	41,330,771	-	41,330,771
Housekeeping and laundry	8,051,246	-	-	537,874	-	8,589,120	-	8,589,120
Administrative and general	16,285,717	2,606,540	2,846,270	4,712,329	10,204,926	36,655,782	(637,136)	36,018,646
Resident assistance and program services	-	-	-	-	3,174,436	3,174,436	(2,450,882)	723,554
Marketing	7,972,386	-	-	1,211,218	1,307,738	10,491,342	-	10,491,342
Insurance	3,023,120	675,901	1,048,382	441,842	203,300	5,392,545	-	5,392,545
Springpoint Senior Living, Inc. management fee	11,048,568	583,047	785,019	190,167	762,050	13,368,851	(13,368,851)	-
Interest	9,153,329	1,985	2,731,474	2,791,962	1,163,275	15,842,025	(649,891)	15,192,134
Provision for bad debts	2,068,391	-	-	449,317	-	2,517,708	-	2,517,708
Total expenses	168,334,541	7,598,140	13,024,076	33,561,327	17,332,148	239,850,232	(17,106,760)	222,743,472
Operating income (loss)	(3,112,619)	1,151,679	1,397,786	(3,565,512)	(88,019)	(4,216,685)	696,254	(3,520,431)
Unrealized losses on investments	8,026,531	-	-	201,407	4,489,179	12,717,117	-	12,717,117
Net realized gains on investments	1,180,182	-	-	13,885	554,833	1,748,900	-	1,748,900
Amortization of entrance fees	22,494,471	-	-	1,094,591	-	23,589,061	-	23,589,061
Change in fair value of derivative financial instruments	(1,680,853)	-	-	(358,899)	(178,183)	(2,217,935)	-	(2,217,935)
Gain (loss) on disposal of fixed assets	(15,403)	-	-	-	-	(15,403)	-	(15,403)
Gain on forgiveness of debt	-	-	-	2,000,000	-	2,000,000	-	2,000,000
Net asset transfer	-	-	(622,560)	4,916,900	(4,178,010)	116,330	(116,330)	-
Depreciation and amortization	(33,771,597)	(2,549,396)	(3,774,874)	(1,901,382)	(288,640)	(42,285,889)	430,652	(41,855,237)
Revenues and other support in excess of (less than) expenses	(6,879,288)	(1,397,717)	(2,999,648)	2,400,989	311,160	(8,564,504)	1,010,576	(7,553,928)
Pension liability adjustment	(54,784)	-	-	-	-	(54,784)	-	(54,784)
Increase (decrease) in net assets (deficit) without donor restrictions	<u>\$ (6,934,072)</u>	<u>\$ (1,397,717)</u>	<u>\$ (2,999,648)</u>	<u>\$ 2,400,989</u>	<u>\$ 311,160</u>	<u>\$ (8,619,288)</u>	<u>\$ 1,010,576</u>	<u>\$ (7,608,712)</u>

Springpoint Senior Living, Inc. and Affiliates

Consolidating Schedule, Statement of Operations and Changes in Net Assets (Deficit)

Year Ended December 31, 2023

	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	\$ 1,061,274	\$ -	\$ -	\$ 20,621	\$ 1,064,918	\$ 2,146,813	\$ (388,300)	\$ 1,758,513
Change in value of split-interest agreements	-	-	-	-	198,694	198,694	-	198,694
Investment income	40,857	-	-	-	996,572	1,037,429	-	1,037,429
Net unrealized loss on investments	(26,079)	-	-	-	-	(26,079)	-	(26,079)
Change in value of perpetual trusts	-	-	-	-	585,963	585,963	(305,703)	280,260
Net assets released from restrictions for operations	(999,192)	-	-	(20,621)	(775,293)	(1,795,106)	388,300	(1,406,806)
Increase (decrease) in net assets with donor restrictions	76,860	-	-	-	2,070,854	2,147,714	(305,703)	1,842,011
Change in net assets (deficit)	(6,857,212)	(1,397,717)	(2,999,648)	2,400,989	2,382,014	(6,471,574)	704,873	(5,766,701)
Net Assets (Deficit), Beginning	(160,748,302)	(26,688,854)	1,264,957	(11,891,599)	115,763,790	(82,300,008)	776,842	(81,523,166)
Net Assets (Deficit), Ending	<u>\$ (167,605,514)</u>	<u>\$ (28,086,571)</u>	<u>\$ (1,734,691)</u>	<u>\$ (9,490,610)</u>	<u>\$ 118,145,804</u>	<u>\$ (88,771,582)</u>	<u>\$ 1,481,715</u>	<u>\$ (87,289,867)</u>

Springpoint Senior Living, Inc. and Affiliates

Life Plan Communities, Combining Balance Sheet

December 31, 2023

	Atrium	Crestwood	Meadow Lakes	Monroe	The Moorings	The Oaks	Montgomery	Winchester Gardens	Combined Total
Assets									
Current Assets									
Cash and cash equivalents	\$ 3,116,236	\$ 3,100,410	\$ 7,678,877	\$ (561,258)	\$ 6,800,804	\$ (360,263)	\$ 10,810,133	\$ 9,957,333	\$ 40,542,272
Current portion of assets whose use is limited	28,551	177,715	229,817	52,280	-	78,411	90,986	470,451	1,128,211
Accounts receivable, net	737,564	1,464,707	1,256,198	961,383	3,022,131	2,926,366	1,043,532	1,894,943	13,306,824
Other current assets	222,197	296,536	252,388	50,506	307,783	289,814	381,561	422,748	2,223,533
Total current assets	4,104,548	5,039,368	9,417,280	502,911	10,130,718	2,934,328	12,326,212	12,745,475	57,200,840
Investments	5,919,182	7,765,725	-	-	5,415,198	-	47,537,508	8,293,946	74,931,559
Assets Whose Use is Limited	3,021,106	3,199,880	4,910,348	3,575,126	4,370,031	4,106,245	6,864,104	4,460,588	34,507,428
Property and Equipment, Net	48,005,735	21,323,159	38,597,632	24,919,223	34,230,682	72,161,244	56,849,273	53,259,825	349,346,773
Goodwill, Net	-	-	-	675,588	19,297,864	29,121,740	-	9,747,989	58,843,181
Derivative Financial Instruments	1,702,084	4,262,558	1,430,739	1,221,402	-	2,962,079	-	1,159,931	12,738,793
Other Assets, Net	-	-	-	-	315,190	88,920	-	-	404,110
Total assets	<u>\$ 62,752,655</u>	<u>\$ 41,590,690</u>	<u>\$ 54,355,999</u>	<u>\$ 30,894,250</u>	<u>\$ 73,759,683</u>	<u>\$ 111,374,556</u>	<u>\$ 123,577,097</u>	<u>\$ 89,667,754</u>	<u>\$ 587,972,684</u>

Springpoint Senior Living, Inc. and Affiliates

Life Plan Communities, Combining Balance Sheet

December 31, 2023

	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	\$ 590,578	\$ 592,726	\$ 555,585	\$ 205,981	\$ 721,674	\$ 793,626	\$ 931,716	\$ 1,235,826	\$ 5,627,712
Construction payable	50,382	188,981	-	31,348	-	103,744	25,231	-	399,686
Accounts payable	369,125	645,809	420,106	749,182	313,229	738,850	345,166	436,969	4,018,436
Accrued expenses	983,041	531,089	2,302,456	364,056	988,875	1,506,056	2,086,312	1,559,495	10,321,380
Due to (from) affiliates	608,991	388,836	241,110	157,086	346,429	231,583	1,312,021	3,852,212	7,138,268
Residents' deposits	68,416	233,263	466,797	463,992	547,450	210,693	498,173	639,300	3,128,084
Total current liabilities	2,670,533	2,580,704	3,986,054	1,971,645	2,917,657	3,584,552	5,198,619	7,723,802	30,633,566
Long-Term Debt and Financing Lease Obligations									
	28,924,173	25,022,077	27,169,621	8,301,347	13,856,729	38,108,791	47,712,285	49,580,264	238,675,287
Line of Credit	-	-	-	-	-	2,616,954	-	-	2,616,954
Notes Payable to Affiliate	14,210,000	-	-	-	-	3,002,582	-	8,000,000	25,212,582
Due to Affiliates	5,288,925	-	-	-	-	-	-	6,811,951	12,100,876
Refundable Entrance Fees	32,152,371	7,215,131	34,140,682	26,056,820	38,911,771	54,534,383	65,937,904	51,694,031	310,643,093
Deferred Revenue From Entrance Fees	13,088,531	7,508,518	18,891,187	14,301,562	16,039,521	11,661,129	18,524,838	32,993,545	133,008,831
Deferred Revenue	-	-	-	33,333	-	56,019	-	-	89,352
Other Liabilities	2,381,716	-	-	-	-	-	-	215,941	2,597,657
Total liabilities	98,716,249	42,326,430	84,187,544	50,664,707	71,725,678	113,564,410	137,373,646	157,019,534	755,578,198
Net Assets (Deficit)									
Net (deficit) assets without donor restrictions	(36,007,821)	(813,903)	(29,897,368)	(20,026,095)	2,020,078	(9,428,190)	(13,869,041)	(67,392,886)	(175,415,226)
Net assets with donor restrictions	44,227	78,163	65,823	255,638	13,927	33,336	72,492	41,106	604,712
Member's equity	-	-	-	-	-	7,205,000	-	-	7,205,000
Total net assets (deficit)	(35,963,594)	(735,740)	(29,831,545)	(19,770,457)	2,034,005	(2,189,854)	(13,796,549)	(67,351,780)	(167,605,514)
Total liabilities and net assets (deficit)	<u>\$ 62,752,655</u>	<u>\$ 41,590,690</u>	<u>\$ 54,355,999</u>	<u>\$ 30,894,250</u>	<u>\$ 73,759,683</u>	<u>\$ 111,374,556</u>	<u>\$ 123,577,097</u>	<u>\$ 89,667,754</u>	<u>\$ 587,972,684</u>

Springpoint Senior Living, Inc. and Affiliates

Life Plan Communities, Combining Statement of Operations and Changes in Net Assets (Deficit)
Year Ended December 31, 2023

	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	\$ 8,183,392	\$ 7,643,368	\$ 12,670,083	\$ 8,901,637	\$ 6,493,977	\$ 11,455,241	\$ 16,095,596	\$ 11,427,603	\$ 82,870,897
Revenue from healthcare facilities	5,856,107	8,481,667	9,706,218	2,489,804	9,587,788	11,567,748	11,605,288	10,775,650	70,070,270
Services to residents	453,318	1,481,628	880,081	738,661	340,834	742,771	1,224,482	876,850	6,738,625
Contributions and bequests	126,410	99,040	108,352	109,703	23,615	514,658	152,683	82,524	1,216,985
Interest and dividends	206,958	273,598	199,791	85,446	109,611	85,702	1,071,583	211,511	2,244,200
Other revenue	5,820	118,512	5,955	86,125	53,292	684,873	120,821	6,355	1,081,753
Net assets released from restriction used for operations	128,294	98,179	116,799	148,830	200	118,934	215,275	172,681	999,192
Total revenues and other support	14,960,299	18,195,992	23,687,279	12,560,206	16,609,317	25,169,927	30,485,728	23,553,174	165,221,922
Expenses:									
Professional care of patients	4,572,276	6,002,367	7,040,903	2,021,565	5,349,204	9,437,593	7,270,789	6,586,603	48,281,300
Resident services	687,196	502,318	568,119	432,219	406,642	901,870	560,176	745,146	4,803,686
Dining services	2,233,227	3,369,549	4,290,032	3,433,372	2,536,122	3,298,428	4,188,711	4,287,371	27,636,812
Operation and maintenance of facility	2,504,460	2,557,285	5,327,731	3,416,737	2,002,634	4,351,444	4,261,521	5,588,174	30,009,986
Housekeeping and laundry	837,561	932,226	1,299,489	433,563	660,497	1,378,269	1,367,518	1,142,123	8,051,246
Administrative and general	1,498,459	2,105,525	2,082,142	2,653,503	1,528,877	2,237,786	2,066,684	2,112,741	16,285,717
Marketing	672,291	1,025,931	1,054,924	1,051,357	697,910	1,214,949	1,128,804	1,126,220	7,972,386
Insurance	297,263	294,115	431,393	291,375	226,469	553,845	402,458	526,202	3,023,120
Springpoint Senior Living, Inc. management fee	1,050,259	1,170,024	1,572,033	897,837	842,085	1,578,355	2,265,576	1,672,399	11,048,568
Interest	1,021,199	941,956	942,753	311,271	633,553	1,349,303	1,629,046	2,324,248	9,153,329
Provision for doubtful accounts	14,264	322,728	288,689	197,685	39,634	711,073	340,327	153,991	2,068,391
Total expenses	15,388,455	19,224,024	24,898,208	15,140,484	14,923,627	27,012,915	25,481,610	26,265,218	168,334,541
Operating (loss) income	(428,156)	(1,028,032)	(1,210,929)	(2,580,278)	1,685,690	(1,842,988)	5,004,118	(2,712,044)	(3,112,619)
Unrealized losses on investments	597,636	705,951	256,932	276,326	446,623	240,095	4,837,454	665,514	8,026,531
Net realized gains on investments	109,815	130,143	47,761	42,268	61,403	129,545	649,465	9,782	1,180,182
Amortization of entrance fees	2,694,116	1,339,834	3,337,198	2,862,064	1,619,962	2,323,132	3,456,966	4,861,199	22,494,471
Net change in fair value of derivative financial instruments	(179,915)	(450,634)	(147,610)	(129,125)	-	(313,100)	-	(460,469)	(1,680,853)
Loss on disposal of fixed assets	759	-	-	-	-	(16,162)	-	-	(15,403)
Depreciation and amortization	(2,947,867)	(3,523,126)	(4,987,157)	(3,116,025)	(1,975,383)	(4,265,945)	(6,119,715)	(6,836,379)	(33,771,597)
Revenues and other support (less than) in in excess of expenses	(153,612)	(2,825,864)	(2,703,805)	(2,644,770)	1,838,295	(3,745,423)	7,828,288	(4,472,397)	(6,879,288)
Pension liability adjustment	-	-	(54,784)	-	-	-	-	-	(54,784)
(Decrease) increase in net assets (deficit) without donor restrictions	\$ (153,612)	\$ (2,825,864)	\$ (2,758,589)	\$ (2,644,770)	\$ 1,838,295	\$ (3,745,423)	\$ 7,828,288	\$ (4,472,397)	\$ (6,934,072)

Springpoint Senior Living, Inc. and Affiliates

Life Plan Communities, Combining Statement of Operations and Changes in Net Assets (Deficit)

Year Ended December 31, 2023

	<u>Atrium</u>	<u>Crestwood</u>	<u>Meadow Lakes</u>	<u>Monroe</u>	<u>The Moorings</u>	<u>The Oaks</u>	<u>Montgomery</u>	<u>Winchester Gardens</u>	<u>Combined Total</u>
Changes in Net Assets with Donor Restrictions									
Contributions	\$ 125,071	\$ 117,085	\$ 128,461	\$ 104,942	\$ 5,000	\$ 131,094	\$ 257,290	\$ 192,331	\$ 1,061,274
Investment income	-	-	-	40,857	-	-	-	-	40,857
Net unrealized loss on investments	-	-	-	(26,079)	-	-	-	-	(26,079)
Net assets released from restriction used for operations	<u>(128,294)</u>	<u>(98,179)</u>	<u>(116,799)</u>	<u>(148,830)</u>	<u>(200)</u>	<u>(118,934)</u>	<u>(215,275)</u>	<u>(172,681)</u>	<u>(999,192)</u>
Increase (decrease) in net assets with donor restrictions	<u>(3,223)</u>	<u>18,906</u>	<u>11,662</u>	<u>(29,110)</u>	<u>4,800</u>	<u>12,160</u>	<u>42,015</u>	<u>19,650</u>	<u>76,860</u>
Change in net assets (deficit)	<u>(156,835)</u>	<u>(2,806,958)</u>	<u>(2,746,927)</u>	<u>(2,673,880)</u>	<u>1,843,095</u>	<u>(3,733,263)</u>	<u>7,870,303</u>	<u>(4,452,747)</u>	<u>(6,857,212)</u>
Net Assets (Deficit), Beginning	<u>(35,806,759)</u>	<u>2,071,218</u>	<u>(27,084,618)</u>	<u>(17,096,577)</u>	<u>190,910</u>	<u>1,543,409</u>	<u>(21,666,852)</u>	<u>(62,899,033)</u>	<u>(160,748,302)</u>
Net Assets (Deficit), Ending	<u><u>\$ (35,963,594)</u></u>	<u><u>\$ (735,740)</u></u>	<u><u>\$ (29,831,545)</u></u>	<u><u>\$ (19,770,457)</u></u>	<u><u>\$ 2,034,005</u></u>	<u><u>\$ (2,189,854)</u></u>	<u><u>\$ (13,796,549)</u></u>	<u><u>\$ (67,351,780)</u></u>	<u><u>\$ (167,605,514)</u></u>

Springpoint Senior Living, Inc. and Affiliates

Affordable Housing Communities: Combining Schedule, Balance Sheet
December 31, 2023

	Dover	Countryside Meadows	Wheaton Pointe	Franklin	Howell	Manchester Pines	Portland Pointe	Watchung Terrace	Stafford By the Bay	The Gables	Combined Total
Assets											
Current Assets											
Cash and cash equivalents	\$ 101,790	\$ 97,750	\$ 79,698	\$ 70,033	\$ 22,541	\$ 124,179	\$ 153,476	\$ 101,064	\$ 108,779	\$ 117,994	\$ 977,304
Accounts receivable, net	549	12,268	1,734	2,008	(444)	1,230	19,325	22,089	112	5,591	64,462
Other current assets	1,107	6,597	2,515	1,095	-	-	-	-	-	-	11,314
Total current assets	103,446	116,615	83,947	73,136	22,097	125,409	172,801	123,153	108,891	123,585	1,053,080
Assets Whose Use is Limited	752,856	1,123,849	842,444	817,545	789,872	736,937	304,297	719,701	618,939	802,207	7,508,647
Property and Equipment, Net	8,845,259	1,915,582	4,317,996	5,191,577	3,098,267	9,647,784	2,105,983	2,146,051	4,947,635	3,974,988	46,191,122
Other Assets, Net	-	-	-	-	-	-	-	90,861	-	-	90,861
Total assets	<u>\$ 9,701,561</u>	<u>\$ 3,156,046</u>	<u>\$ 5,244,387</u>	<u>\$ 6,082,258</u>	<u>\$ 3,910,236</u>	<u>\$ 10,510,130</u>	<u>\$ 2,583,081</u>	<u>\$ 3,079,766</u>	<u>\$ 5,675,465</u>	<u>\$ 4,900,780</u>	<u>\$ 54,843,710</u>
Liabilities and Net Deficit											
Current Liabilities											
Accounts payable	\$ 27,522	\$ 34,489	\$ 32,116	\$ 36,141	\$ 59,939	\$ 86,732	\$ 26,587	\$ 52,263	\$ 88,673	\$ 36,057	\$ 480,519
Accrued expenses	29,190	23,044	19,913	20,628	29,655	33,488	20,530	33,252	20,046	18,102	247,848
Due to affiliates	17,023	16,523	31,602	24,506	42,657	14,317	24,806	14,637	14,420	13,000	213,491
Residents' deposits	37,081	30,368	18,706	25,918	33,867	32,516	22,817	28,983	33,637	14,617	278,510
Total current liabilities	110,816	104,424	102,337	107,193	166,118	167,053	94,740	129,135	156,776	81,776	1,220,368
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
Other Liabilities	-	-	-	-	-	-	-	95,706	-	-	95,706
Total liabilities	11,701,596	5,878,124	8,281,437	8,874,593	7,600,118	12,606,453	5,369,467	6,495,441	8,026,676	8,096,376	82,930,281
Net Deficit											
Net deficit without donor restrictions	(2,000,035)	(2,722,078)	(3,037,050)	(2,792,335)	(3,689,882)	(2,096,323)	(2,786,386)	(3,415,675)	(2,351,211)	(3,195,596)	(28,086,571)
Total liabilities and net deficit	<u>\$ 9,701,561</u>	<u>\$ 3,156,046</u>	<u>\$ 5,244,387</u>	<u>\$ 6,082,258</u>	<u>\$ 3,910,236</u>	<u>\$ 10,510,130</u>	<u>\$ 2,583,081</u>	<u>\$ 3,079,766</u>	<u>\$ 5,675,465</u>	<u>\$ 4,900,780</u>	<u>\$ 54,843,710</u>

Springpoint Senior Living, Inc. and Affiliates

Affordable Housing Communities: Combining Schedule, Statement of Operations and Changes in Net Deficit
Year Ended December 31, 2023

	Dover	Countryside Meadows	Wheaton Pointe	Franklin	Howell	Manchester Pines	Portland Pointe	Watchung Terrace	Stafford By the Bay	The Gables	Combined Total
Revenues and Other Support											
Revenue from residential facilities	\$ 896,730	\$ 858,089	\$ 887,186	\$ 871,348	\$ 839,329	\$ 898,749	\$ 777,365	\$ 876,775	\$ 963,201	\$ 830,983	\$ 8,699,755
Interest and dividends	345	532	396	391	284	342	127	355	283	359	3,414
Other revenue	5,181	-	7,822	4,620	3,529	6,804	4,358	3,760	6,132	4,444	46,650
Total revenues and other support	902,256	858,621	895,404	876,359	843,142	905,895	781,850	880,890	969,616	835,786	8,749,819
Expenses											
Operation and maintenance of facility	360,181	379,614	354,130	343,699	387,281	391,634	321,674	350,107	465,045	377,302	3,730,667
Administrative and general	254,250	241,544	211,722	308,769	298,884	284,972	189,400	305,631	310,928	200,440	2,606,540
Insurance	68,345	73,684	68,870	69,001	65,500	64,244	55,588	73,320	69,978	67,371	675,901
Springpoint Senior Living, Inc. management fee	61,800	65,736	56,640	52,416	56,987	64,740	39,597	78,575	52,799	53,757	583,047
Interest	-	-	-	-	-	-	-	1,985	-	-	1,985
Total expenses	744,576	760,578	691,362	773,885	808,652	805,590	606,259	809,618	898,750	698,870	7,598,140
Operating income	157,680	98,043	204,042	102,474	34,490	100,305	175,591	71,272	70,866	136,916	1,151,679
Depreciation and amortization	(363,739)	(166,294)	(242,987)	(258,538)	(213,403)	(349,991)	(185,567)	(244,344)	(288,305)	(236,228)	(2,549,396)
Change in net deficit without donor restrictions	(206,059)	(68,251)	(38,945)	(156,064)	(178,913)	(249,686)	(9,976)	(173,072)	(217,439)	(99,312)	(1,397,717)
Net Deficit, Beginning	(1,793,976)	(2,653,827)	(2,998,105)	(2,636,271)	(3,510,969)	(1,846,637)	(2,776,410)	(3,242,603)	(2,133,772)	(3,096,284)	(26,688,854)
Net Deficit, Ending	<u>\$ (2,000,035)</u>	<u>\$ (2,722,078)</u>	<u>\$ (3,037,050)</u>	<u>\$ (2,792,335)</u>	<u>\$ (3,689,882)</u>	<u>\$ (2,096,323)</u>	<u>\$ (2,786,386)</u>	<u>\$ (3,415,675)</u>	<u>\$ (2,351,211)</u>	<u>\$ (3,195,596)</u>	<u>\$ (28,086,571)</u>

Springpoint Senior Living, Inc. and Affiliates

Low Income Housing Tax Credit Communities: Combining Schedule, Balance Sheet
December 31, 2023

	<u>Asbury</u>	<u>Butler LLC</u>	<u>Howell LLC</u>	<u>Heritage at Whiting</u>	<u>Mount Holly</u>	<u>Plainfield</u>	<u>Ramsey</u>	<u>Wall</u>	<u>Combined Total</u>
Assets									
Current Assets									
Cash and cash equivalents	\$ 555,979	\$ 791,940	\$ 480,940	\$ 100,439	\$ 1,629	\$ 23,887	\$ 1,054,023	\$ 558,587	\$ 3,567,424
Accounts receivable, net	92,709	13,824	8,910	8,916	8,022	21,877	7,350	9,320	170,928
Other current assets	11,937	7,007	38,860	1,571	125	2,007	5,844	6,922	74,273
Total current assets	660,625	812,771	528,710	110,926	9,776	47,771	1,067,217	574,829	3,812,625
Assets Whose Use is Limited	2,902,149	1,087,692	1,999,583	1,002,610	157,102	1,539,081	1,223,565	890,178	10,801,960
Property and Equipment, Net	36,563,517	6,542,372	6,992,805	7,675,387	2,352,083	11,888,635	8,519,384	5,256,269	85,790,452
Other Assets, Net	28,541	-	-	31,726	-	-	-	-	60,267
Total assets	<u>\$ 40,154,832</u>	<u>\$ 8,442,835</u>	<u>\$ 9,521,098</u>	<u>\$ 8,820,649</u>	<u>\$ 2,518,961</u>	<u>\$ 13,475,487</u>	<u>\$ 10,810,166</u>	<u>\$ 6,721,276</u>	<u>\$ 100,465,304</u>
Liabilities and Net Deficit									
Current Liabilities									
Current maturities of long-term debt	\$ 128,904	\$ 165,618	\$ 164,303	\$ 19,898	\$ -	\$ 199,044	\$ 247,519	\$ 139,990	\$ 1,065,276
Accounts payable	142,833	8,986	19,108	50,057	57,312	89,060	26,435	13,242	407,033
Accrued expenses	955,031	59,561	39,906	427,670	27,990	88,679	45,165	31,385	1,675,387
Due to affiliates	1,707,839	24,099	19,763	219,176	61,234	199,098	23,112	105,778	2,360,099
Residents' deposits	297,902	32,831	37,210	49,969	19,336	51,574	30,162	25,239	544,223
Total current liabilities	3,232,509	291,095	280,290	766,770	165,872	627,455	372,393	315,634	6,052,018
Long-Term Debt	19,990,476	8,373,134	8,321,167	8,110,859	1,920,442	5,500,520	10,229,345	5,776,414	68,222,357
Notes Payable to Affiliate	21,843,455	-	-	899,562	238,280	2,833,695	-	-	25,814,992
Other Liabilities	1,097,002	20,161	20,112	627,801	266,958	33,776	29,114	15,704	2,110,628
Total liabilities	<u>46,163,442</u>	<u>8,684,390</u>	<u>8,621,569</u>	<u>10,404,992</u>	<u>2,591,552</u>	<u>8,995,446</u>	<u>10,630,852</u>	<u>6,107,752</u>	<u>102,199,995</u>
Net Assets (Deficit)									
Partner's equity (deficit)	758,942	-	-	(2,002,455)	1,853,108	575,480	-	-	1,185,075
Noncontrolling ownership interest in limited partnerships	(6,767,552)	-	-	418,112	(1,925,699)	3,904,561	-	-	(4,370,578)
Net assets without donor restrictions	-	(241,555)	899,529	-	-	-	179,314	613,524	1,450,812
Total net assets (deficit)	<u>(6,008,610)</u>	<u>(241,555)</u>	<u>899,529</u>	<u>(1,584,343)</u>	<u>(72,591)</u>	<u>4,480,041</u>	<u>179,314</u>	<u>613,524</u>	<u>(1,734,691)</u>
Total liabilities and net assets (deficit)	<u>\$ 40,154,832</u>	<u>\$ 8,442,835</u>	<u>\$ 9,521,098</u>	<u>\$ 8,820,649</u>	<u>\$ 2,518,961</u>	<u>\$ 13,475,487</u>	<u>\$ 10,810,166</u>	<u>\$ 6,721,276</u>	<u>\$ 100,465,304</u>

Springpoint Senior Living, Inc. and Affiliates

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

Year Ended December 31, 2023

	Asbury	Butler LLC	Howell LLC	Heritage at Whiting	Mount Holly	Plainfield	Ramsey	Wall	Combined Total
Revenues and Other Support									
Revenue from residential facilities	\$ 4,088,223	\$ 1,599,012	\$ 1,664,455	\$ 625,135	\$ 306,077	\$ 2,555,201	\$ 1,891,899	\$ 1,351,797	\$ 14,081,799
Interest and dividends	6,370	9,994	10,148	1,227	3,832	3,424	3,582	2,594	41,171
Other revenue	182,345	9,102	5,978	15,139	7,482	58,102	18,140	2,604	298,892
Total revenues and other support	4,276,938	1,618,108	1,680,581	641,501	317,391	2,616,727	1,913,621	1,356,995	14,421,862
Expenses:									
Operation and maintenance of facility	2,129,612	498,700	448,280	238,026	224,220	1,164,946	506,645	402,502	5,612,931
Administrative and general	795,192	320,606	346,680	164,574	81,248	513,225	302,671	322,074	2,846,270
Insurance	520,997	73,462	82,587	62,203	38,692	126,394	83,282	60,765	1,048,382
Springpoint Senior Living, Inc. management fee	268,287	79,641	82,175	55,865	19,972	132,224	90,728	56,127	785,019
Interest	971,751	254,715	254,090	139,125	30,139	530,516	357,021	194,117	2,731,474
Total expenses	4,685,839	1,227,124	1,213,812	659,793	394,271	2,467,305	1,340,347	1,035,585	13,024,076
Operating income (loss)	(408,901)	390,984	466,769	(18,292)	(76,880)	149,422	573,274	321,410	1,397,786
Net asset transfer (to) from affiliate		(680,725)			58,165				(622,560)
Depreciation and amortization	(1,539,158)	(370,614)	(356,515)	(223,280)	(178,818)	(530,998)	(349,033)	(226,458)	(3,774,874)
Change in net assets (deficit) without donor restrictions	(1,948,059)	(660,355)	110,254	(241,572)	(197,533)	(381,576)	224,241	94,952	(2,999,648)
Net Assets (Deficit), Beginning	(4,060,551)	418,800	789,275	(1,342,771)	124,942	4,861,617	(44,927)	518,572	1,264,957
Net Assets (Deficit), Ending	<u>\$ (6,008,610)</u>	<u>\$ (241,555)</u>	<u>\$ 899,529</u>	<u>\$ (1,584,343)</u>	<u>\$ (72,591)</u>	<u>\$ 4,480,041</u>	<u>\$ 179,314</u>	<u>\$ 613,524</u>	<u>\$ (1,734,691)</u>

Springpoint Senior Living, Inc. and Affiliates

Other Operating Entities: Combining Schedule, Balance Sheet

December 31, 2023

	<u>Manalapan</u>	<u>Senior Net, Inc.</u>	<u>Village Point</u>	<u>Springpoint At Home</u>	<u>Springpoint Choice</u>	<u>Combined Total</u>
Assets						
Current Assets						
Cash and cash equivalents	\$ (200,274)	\$ (46,194)	\$ 132,651	\$ 491,036	\$ (263,116)	\$ 114,103
Current portion of assets whose use is limited	-	-	415,737	-	-	415,737
Accounts receivable, net	116,917	14,986	897,495	246,294	133,961	1,409,653
Due from affiliates	-	-	-	-	-	-
Other current assets	5,616	-	200,075	5,533	120,074	331,298
Total current assets	(77,741)	(31,208)	1,645,958	742,863	(9,081)	2,270,791
Investments	-	-	-	-	1,520,797	1,520,797
Assets Whose Use is Limited	-	-	1,063,369	-	684,945	1,748,314
Property and Equipment, Net	19,877,677	-	21,984,962	14,702	19,253	41,896,594
Goodwill	-	-	-	2,270,750	3,268,699	5,539,449
Other Assets, Net	294,524	-	3,419,036	14,639	-	3,728,199
Total assets	<u>\$ 20,094,460</u>	<u>\$ (31,208)</u>	<u>\$ 28,113,325</u>	<u>\$ 3,042,954</u>	<u>\$ 5,484,613</u>	<u>\$ 56,704,144</u>

Springpoint Senior Living, Inc. and Affiliates

Other Operating Entities: Combining Schedule, Balance Sheet

December 31, 2023

	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 capital lease obligations	\$ 336,589	\$ -	\$ -	\$ 204,375	\$ -	\$ 540,964
Accounts payable	104,977	2,548	233,002	52,613	131,899	525,039
Accrued expenses	878,006	9,488	784,832	298,399	208,897	2,179,622
Due to affiliates	1,724	660	22,848	1,720,920	67,805	1,813,957
Total current liabilities	1,321,296	12,696	1,040,682	2,276,307	408,601	5,059,582
Long-Term Debt and Capital Lease Obligations	20,012,291	-	22,297,198	54,360	-	42,363,849
Notes Payable to Affiliate	-	-	-	692,378	-	692,378
Due to Affiliate	2,230,058	-	1,399,338	1,758,986	-	5,388,382
Refundable Entrance Fees	-	-	-	-	157,861	157,861
Deferred Revenue From Entrance Fees	-	-	-	-	8,867,025	8,867,025
Other Liabilities	1,000	-	3,664,677	-	-	3,665,677
Total liabilities	23,564,645	12,696	28,401,895	4,782,031	9,433,487	66,194,754
Net Assets (Deficit)						
Net assets (deficit) without donor restrictions	(7,720,185)	(43,904)	(8,705,471)	(1,739,077)	(4,448,874)	(22,657,511)
Member's equity	4,250,000	-	8,416,901	-	500,000	13,166,901
Total net assets (deficit)	(3,470,185)	(43,904)	(288,570)	(1,739,077)	(3,948,874)	(9,490,610)
Total liabilities and net assets (deficit)	\$ 20,094,460	\$ (31,208)	\$ 28,113,325	\$ 3,042,954	\$ 5,484,613	\$ 56,704,144

Springpoint Senior Living, Inc. and Affiliates

Other Operating Entities: Combining Schedule, Statement of Operations and Changes in Net Assets (Deficit)
Year Ended December 31, 2023

	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	\$ 5,096,293	\$ -	\$ 15,351,768	\$ -	\$ -	\$ 20,448,061
Services to residents	71,593	108,476	99,368	6,480,721	1,762,435	8,522,593
Developer and management fees	-	-	-	-	345,185	345,185
Contributions and bequests	64	129,150	465,000	-	-	594,214
Interest and dividends	(644)	-	-	-	44,456	43,812
Other revenue	2,773	-	18,940	-	(384)	21,329
Net assets released from restrictions used for operations	5,675	-	14,946	-	-	20,621
Total revenues and other support	5,175,754	237,626	15,950,022	6,480,721	2,151,692	29,995,815
Expenses:						
Professional care of patients	2,439,782	-	9,545,352	4,511,588	2,036,393	18,533,115
Resident services	204,909	-	88,942	-	-	293,851
Dining services	1,065,902	-	1,785,898	-	-	2,851,800
Operation and maintenance of facility	808,662	-	737,607	-	1,583	1,547,852
Housekeeping and laundry	165,608	-	372,266	-	-	537,874
Administrative and general	614,526	235,633	1,482,374	1,102,800	1,276,996	4,712,329
Marketing	425,589	-	299,882	40,207	445,540	1,211,218
Insurance	113,824	1,333	258,425	50,052	18,208	441,842
Springpoint Senior Living, Inc. management fee	41,769	-	-	-	148,398	190,167
Interest	1,107,095	-	1,649,078	35,789	-	2,791,962
Provision for doubtful accounts	20,304	-	425,263	3,750	-	449,317
Total expenses	7,007,970	236,966	16,645,087	5,744,186	3,927,118	33,561,327
Operating income (loss)	(1,832,216)	660	(695,065)	736,535	(1,775,426)	(3,565,512)
Unrealized losses on investments	-	-	-	-	201,407	201,407
Net realized gains on investments	-	-	-	-	13,885	13,885
Amortization of entrance fees	-	-	-	-	1,094,590	1,094,590
Net change in fair value of derivative financial instruments	-	-	(358,899)	-	-	(358,899)
Gain on forgiveness of debt	-	-	2,000,000	-	-	2,000,000
Net asset transfer (to) from affiliate	-	-	4,916,900	-	-	4,916,900
Depreciation and amortization	(852,106)	(27)	(1,016,581)	(21,901)	(10,767)	(1,901,382)
Revenues and other support in excess of (less than) expenses and change in net assets (deficit) without donor restrictions	(2,684,322)	633	4,846,355	714,634	(476,311)	2,400,989
Changes in Net Assets With Donor Restrictions						
Contributions	5,675	-	14,946	-	-	20,621
Net assets released from restrictions used for operations	(5,675)	-	(14,946)	-	-	(20,621)
Increase (decrease) in net assets with donor restrictions	-	-	-	-	-	-
Change in net assets (deficit)	(2,684,322)	633	4,846,355	714,634	(476,311)	2,400,989
Net Assets (Deficit), Beginning	(785,863)	(44,537)	(5,134,925)	(2,453,711)	(3,472,563)	(11,891,599)
Net Assets (Deficit), Ending	<u>\$ (3,470,185)</u>	<u>\$ (43,904)</u>	<u>\$ (288,570)</u>	<u>\$ (1,739,077)</u>	<u>\$ (3,948,874)</u>	<u>\$ (9,490,610)</u>

Springpoint Senior Living, Inc. and Affiliates

Other Entities: Combining Schedule, Balance Sheet
December 31, 2023

	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	\$ 9,288,822	\$ 1,362,369	\$ 1,926,356	\$ 448,095	\$ -	\$ -	\$ (495,403)	\$ -	\$ -	\$ 9,587	\$ 1,627	\$ -	\$ 12,541,453
Due from affiliates	9,192,728	-	574,023	578,226	-	3,459,896	504,700	-	-	-	-	-	14,309,573
Other current assets	329,141	2,305,832	-	-	(6,000)	-	1,991,231	-	-	-	-	-	4,620,204
Total current assets	18,810,691	3,668,201	2,500,379	1,026,321	(6,000)	3,459,896	2,000,528	-	-	9,587	1,627	-	31,471,230
Investments	151,579	41,446,604	1,968,836	-	3,185,958	1,577,056	-	578,226	100	-	-	-	48,908,359
Assets Whose Use is Limited	3,865,711	7,629,244	-	-	-	-	-	-	-	-	-	-	11,494,955
Investments Held Under Split-Interest Agreements	-	3,188,090	-	-	-	-	-	-	-	-	-	-	3,188,090
Investments Held by Others under Split-Interest Agreements	-	1,022,416	-	-	-	-	-	-	-	-	-	-	1,022,416
Beneficial Interest in Perpetual Trusts	-	3,421,646	-	-	-	-	-	-	-	683,014	-	-	4,104,660
Due From Affiliates	17,489,787	-	-	-	-	-	-	-	-	-	-	-	17,489,787
Notes Receivable	6,047,172	191,107	899,562	2,833,695	-	-	-	-	-	-	-	-	9,971,536
Loans Receivable From Affiliate	25,495,449	-	3,000,000	-	-	-	-	-	-	-	-	-	28,495,449
Property and Equipment, Net	407,080	1,688	-	-	-	-	88,030	-	-	-	-	7,136,283	7,633,081
Derivative Instruments	1,719,943	-	-	-	-	-	-	-	-	-	-	-	1,719,943
Other Assets, Net	4,323,093	210,000	-	-	-	-	-	-	-	-	-	-	4,533,093
Total assets	<u>\$ 78,310,505</u>	<u>\$ 60,778,996</u>	<u>\$ 8,368,777</u>	<u>\$ 3,860,016</u>	<u>\$ 3,179,958</u>	<u>\$ 5,036,952</u>	<u>\$ 2,088,558</u>	<u>\$ 578,226</u>	<u>\$ 100</u>	<u>\$ 692,601</u>	<u>\$ 1,627</u>	<u>\$ 7,136,283</u>	<u>\$ 170,032,599</u>

Springpoint Senior Living, Inc. and Affiliates

Other Entities: Combining Schedule, Balance Sheet
December 31, 2023

	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	\$ 397,751	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,406	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 435,157
Accounts payable	448,448	4,309	-	-	-	-	-	-	-	-	-	-	452,757
Accrued expenses	8,606,403	120,851	-	-	-	-	2,473	-	-	-	-	-	8,729,727
Due to affiliates	-	212,751	-	-	1,239,630	-	-	600,327	15,542	-	-	747,878	2,816,128
Total current liabilities	9,452,602	337,911	-	-	1,239,630	-	39,879	600,327	15,542	-	-	747,878	12,433,769
Long-Term Debt and Financing Lease Obligations													
Long-Term Debt and Financing Lease Obligations	18,071,315	-	-	-	-	-	46,584	-	-	-	-	-	18,117,899
Line of Credit													
Line of Credit	7,383,046	-	-	-	-	-	-	-	-	-	-	-	7,383,046
Notes Payable to Affiliate													
Notes Payable to Affiliate	-	-	-	-	-	-	-	-	-	-	-	2,590,489	2,590,489
Liability for Split-Interest Agreements and Deferred Gift Agreements													
Liability for Split-Interest Agreements and Deferred Gift Agreements	-	2,419,836	-	-	-	-	-	-	-	-	-	-	2,419,836
Deferred Revenue													
Deferred Revenue	320,000	75,473	279,464	1,063,131	-	-	1,994,462	-	-	-	-	-	3,732,530
Other Liabilities													
Other Liabilities	5,209,226	-	-	-	-	-	-	-	-	-	-	-	5,209,226
Total liabilities	40,436,189	2,833,220	279,464	1,063,131	1,239,630	-	2,080,925	600,327	15,542	-	-	3,338,367	51,886,795
Net Assets (Deficit)													
Net assets (deficit) without donor restrictions	49,714,676	45,408,553	16,620,854	2,796,885	1,940,328	5,036,952	7,633	(22,101)	(15,442)	9,586	1,627	3,797,916	125,297,467
Net assets with donor restrictions	-	12,537,223	-	-	-	-	-	-	-	683,015	-	-	13,220,238
Member's equity	(11,840,360)	-	(8,531,541)	-	-	-	-	-	-	-	-	-	(20,371,901)
Total net assets (deficit)	37,874,316	57,945,776	8,089,313	2,796,885	1,940,328	5,036,952	7,633	(22,101)	(15,442)	692,601	1,627	3,797,916	118,145,804
Total liabilities and net assets (deficit)	<u>\$ 78,310,505</u>	<u>\$ 60,778,996</u>	<u>\$ 8,368,777</u>	<u>\$ 3,860,016</u>	<u>\$ 3,179,958</u>	<u>\$ 5,036,952</u>	<u>\$ 2,088,558</u>	<u>\$ 578,226</u>	<u>\$ 100</u>	<u>\$ 692,601</u>	<u>\$ 1,627</u>	<u>\$ 7,136,283</u>	<u>\$ 170,032,599</u>

Springpoint Senior Living, Inc. and Affiliates

Other Entities: Combining Schedule, Statement of Operations and Changes in Net Assets (Deficit)
Year Ended December 31, 2023

	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	\$ 12,486,597	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 663,703	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,150,300
Contributions and bequests	-	928,916	58,165	-	-	-	285,052	-	-	-	-	-	1,272,133
Interest and dividends	122,550	955,037	25,605	5,923	-	-	-	-	-	112	-	-	1,109,227
Other revenue	845,557	(8,912)	-	-	-	-	98,347	-	-	-	-	2,184	937,176
Net assets released from restrictions used for operations	-	745,584	-	-	-	-	-	-	-	29,709	-	-	775,293
Total revenues and other support	13,454,704	2,620,625	83,770	5,923	-	-	1,047,102	-	-	29,821	-	2,184	17,244,129
Expenses:													
Professional care of patients	-	-	-	-	-	-	87,088	-	-	-	-	-	87,088
Operation and maintenance of facility	31,461	-	-	-	-	-	-	-	-	-	-	397,874	429,335
Administrative and general	8,665,703	1,530,964	31	-	2,525	-	(6,110)	2,525	575	31	-	8,682	10,204,926
Residents assistance and program services	-	3,037,648	-	-	-	-	107,079	-	-	29,709	-	-	3,174,436
Marketing	1,307,738	-	-	-	-	-	-	-	-	-	-	-	1,307,738
Insurance	165,483	2,215	-	-	-	-	28,265	-	-	-	-	7,337	203,300
Springpoint Senior Living, Inc. management fee	-	-	-	-	-	-	762,050	-	-	-	-	-	762,050
Interest	1,030,847	-	-	-	-	-	8,084	-	-	-	-	124,344	1,163,275
Total expenses	11,201,232	4,570,827	31	-	2,525	-	986,456	2,525	575	29,740	-	538,237	17,332,148
Operating income (loss)	2,253,472	(1,950,202)	83,739	5,923	(2,525)	-	60,646	(2,525)	(575)	81	-	(536,053)	(88,019)
Unrealized gains (losses) on investments	(9,495)	4,498,674	-	-	-	-	-	-	-	-	-	-	4,489,179
Net realized gains (losses) on investments	(336)	555,169	-	-	-	-	-	-	-	-	-	-	554,833
Net change in fair value of derivative financial instruments	(178,183)	-	-	-	-	-	-	-	-	-	-	-	(178,183)
Net asset transfer from (to) affiliate	(4,916,900)	-	-	-	58,165	680,725	-	-	-	-	-	-	(4,178,010)
Depreciation and amortization	(231,677)	(3,211)	-	-	-	-	(53,752)	-	-	-	-	-	(288,640)
Revenues and other support in excess of (less than) expenses and change in net assets (deficit) without donor restrictions	(3,083,119)	3,100,430	83,739	5,923	55,640	680,725	6,894	(2,525)	(575)	81	-	(536,053)	311,160
Changes in Net Assets With Donor Restrictions													
Contributions	-	1,035,209	-	-	-	-	-	-	-	29,709	-	-	1,064,918
Change in value of split-interest agreements	-	198,694	-	-	-	-	-	-	-	-	-	-	198,694
Investment income	-	996,572	-	-	-	-	-	-	-	-	-	-	996,572
Change in value of perpetual trust	-	280,260	-	-	-	-	-	-	-	305,703	-	-	585,963
Net assets released from restrictions used for operations	-	(745,584)	-	-	-	-	-	-	-	(29,709)	-	-	(775,293)
Increase in net assets with donor restrictions	-	1,765,151	-	-	-	-	-	-	-	305,703	-	-	2,070,854
Change in net assets (deficit)	(3,083,119)	4,865,581	83,739	5,923	55,640	680,725	6,894	(2,525)	(575)	305,784	-	(536,053)	2,382,014
Net Assets (Deficit), Beginning	40,957,435	53,080,195	8,005,574	2,790,962	1,884,688	4,356,227	739	(19,576)	(14,867)	386,817	1,627	4,333,969	115,763,790
Net Assets (Deficit), Ending	\$ 37,874,316	\$ 57,945,776	\$ 8,089,313	\$ 2,796,885	\$ 1,940,328	\$ 5,036,952	\$ 7,633	\$ (22,101)	\$ (15,442)	\$ 692,601	\$ 1,627	\$ 3,797,916	\$ 118,145,804