

Springpoint Senior Living, Inc. and Affiliates

Consolidated Financial Statements
and Supplementary Information

December 31, 2024 and 2023

Springpoint Senior Living, Inc. and Affiliates

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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 and subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, 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 consolidated financial position of the Company as of December 31, 2024 and 2023, 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 (GAAP).

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 GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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 consolidating information on pages 34 through 51 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets and cash flows 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 consolidating 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 consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Philadelphia, Pennsylvania
May 16, 2025

Springpoint Senior Living, Inc. and Affiliates

Consolidated Balance Sheets
December 31, 2024 and 2023

	2024	2023		2024	2023
Assets			Liabilities and Net Assets (Deficit)		
Current Assets			Current Liabilities		
Cash and cash equivalents	\$ 59,126,020	\$ 57,742,556	Current maturities of long-term debt	\$ 8,873,107	\$ 7,669,109
Current portion of assets whose use is limited	1,920,101	1,543,948	Construction payable	1,403,652	399,686
Accounts receivable, net of allowance for credit losses of \$5,329,154 in 2024 and \$4,047,581 in 2023	14,131,754	14,951,867	Accounts payable	9,800,639	5,883,784
Other current assets	13,600,433	7,245,450	Accrued expenses	22,884,265	23,153,964
			Residents' deposits	4,994,245	3,950,817
Total current assets	88,778,308	81,483,821	Total current liabilities	47,955,908	41,057,360
Investments	128,904,574	118,050,539	Long-Term Debt	348,048,261	368,958,072
Assets Whose Use is Limited	65,948,772	66,061,304	Line of Credit	10,000,000	10,000,000
Investments Held Under Split-Interest Agreements	3,284,841	3,188,090	Capital Advances	80,035,527	80,035,527
Investments Held by Others Under Split-Interest Agreements	1,078,443	1,022,416	Liability for Split-Interest Agreements and Deferred Gift Agreements	2,318,278	2,419,836
Beneficial Interest in Perpetual Trusts	2,928,612	3,421,646	Refundable Entrance Fees	301,618,350	310,800,954
Property and Equipment, Net	503,720,822	521,580,594	Deferred Revenue From Entrance Fees	160,632,917	141,875,856
Goodwill, Net	64,382,630	64,382,630	Other Liabilities	8,172,840	7,641,439
Derivative Financial Instruments	16,056,177	14,458,736	Total liabilities	958,782,081	962,789,044
Other Assets, Net	3,727,688	1,849,401	Net Assets (Deficit)		
			Net deficit without donor restrictions	(98,782,787)	(96,061,224)
			Noncontrolling ownership interest in limited partnerships	3,576,767	(4,370,578)
			Net assets with donor restrictions	15,234,806	13,141,935
			Total net deficit	(79,971,214)	(87,289,867)
Total assets	\$ 878,810,867	\$ 875,499,177	Total liabilities and net assets (deficit)	\$ 878,810,867	\$ 875,499,177

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, 2024 and 2023

	2024	2023
Changes in Net Deficit Without Donor Restrictions		
Revenues and other support:		
Revenue from residential facilities	\$ 110,278,865	\$ 105,652,451
Revenue from healthcare facilities	102,537,925	90,518,331
Services to residents	15,333,780	15,261,218
Contributions and bequests	714,949	1,020,750
Interest and dividends	3,992,061	3,419,949
Other revenue	6,253,021	1,943,536
Net assets released from restrictions used for operations	1,789,791	1,406,806
Total revenues and other support	<u>240,900,392</u>	<u>219,223,041</u>
Expenses:		
Professional care of residents	73,484,540	66,901,503
Resident services	5,213,384	5,097,537
Dining services	31,214,164	30,488,612
Operation and maintenance of facility	43,305,625	41,330,771
Housekeeping and laundry	9,069,489	8,589,120
Administrative and general	38,647,176	36,018,646
Resident assistance and program services	546,054	723,554
Marketing	8,740,090	10,491,342
Insurance	6,041,781	5,392,545
Interest	15,602,590	15,192,134
Credit loss expense	3,231,353	2,517,708
Total expenses	<u>235,096,246</u>	<u>222,743,472</u>
Operating gain (loss)	5,804,146	(3,520,431)
Net unrealized gains on investments	8,484,133	12,717,117
Net realized gains on investments	3,658,516	1,748,900
Amortization of entrance fees	26,684,768	23,589,061
Change in fair value of derivative financial instruments	1,597,441	(2,217,935)
Gain on disposal of capital lease asset and liability	1,427,848	-
Loss on disposal of fixed assets	-	(15,403)
Gain on forgiveness of debt	778,680	2,000,000
Equity distribution from limited partner	86,330	-
Depreciation and amortization	(43,255,973)	(41,855,237)
Revenues and other support in excess of (less than) expenses	<u>5,265,889</u>	<u>(7,553,928)</u>
Pension liability adjustment	(40,107)	(54,784)
Change in net deficit without donor restrictions	<u>5,225,782</u>	<u>(7,608,712)</u>
Changes in Net Assets With Donor Restrictions		
Contributions	2,617,154	1,758,513
Change in value of split-interest agreements	60,166	198,694
Investment gains	985,294	1,037,429
Net unrealized loss on investments	(14,590)	(26,079)
Change in value of perpetual trusts	234,638	280,260
Net assets released from restrictions used for operations	(1,789,791)	(1,406,806)
Change in net assets with donor restrictions	<u>2,092,871</u>	<u>1,842,011</u>
Change in net deficit	<u>7,318,653</u>	<u>(5,766,701)</u>
Net Deficit, Beginning	<u>(87,289,867)</u>	<u>(81,523,166)</u>
Net Deficit, Ending	<u>\$ (79,971,214)</u>	<u>\$ (87,289,867)</u>

See notes to consolidated financial statements

Springpoint Senior Living, Inc. and Affiliates

Consolidated Statements of Cash Flows

Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities		
Change in net deficit	\$ 7,318,653	\$ (5,766,701)
Adjustments to reconcile change in net deficit to net cash provided by operating activities:		
Change in value of split-interest agreements	(60,166)	(198,694)
Net change in fair value of derivative financial instruments	(1,597,441)	2,217,935
Depreciation and amortization	43,255,973	41,855,237
Loss on disposal of fixed assets	-	15,403
Net realized and unrealized gains on investments	(12,128,059)	(14,439,938)
Amortization of entrance fees	(26,684,768)	(23,589,061)
Interest component of deferred financing costs	478,414	563,991
Amortization of bond premium	(634,665)	(645,275)
Net cash received under nonrefundable entrance fee plans	38,790,216	28,226,807
Change in investments held by others under split-interest agreements	(56,027)	(74,195)
Change in beneficial interest in perpetual trusts	493,034	(280,260)
Changes in assets and liabilities:		
Accounts receivable, net	820,113	(699,004)
Other current assets	(6,354,983)	5,029,299
Other assets	(2,202,199)	(499,373)
Accounts payable	3,916,855	971,918
Accrued expenses	(269,699)	(5,463,408)
Residents' deposits	1,043,428	188,813
Other liabilities	531,401	1,225,199
Net cash provided by operating activities	46,660,080	28,638,693
Cash Flows From Investing Activities		
Net purchases of investments and assets whose use is limited	4,087,230	8,099,337
Payment of construction payable for property and equipment	(399,686)	(1,378,026)
Purchases of property and equipment	(42,153,591)	(22,106,008)
Net cash used in investing activities	(38,466,047)	(15,384,697)
Cash Flows From Financing Activities		
Payment of long-term debt and financing lease obligation	(27,527,515)	(31,093,128)
Proceeds from long-term debt	29,167,500	23,000,000
Borrows from line of credit	-	10,000,000
Proceeds from termination of derivative instrument	-	1,284,000
Forgiveness of debt	(778,680)	(2,000,000)
Write off capital lease asset and liability, net	(1,427,848)	-
Net cash paid under refundable entrance fee plans	(2,530,991)	(4,384,372)
(Payments) receipts under deferred gift agreements and split-interest agreements	(41,392)	59,141
Payment of deferred financing costs	(498,065)	(727,973)
Net cash used in financing activities	(3,636,991)	(3,862,332)
Net increase in cash, cash equivalents and restricted cash and cash equivalents	4,557,042	9,391,664
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	87,765,770	78,374,106
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	<u>\$ 92,322,812</u>	<u>\$ 87,765,770</u>
Supplemental Disclosure of Cash Flow Information		
Interest paid	<u>\$ 15,362,521</u>	<u>\$ 14,966,824</u>
Supplemental Disclosure of Noncash Activities		
Financing lease obligation incurred for property and equipment	<u>\$ 142,796</u>	<u>\$ -</u>
Construction payable for property and equipment	<u>\$ 1,403,652</u>	<u>\$ 399,686</u>
Reconciliation of Cash, Cash Equivalents and Restricted Cash and Cash Equivalents		
Cash and cash equivalents	\$ 59,126,020	\$ 57,742,556
Cash and cash equivalents included in the current portion of assets whose use is limited	1,920,101	1,543,948
Cash and cash equivalents included in assets whose use is limited	31,276,691	28,479,266
Total cash, cash equivalents and restricted cash and cash equivalents	<u>\$ 92,322,812</u>	<u>\$ 87,765,770</u>

See notes to consolidated financial statements

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

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, 2024 and 2023

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

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

The Partnerships are operating pursuant to a partnership agreement. Effective December 31, 2024, Partnership agreements for Asbury and Mount Holly were amended and restated to reflect the transfer of the limited partner ownership from Columbia Housing/PNC Multifamily Capital Institutional Fund XXXVI / PNC Multifamily Capital Institutional Fund XL Limited Partnership (PNC) and Enterprise Housing Alliance Fund L.P. (Enterprise), respectively, to Springpoint at Tinton Falls, Inc. (Tinton Falls), an affiliate of the general partner. This transfer of funds related to the ownership change occurred outside of the Partnership. Prior to December 31, 2024, profits and losses from project operations and cash flows, to the extent available, were allocated as follows in accordance with the partnership agreements:

To the Asbury limited partner, PNC 99.99%

To the Asbury general partner, Affordable Housing Solutions, Inc. 0.01%

To the Mount Holly limited partner, Enterprise 99.99%

To the Mount Holly general partner, Affordable Housing Solutions, Inc. 0.01%

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements

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Effective December 31, 2024, profits and losses from project operations and cash flows for both Asbury and Mount Holly, to the extent available, are allocated as follows in accordance with the partnership agreement:

To the limited partner, Springpoint at Tinton Falls, Inc. 99.999%

To the general partner, Affordable Housing Solutions, Inc. 0.001%

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

	Total	Controlling Interest	Noncontrolling Interest
Balances at January 1, 2023	\$ (416,763)	\$ 1,127,198	\$ (1,543,961)
Revenues less than expenses	(2,826,905)	(288)	(2,826,617)
Capital contributions (distributions)	58,165	58,165	-
Balances at December 31, 2023	(3,185,503)	1,185,075	(4,370,578)
Revenues less than expenses	(2,760,153)	(269)	(2,759,884)
Capital contributions	166,136	68,950	97,186
Transfer of limited partner interest	7,929,236	(2,680,807)	10,610,043
Balances at December 31, 2024	<u>\$ 2,149,716</u>	<u>\$ (1,427,051)</u>	<u>\$ 3,576,767</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. 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.

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

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.

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 credit loss 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 2024 and 2023.

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Notes to Consolidated Financial Statements

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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 2024 and 2023, 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 2024 and 2023.

In 2024, 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 2024 for the Moorings, the Oaks and Winchester Gardens. 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. As such, no impairment losses were recorded in 2023.

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

Other Assets, Net

Included in other assets, net are project acquisition costs, tax credit monitoring fees, purchased licenses and deferred marketing costs.

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, 2024 and 2023, the project acquisition costs, net of accumulated amortization, were \$311,727 and \$398,083, respectively. Accumulated amortization at December 31, 2024 and 2023 was \$551,833 and \$1,042,421, respectively. During 2024, fully amortized project acquisition costs were written off, reducing accumulated depreciation by \$576,944.

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, 2024 and 2023, tax credit fees, net of accumulated amortization, were \$33,419 and \$60,267, respectively. Accumulated amortization at December 31, 2024 and 2023 was \$438,027 and \$592,019, respectively. During 2024, fully amortized tax credit fees were written off, reducing accumulated depreciation by \$180,840.

Also included in other assets as of December 31, 2024 and 2023 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.

Capitalized marketing costs represent direct marketing costs incurred to market new Independent Living units. At December 31, 2024, the capitalized marketing costs, net of accumulated amortization, were \$1,439,627. Accumulated amortization at December 31, 2024 is \$205,660.

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 the change in net assets with donor restriction.

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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, 2024 and 2023 were \$307,982,570 and \$315,447,084, respectively. The refundable entrance fees and deferred revenue from entrance fees reported on the consolidated balance sheets totaling \$462,251,267 and \$452,676,810 as of December 31, 2024 and 2023, 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, 2024 and 2023.

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 Manalapan 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 \$16,056,177 and \$14,458,736 at December 31, 2024 and 2023, 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 2024 or 2023.

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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.

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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 \$26,684,768 in 2024 and \$23,589,061 in 2023.

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 \$23,369,000 in 2024 and \$22,782,000 in 2023 is recognized monthly over the lease term at the amounts due. These amounts are included in self-pay residential facilities in Note 3.

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Notes to Consolidated Financial Statements

December 31, 2024 and 2023

Performance Indicator

Operating gain (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 in excess of (less than) expenses as the performance indicator. Changes in net deficit without donor restrictions which are excluded from revenues and other support in excess of (less than) expenses, consistent with industry practice, include the pension liability adjustment.

Malpractice

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

Income Taxes

The member entities of the Company, except for PSL, PTS, AHS, MHS, WSC, 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 2024 and 2023.

Reclassification

Certain 2024 amounts have been reclassified to conform to the 2023 consolidated financial statements presentation.

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:

	2024			
	Healthcare Facilities	Services to Residents	Residential Facilities	Total
Self-pay	\$ 65,344,049	\$ 15,333,780	\$ 110,278,865	\$ 190,956,694
Medicare and other	26,710,764	-	-	26,710,764
Medical assistance	10,483,112	-	-	10,483,112
Amortization of nonrefundable entrance fees	-	-	26,684,768	26,684,768
Total	<u>\$ 102,537,925</u>	<u>\$ 15,333,780</u>	<u>\$ 136,963,633</u>	<u>\$ 254,835,338</u>

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	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>

Contract Balances

Contract assets represent the Company's right to consideration in exchange for goods or services that the Company has transferred to a resident when that right is conditioned on something other than the passage of time (for example, future performance obligations). Contract liabilities represent the Company's obligation to transfer goods or services to a resident for which the Company has received consideration (or the amount is due) from the resident.

The Company's ending contract assets and (liabilities) are separately presented on the balance sheets as of December 31, 2024 and 2023. Contract assets and (liabilities) as of December 31, 2022 were as follows:

Resident accounts receivable, net	\$ 14,252,863
Residents' deposits	(3,762,004)
Deferred revenues from entrance fees	(128,926,514)
Refundable entrance fees	(323,496,922)

4. Investments

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

	2024	2023
Cash and cash equivalents	\$ 5,412,089	\$ 3,723,416
Commingled funds	16,277,776	15,985,311
Fixed income mutual funds	33,762,853	30,703,387
Equity mutual funds	73,451,856	67,638,425
Total	<u>\$ 128,904,574</u>	<u>\$ 118,050,539</u>

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Notes to Consolidated Financial Statements

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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:

	2024	2023
Cash and cash equivalents	\$ 33,196,792	\$ 30,023,214
Fixed income mutual funds	11,808,329	13,244,787
Equity mutual funds	16,167,564	16,751,705
Fixed income	1,183,995	1,395,651
Commingled funds	5,512,193	6,189,895
Total	67,868,873	67,605,252
Less current portion	1,920,101	1,543,948
Assets whose use is limited, noncurrent	\$ 65,948,772	\$ 66,061,304

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

	2024	2023
Bond indenture agreements	\$ 12,689,029	\$ 9,988,623
Liquid reserve	22,281,287	26,251,923
HUD reserve funds	7,192,246	7,230,138
LIHTC reserve funds	9,696,068	10,257,737
Residents' Assistance Fund	3,272,127	3,026,510
Residents' deposits	2,768,007	2,366,680
Other donor restricted funds	5,733,444	4,854,252
Deferred SERP compensation	4,165,710	3,561,014
Construction fund escrow	70,955	68,375
Total	\$ 67,868,873	\$ 67,605,252

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.

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

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

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

	2024			
	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	\$ 2,308,554	\$ 2,308,554	\$ -	\$ -
Large cap	53,968,174	53,968,174	-	-
Small cap	13,555,654	13,555,654	-	-
International	19,787,038	19,787,038	-	-
Fixed income mutual funds,				
Core	45,571,182	45,571,182	-	-
Fixed income	1,183,995	-	1,183,995	-
Investments held under				
split-interest agreements	3,284,841	-	3,284,841	-
Investments held by others				
under split-interest				
agreements	1,078,443	-	-	1,078,443
Beneficial interest in				
perpetual trusts	2,928,612	-	-	2,928,612
	143,666,493	\$ 135,190,602	\$ 4,468,836	\$ 4,007,055
Cash and cash equivalents	38,608,881			
Total	\$ 182,275,374			
Interest rate swap agreements	\$ 16,056,177	\$ -	\$ 16,056,117	\$ -

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	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 assets	\$ 171,112,737			
Interest rate swap agreements	\$ 14,458,736	\$ -	\$ 14,458,736	\$ -

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

	2024	2023
Current portion of assets whose use is limited	\$ 1,920,101	\$ 1,543,948
Investments	128,904,574	118,050,539
Assets whose use is limited	65,948,772	66,061,304
Investments held under split-interest agreements	3,284,841	3,188,090
Investments held by others under split-interest agreements	1,078,443	1,022,416
Beneficial interest in perpetual trusts	2,928,612	3,421,646
	204,065,343	193,287,943
Less commingled funds, measured at net asset value	21,789,969	22,175,206
Total	\$ 182,275,374	\$ 171,112,737

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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:

	2024	2023
Beginning balance	\$ 1,022,416	\$ 948,221
Net valuation gain	56,027	74,195
Ending balance	<u>\$ 1,078,443</u>	<u>\$ 1,022,416</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:

	2024	2023
Beginning balance	\$ 3,421,646	\$ 3,141,386
Net valuation (loss) gain	(493,034)	280,260
Ending balance	<u>\$ 2,928,612</u>	<u>\$ 3,421,646</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, 2024 and 2023.

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.

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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, 2024.

	December 31, 2024 Fair Value	December 31, 2023 Fair Value	Redemption Frequency (if Currently Eligible)	Redemption Notice Periods
Equity funds	\$ 7,520,409	\$ 7,233,944	Monthly	6-15 days
Fixed income funds	14,269,560	14,941,262	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:

	2024	2023
Land and land improvements	\$ 49,420,512	\$ 48,110,175
Buildings and improvements	672,669,422	657,696,105
Rental property	225,614,582	224,288,420
Furniture and fixtures	12,359,448	11,228,717
Equipment	42,204,452	68,451,226
Leasehold improvements	236,291	348,178
Total	1,002,504,707	1,010,122,821
Less accumulated depreciation	(500,869,763)	(490,484,151)
Construction in progress	2,085,878	1,941,924
Property and equipment, net	\$ 503,720,822	\$ 521,580,594

Equipment includes equipment held under financing lease obligations with a carrying value of \$281,243 and \$19,467,637 at December 31, 2024 and 2023, respectively.

Included in construction in progress is \$77,292 and \$81,930 of capitalized interest as of December 31, 2024 and 2023, respectively.

Depreciation expense was \$42,932,061 and \$40,351,455 during 2024 and 2023, respectively. During 2024, certain property and equipment was disposed of, reducing accumulated depreciation by \$32,546,449.

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8. Long-Term Debt

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

	2024	2023
Affordable Housing Program loan due May 6, 2026, bearing no interest.	\$ 800,000	\$ 1,578,680
Asbury, First mortgage (Tranche A) payable in monthly installments with interest at 5.9% per annum through 2050.	7,910,160	8,039,063
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, under the terms of the loan, a full release of the mortgage was obtained in 2024 due to the project being maintained as an affordable property for 15 years.	-	4,150,000
Butler, First mortgage payable in monthly installments with interest at 2.72% per annum through 2057.	8,728,885	8,894,503
Howell, First mortgage payable in monthly installments with interest at 2.73% per annum through 2057.	8,676,043	8,840,346
Wall, First mortgage payable in monthly installments with interest at 2.98% per annum through 2033.	5,979,834	6,119,823
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.	5,509,557	5,708,599

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	<u>2024</u>	<u>2023</u>
Ramsey, First mortgage payable in monthly installments with interest at 3.14% per annum through 2033.	\$ 10,519,772	\$ 10,767,291
Heritage at Whiting, First mortgage note I, payable in monthly installments with interest at 4.35% per annum through 2037.	349,247	369,145
Heritage at Whiting, mortgage payable, at 1% interest. 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, 2024, the rate was 5.13%.	26,961,000	27,205,000
Taxable Term Loan, issued on behalf of Winchester Gardens, 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, 2024, the rate was 6.17%.	22,864,000	23,824,000
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	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%.	13,270,000	13,980,000
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%.	108,474,979	110,690,000
Taxable Series 2021 Term Loan, issued on behalf of the Obligated Group, with maturities through 2051 and interest at the sum of 1-month SOFR Rate Index plus 210.7 basis points. At December 31, 2024, the rate was 6.63%.	27,649,599	28,288,461
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, 2024, the rate was 6.64%.	50,822,998	51,965,594
National Finance Authority, Series 2024 Variable Rate Revenue Bonds, issued on behalf of Manalapan with maturities through 2056 and interest at the sum of 1-month SOFR Rate Index x 80% plus 160 basis points. As of December 31, 2024, the rate was 5.22%.	13,387,500	-

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	<u>2024</u>	<u>2023</u>
Bank Loan, issued on behalf of Springpoint at Home, with maturities through 2025 and interest at 4.75%.	\$ 54,377	\$ 258,735
Financing lease obligations	285,389	20,615,597
Total	353,350,895	372,402,392
Less:		
Deferred finance cost, net	5,776,044	5,756,393
Unamortized bond premium	(9,346,517)	(9,981,182)
Current maturities	8,873,107	7,669,109
Long-term debt, net	<u>\$ 348,048,261</u>	<u>\$ 368,958,072</u>

The Company has entered into a note agreement with a bank under the Affordable Housing Program (AHP) of the Federal Home Loan Bank of New York whereby the bank advanced to the Company an amount not to exceed \$800,000 for the development of Manchester Pines. The note is collateralized by a security agreement on the real estate owned by the Company. The note bears no interest and is 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 date of the note is May 6, 2026. If the Company defaults on the notes, interest will be payable at a default rate of interest and shall be due on demand.

Dover had entered into a loan agreement under the AHP of the Federal Home Loan Bank of New York whereby the bank advanced to Dover \$778,680 for the development of the Project. The note was collateralized by a security agreement on the real estate owned by Dover. The note did not bear interest and was not required to be repaid so long as the housing remained available to eligible very low-income elderly persons or very low-income persons for a period of 15 years in accordance with Federal regulations which govern the operations of AHP. The expiration of this 15-year period occurred during 2024 and as such, Dover recognized debt forgiveness of \$778,680 for the year ended December 31, 2024.

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 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.

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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.

During 2024, Manalapan entered into an agreement with a bank for a loan in the amount of \$15,780,000 (Bridge Loan). Proceeds from the Bridge Loan were used to temporarily fund the acquisition of an 80-bed assisted living and memory care facility and related improvements. The Bridge Loan was paid in full in 2024 with proceeds from the Series 2024 Bonds.

On November 14, 2024, the National Finance Authority issued on behalf of Manalapan, \$13,387,500 Series 2024 Bonds (Series 2024 Bonds). Proceeds from the Series 2024 Bonds were used to finance the cost of the acquisition of an approximately 55,000 square-foot, 80-bed assisted living and memory care facility and related improvements, located on approximately 8 acres of land in the Township of Manalapan, Monmouth County, New Jersey; and paying for costs related to issuance of the 2024 Bond. The Series 2024 Bonds are collateralized by substantially all property and equipment of Manalapan and a pledge of gross receipts.

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, 2024 and 2023, deferred financing costs, net of accumulated amortization, were \$5,776,044 and \$5,756,393, respectively. Accumulated amortization at December 31, 2024 and 2023 is \$1,644,297 and \$1,382,013, respectively.

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Scheduled maturities of long-term debt are as follows:

Years ending December 31:	
2025	\$ 8,873,107
2026	8,434,462
2027	8,897,817
2028	9,114,792
2029	9,439,351
Thereafter	<u>308,591,366</u>
Total	<u>\$ 353,350,895</u>

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, 2024 and 2023 were \$10,000,000. The Line is collateralized by substantially all property and equipment and a pledge of gross receipts and all net entrance fees. On May 12, 2025, the maturity date of the Line was extended two additional years to December 31, 2027 and the principal amount available was increased to \$20,000,000.

10. Derivative Financial Instruments

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

The Obligated Group, Winchester Gardens and Manalapan 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 \$1,597,441 in 2024 and (\$2,217,935) in 2023.

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Notes to Consolidated Financial Statements

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As of December 31, 2024, the Obligated Group had the following interest rate swaps in effect:

Notional Amount	Fixed Rate	Variable Rate	Period
\$ 27,649,601	3.391 %	1-month SOFR Rate Index plus 210.7 basis points (6.63% at December 31, 2024)	February 2021 to February 2033
50,822,998	3.58 %	1-month SOFR Rate Index plus 211.4 basis points (6.64% at December 31, 2024)	February 2021 to February 2036

The fair value of the interest rate swap agreements was \$14,921,553 at December 31, 2024 and 13,298,805 at December 31, 2023 and was obtained from the financial institution.

As of December 31, 2024, Winchester Gardens had the following interest rate swaps in effect:

Notional Amount	Fixed Rate	Variable Rate	Period
\$ 26,961,000	3.84 %	1-month SOFR x 83.86% plus 131.05 basis points (5.13% at December 31, 2024)	July 2023 to November 2029
14,078,816	3.80 %	1-month SOFR plus 161.4 basis points (6.17% at December 31, 2024)	July 2023 to September 2026

The fair value of the interest rate swap agreements was \$1,257,585 at December 31, 2024 and \$1,159,931 at December 31, 2023 and was obtained from the financial institution.

As of December 31, 2024, Manalapan had the following interest rate swaps in effect:

Notional Amount	Fixed Rate	Variable Rate	Period
\$ 13,387,500	4.964 %	USD-SOFR CME x 80% plus 160 basis points (5.22% at December 31, 2024)	November 2024 to December 2031

The fair value of the interest rate swap agreements was (\$122,961) at December 31, 2024 and was obtained from the financial institution.

In connection with the Series 2015 Bonds refunding, 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.

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Notes to Consolidated Financial Statements

December 31, 2024 and 2023

11. Net Assets With Donor Restrictions

Net assets with donor restrictions of \$15,234,806 and \$13,141,935 at December 31, 2024 and 2023, 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:

	2024	2023
Split-interest agreements	\$ 1,850,836	\$ 1,790,670
Restricted for the benefit of residents and community needs	13,383,970	11,351,265
Total	<u>\$ 15,234,806</u>	<u>\$ 13,141,935</u>

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, 2024 and 2023, 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 \$537,000 and \$468,000 at December 31, 2024 and 2023, 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 \$4,139,000 and \$3,561,000 at December 31, 2024 and 2023, respectively, which is included in other liabilities on the consolidated balance sheets.

Pension expense under the Plan and the SERP was approximately \$1,960,000 and \$1,859,000 for the years ended December 31, 2024 and 2023, respectively.

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

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Notes to Consolidated Financial Statements

December 31, 2024 and 2023

The following table shows the Union Plan's projected benefit obligation and fair value of plan assets at December 31:

	2024	2023
Projected benefit obligation at end of year	<u>\$ 594,248</u>	<u>\$ 629,546</u>
Fair value of plan assets at end of year	<u>\$ 625,142</u>	<u>\$ 613,835</u>
Funded status at end of year	<u>\$ 30,894</u>	<u>\$ (15,711)</u>

Amounts recognized in the consolidated balance sheets at December 31:

	2024	2023
Other assets (accrued expenses)	\$ 30,894	\$ (15,711)

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

	2024	2023
Unrecognized net loss	\$ 49,593	\$ 60,787

A net actuarial loss of \$49,593 represents the unrecognized component of net periodic pension cost at December 31, 2024. 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, 2024 and 2023 is \$594,248 and \$629,546, 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:	
2025	\$ 270,000
2026	28,000
2027	55,000
2028	23,000
2029	22,000
Thereafter	<u>150,000</u>
Total	<u>\$ 548,000</u>

The Company anticipates making a contribution of \$16,287 to the Union Plan during 2025.

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, 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, 2024 and 2023.

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.

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Notes to Consolidated Financial Statements

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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 provide 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.

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 \$10,338,000 and \$10,452,000 for the years ended December 31, 2024 and 2023, 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:

	2024	2023
Medicare	17 %	19 %
Medicaid	7	7
Self-pay residents and other	76	74
Total	100 %	100 %

Meadow Lakes has entered into a collective bargaining agreement with the United Food and Commercial Workers Union, Local 152 (formerly Local 56) (the Agreement). The Agreement, which expires May 8, 2025, covered approximately 62% and 64% of Meadow Lakes' labor force in 2024 and 2023, respectively. Subsequent to year end, a new agreement expiring in May 2028 has been ratified.

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.

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Notes to Consolidated Financial Statements

December 31, 2024 and 2023

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:

	2024	2023
Cash and cash equivalents	\$ 59,126,020	\$ 57,742,556
Accounts receivable, net	14,131,754	14,951,867
Investments	128,904,574	118,050,539
Total	<u>\$ 202,162,348</u>	<u>\$ 190,744,962</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:

	2024			
	Program Services	Management and General	Fundraising	Total
Salary and wages	\$ 97,042,479	\$ 19,025,004	\$ -	\$ 116,067,483
Employee taxes and benefits	15,572,305	3,473,591	-	19,045,896
Food products	8,346,697	-	-	8,346,697
Supplies and maintenance	13,596,946	911,542	-	14,508,488
Contracted services	12,577,246	1,380,140	183,545	14,140,931
Utilities	10,985,981	107,447	-	11,093,428
Property taxes	8,747,116	-	-	8,747,116
Other	17,322,149	6,484,206	505,909	24,312,264
Depreciation and amortization	43,255,973	-	-	43,255,973
Interest expense	15,602,590	-	-	15,602,590
Credit loss expense	-	3,231,353	-	3,231,353
Total	<u>\$ 243,049,482</u>	<u>\$ 34,613,283</u>	<u>\$ 689,454</u>	<u>\$ 278,352,219</u>

Springpoint Senior Living, Inc. and Affiliates

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

	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	18,552,336	5,916,925	522,005	24,991,266
Depreciation and amortization	41,855,237	-	-	41,855,237
Interest expense	15,192,134	-	-	15,192,134
Credit loss expense	-	2,517,708	-	2,517,708
Total	<u>\$ 232,391,387</u>	<u>\$ 31,685,317</u>	<u>\$ 522,005</u>	<u>\$ 264,598,709</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 16, 2025, which is the date the consolidated financial statements were issued.

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Consolidating Schedule, Balance Sheet

December 31, 2024

	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	\$ 43,178,162	\$ 432,527	\$ 3,615,806	\$ 505,656	\$ 11,393,869	\$ 59,126,020	\$ -	\$ 59,126,020
Current portion of assets whose use is limited	1,668,543	-	-	251,558	-	1,920,101	-	1,920,101
Accounts receivable, net	12,327,548	75,393	175,998	1,552,815	-	14,131,754	-	14,131,754
Due from affiliates	-	-	-	272,343	16,093,779	16,366,122	(16,566,122)	(200,000)
Other current assets	6,534,293	29,881	789,366	748,327	5,533,236	13,635,103	(34,670)	13,600,433
Total current assets	63,708,546	537,801	4,581,170	3,330,699	33,020,884	105,179,100	(16,600,792)	88,578,308
Investments	86,088,420	-	-	1,749,325	48,514,905	136,352,650	(7,448,076)	128,904,574
Assets Whose Use is Limited	30,780,749	7,475,107	10,261,113	4,170,951	13,260,852	65,948,772	-	65,948,772
Investments Held Under Split-Interest Agreements	-	-	-	-	3,284,841	3,284,841	-	3,284,841
Investments Held by Others Under Split-Interest Agreements	-	-	-	-	1,078,443	1,078,443	-	1,078,443
Beneficial Interest in Perpetual Trusts	-	-	-	-	3,656,284	3,656,284	(727,672)	2,928,612
Due From Other Affiliates	-	-	-	-	20,495,553	20,495,553	(20,495,553)	-
Notes Receivable	-	-	-	-	10,136,091	10,136,091	(10,136,091)	-
Loans Receivable From Affiliate	-	-	-	-	28,444,404	28,444,404	(28,444,404)	-
Property and Equipment, Net	340,976,990	44,038,946	82,910,345	37,212,363	7,428,954	512,567,598	(8,846,776)	503,720,822
Goodwill, Net	58,843,181	-	-	5,539,449	-	64,382,630	-	64,382,630
Derivative Financial Instruments	14,276,967	-	-	(122,961)	1,902,171	16,056,177	-	16,056,177
Other Assets, Net	1,805,628	85,813	33,419	3,636,462	5,090,005	10,651,327	(6,923,639)	3,727,688
Total assets	\$ 596,480,481	\$ 52,137,667	\$ 97,786,047	\$ 55,516,288	\$ 176,313,387	\$ 978,233,870	\$ (99,623,003)	\$ 878,610,867

Springpoint Senior Living, Inc. and Affiliates

Consolidating Schedule, Balance Sheet

December 31, 2024

	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	\$ 7,181,663	\$ -	\$ 1,111,438	\$ 134,984	\$ 445,022	\$ 8,873,107	\$ -	\$ 8,873,107
Construction payable	1,403,652	-	-	-	-	1,403,652	-	1,403,652
Accounts payable	6,330,326	347,162	491,326	1,455,059	1,176,766	9,800,639	-	9,800,639
Accrued expenses	9,170,187	283,724	1,700,672	1,636,865	10,092,817	22,884,265	-	22,884,265
Due to affiliates	16,420,437	243,747	2,843,450	2,786,421	2,856,903	25,150,958	(26,750,296)	(1,599,338)
Residents' deposits	4,146,338	282,862	565,045	-	-	4,994,245	-	4,994,245
Total current liabilities	44,652,603	1,157,495	6,711,931	6,013,329	14,571,508	73,106,866	(26,750,296)	46,356,570
Long-Term Debt and Financing Lease Obligations	231,127,801	800,000	63,021,671	35,378,686	17,720,103	348,048,261	-	348,048,261
Line of Credit	2,616,954	-	-	-	7,383,046	10,000,000	-	10,000,000
Notes Payable to Affiliate	24,960,000	-	30,640,286	714,313	2,770,091	59,084,690	(59,084,690)	-
Capital Advances	-	80,035,527	-	-	-	80,035,527	-	80,035,527
Due to Affiliates	5,288,925	-	-	6,473,257	-	11,762,182	(10,362,844)	1,399,338
Liability for Split-Interest Agreements and Deferred Gift Agreements	-	-	-	-	2,318,278	2,318,278	-	2,318,278
Deferred Revenue	110,112	-	-	-	4,007,588	4,117,700	(4,117,700)	-
Refundable Entrance Fees	301,546,370	-	-	71,980	-	301,618,350	-	301,618,350
Deferred Revenue From Entrance Fees	150,017,111	-	-	10,615,806	-	160,632,917	-	160,632,917
Other Liabilities	2,578,999	88,298	2,219,526	3,298,785	6,040,957	14,226,565	(6,053,725)	8,172,840
Total liabilities	762,898,875	82,081,320	102,593,414	62,566,156	54,811,571	1,064,951,336	(106,369,255)	958,582,081
Net Assets (Deficit)								
Net assets (deficit) without donor restrictions	(174,166,617)	(29,943,653)	(8,384,134)	(25,166,311)	131,404,004	(106,256,711)	7,473,924	(98,782,787)
Noncontrolling ownership interest in limited partnerships	-	-	3,576,767	-	-	3,576,767	-	3,576,767
Net assets with donor restrictions	543,223	-	-	3,425	15,415,830	15,962,478	(727,672)	15,234,806
Member's equity	7,205,000	-	-	18,113,018	(25,318,018)	-	-	-
Total net assets (deficit)	(166,418,394)	(29,943,653)	(4,807,367)	(7,049,868)	121,501,816	(86,717,466)	6,746,252	(79,971,214)
Total liabilities and net assets (deficit)	\$ 596,480,481	\$ 52,137,667	\$ 97,786,047	\$ 55,516,288	\$ 176,313,387	\$ 978,233,870	\$ (99,623,003)	\$ 878,610,867

Springpoint Senior Living, Inc. and Affiliates

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

Year Ended December 31, 2024

	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	\$ 86,910,186	\$ 8,756,386	\$ 14,612,293	\$ -	\$ -	\$ 110,278,865	\$ -	\$ 110,278,865
Revenue from healthcare facilities	79,266,523	-	-	23,271,402	-	102,537,925	-	102,537,925
Services to residents	6,453,036	-	-	8,880,744	-	15,333,780	-	15,333,780
Developer and management fees	-	-	-	86,608	14,169,985	14,256,593	(14,256,593)	-
Contributions and bequests	839,784	-	-	290,050	1,273,377	2,403,211	(1,688,262)	714,949
Interest and dividends	2,645,310	3,616	97,224	56,620	1,211,226	4,013,996	(21,935)	3,992,061
Other revenue	1,476,562	70,785	320,227	57,245	915,704	2,840,523	3,412,498	6,253,021
Net assets released from restrictions used for operations	1,222,957	-	-	18,705	818,756	2,060,418	(270,627)	1,789,791
Total revenues and other support	178,814,358	8,830,787	15,029,744	32,661,374	18,389,048	253,725,311	(12,824,919)	240,900,392
Expenses:								
Professional care of residents	52,630,393	-	-	20,733,660	120,487	73,484,540	-	73,484,540
Resident services	4,920,895	-	-	292,489	-	5,213,384	-	5,213,384
Dining services	28,315,918	-	-	2,898,246	-	31,214,164	-	31,214,164
Operation and maintenance of facility	31,838,141	4,280,750	5,901,280	1,004,983	280,471	43,305,625	-	43,305,625
Housekeeping and laundry	8,373,124	-	-	696,365	-	9,069,489	-	9,069,489
Administrative and general	17,637,782	3,107,666	2,983,353	4,597,659	10,984,869	39,311,329	(664,153)	38,647,176
Resident assistance and program services	-	-	-	-	2,504,943	2,504,943	(1,958,889)	546,054
Marketing	6,382,002	-	-	1,000,043	1,358,045	8,740,090	-	8,740,090
Insurance	3,316,438	897,658	1,143,831	460,888	222,966	6,041,781	-	6,041,781
Springpoint Senior Living, Inc. management fee	11,996,174	579,595	814,259	198,585	807,245	14,395,858	(14,395,858)	-
Interest	9,153,276	22,748	2,876,638	2,993,431	1,378,958	16,425,051	(822,461)	15,602,590
Credit loss expense	2,405,523	-	-	825,830	-	3,231,353	-	3,231,353
Total expenses	176,969,666	8,888,417	13,719,361	35,702,179	17,657,984	252,937,607	(17,841,361)	235,096,246
Operating income (loss)	1,844,692	(57,630)	1,310,383	(3,040,805)	731,064	787,704	5,016,442	5,804,146
Unrealized losses on investments	4,858,661	-	-	117,935	3,507,537	8,484,133	-	8,484,133
Net realized gains on investments	2,494,545	-	-	56,361	1,107,610	3,658,516	-	3,658,516
Amortization of entrance fees	25,649,074	-	-	1,035,694	-	26,684,768	-	26,684,768
Change in fair value of derivative financial instruments	1,538,174	-	-	(122,961)	182,228	1,597,441	-	1,597,441
Gain on disposal of capital lease asset and liability	-	-	-	1,427,848	-	1,427,848	-	1,427,848
Gain (loss) on disposal of fixed assets	-	-	-	-	-	-	-	-
Gain on forgiveness of debt	-	778,680	-	-	-	778,680	-	778,680
Net asset transfer	-	-	(657,180)	4,946,117	(4,151,037)	137,900	(137,900)	-
Equity distribution to limited partner	-	-	86,330	-	-	86,330	-	86,330
Depreciation and amortization	(35,096,430)	(2,578,132)	(3,812,209)	(1,982,872)	(216,982)	(43,686,625)	430,652	(43,255,973)
Revenues and other support in excess of (less than) expenses	1,288,716	(1,857,082)	(3,072,676)	2,437,317	1,160,420	(43,305)	5,309,194	5,265,889
Pension liability adjustment	(40,107)	-	-	-	-	(40,107)	-	(40,107)
Increase (decrease) in net assets (deficit) without donor restrictions	\$ 1,248,609	\$ (1,857,082)	\$ (3,072,676)	\$ 2,437,317	\$ 1,160,420	\$ (83,412)	\$ 5,309,194	\$ 5,225,782

Springpoint Senior Living, Inc. and Affiliates

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

Year Ended December 31, 2024

	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	\$ 1,134,998	\$ -	\$ -	\$ 22,130	\$ 1,730,653	\$ 2,887,781	\$ (270,627)	\$ 2,617,154
Change in value of split-interest agreements	-	-	-	-	60,166	60,166	-	60,166
Investment income	41,060	-	-	-	944,234	985,294	-	985,294
Net unrealized loss on investments	(14,590)	-	-	-	-	(14,590)	-	(14,590)
Change in value of perpetual trusts	-	-	-	-	279,295	279,295	(44,657)	234,638
Net assets released from restrictions for operations	(1,222,957)	-	-	(18,705)	(818,756)	(2,060,418)	270,627	(1,789,791)
Increase (decrease) in net assets with donor restrictions	(61,489)	-	-	3,425	2,195,592	2,137,528	(44,657)	2,092,871
Change in net assets (deficit)	1,187,120	(1,857,082)	(3,072,676)	2,440,742	3,356,012	2,054,116	5,264,537	7,318,653
Net Assets (Deficit), Beginning	(167,605,514)	(28,086,571)	(1,734,691)	(9,490,610)	118,145,804	(88,771,582)	1,481,715	(87,289,867)
Net Assets (Deficit), Ending	<u>\$ (166,418,394)</u>	<u>\$ (29,943,653)</u>	<u>\$ (4,807,367)</u>	<u>\$ (7,049,868)</u>	<u>\$ 121,501,816</u>	<u>\$ (86,717,466)</u>	<u>\$ 6,746,252</u>	<u>\$ (79,971,214)</u>

Springpoint Senior Living, Inc. and Affiliates

Life Plan Communities, Combining Balance Sheet

December 31, 2024

	Atrium	Crestwood	Meadow Lakes	Monroe	The Moorings	The Oaks	Montgomery	Winchester Gardens	Combined Total
Assets									
Current Assets									
Cash and cash equivalents	\$ 8,379,783	\$ 2,400,930	\$ 6,611,908	\$ 138,686	\$ 7,126,356	\$ (5,725,313)	\$ 11,464,322	\$ 12,781,490	\$ 43,178,162
Current portion of assets whose use is limited	15,810	184,703	152,713	74,808	-	62,379	75,395	1,102,735	1,668,543
Accounts receivable, net	552,924	938,198	919,877	772,898	2,988,043	2,992,218	1,394,228	1,769,162	12,327,548
Other current assets	419,598	604,876	826,307	507,761	489,266	687,693	936,225	2,062,567	6,534,293
Total current assets	9,368,115	4,128,707	8,510,805	1,494,153	10,603,665	(1,983,023)	13,870,170	17,715,954	63,708,546
Investments	4,577,156	5,767,970	-	-	8,173,153	-	58,083,458	9,486,683	86,088,420
Assets Whose Use is Limited	2,808,490	2,565,498	4,275,962	2,871,061	4,492,281	4,082,967	5,756,892	3,927,598	30,780,749
Property and Equipment, Net	46,908,640	19,518,981	37,630,839	24,639,556	34,750,021	71,531,821	55,695,614	50,301,518	340,976,990
Goodwill, Net	-	-	-	675,588	19,297,864	29,121,740	-	9,747,989	58,843,181
Derivative Financial Instruments	1,919,175	4,806,914	1,576,034	1,377,382	-	3,339,877	-	1,257,585	14,276,967
Other Assets, Net	165,343	62,208	238,115	258,484	420,009	234,142	253,559	173,768	1,805,628
Total assets	<u>\$ 65,746,919</u>	<u>\$ 36,850,278</u>	<u>\$ 52,231,755</u>	<u>\$ 31,316,224</u>	<u>\$ 77,736,993</u>	<u>\$ 106,327,524</u>	<u>\$ 133,659,693</u>	<u>\$ 92,611,095</u>	<u>\$ 596,480,481</u>

Springpoint Senior Living, Inc. and Affiliates

Life Plan Communities, Combining Balance Sheet

December 31, 2024

	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	\$ 614,428	\$ 592,664	\$ 577,924	\$ 215,359	\$ 745,000	\$ 825,618	\$ 969,976	\$ 2,640,694	\$ 7,181,663
Construction payable	221,173	40,356	605,353	125,967	-	-	39,533	371,270	1,403,652
Accounts payable	456,574	572,229	957,241	1,426,631	242,637	873,452	1,002,783	798,779	6,330,326
Accrued expenses	929,551	650,644	1,666,959	333,237	1,077,366	1,480,225	2,077,838	954,367	9,170,187
Due to (from) affiliates	953,906	171,850	330,548	465,169	184,468	284,349	715,550	13,314,597	16,420,437
Residents' deposits	214,455	284,787	421,596	326,790	544,090	373,386	467,524	1,513,710	4,146,338
Total current liabilities	3,390,087	2,312,530	4,559,621	2,893,153	2,793,561	3,837,030	5,273,204	19,593,417	44,652,603
Long-Term Debt and Financing Lease Obligations	28,234,103	24,435,804	26,518,451	8,164,060	13,049,021	37,202,543	46,545,400	46,978,419	231,127,801
Line of Credit	-	-	-	-	-	2,616,954	-	-	2,616,954
Notes Payable to Affiliate	13,960,000	-	-	-	-	3,000,000	-	8,000,000	24,960,000
Due to Affiliates	5,288,925	-	-	-	-	-	-	-	5,288,925
Refundable Entrance Fees	33,335,259	6,275,387	32,289,360	25,502,989	38,622,431	52,156,192	65,579,965	47,784,787	301,546,370
Deferred Revenue From Entrance Fees	14,914,997	7,484,677	21,489,219	16,277,617	17,854,485	12,558,150	20,992,736	38,445,230	150,017,111
Deferred Revenue	-	-	-	33,333	-	58,121	-	18,658	110,112
Other Liabilities	2,381,716	-	-	-	-	-	-	197,283	2,578,999
Total liabilities	101,505,087	40,508,398	84,856,651	52,871,152	72,319,498	111,428,990	138,391,305	161,017,794	762,898,875
Net Assets (Deficit)									
Net (deficit) assets without donor restrictions	(35,768,681)	(3,738,753)	(32,704,791)	(21,803,554)	5,398,071	(12,338,802)	(4,781,458)	(68,428,649)	(174,166,617)
Net assets with donor restrictions	10,513	80,633	79,895	248,626	19,424	32,336	49,846	21,950	543,223
Member's equity	-	-	-	-	-	7,205,000	-	-	7,205,000
Total net assets (deficit)	(35,758,168)	(3,658,120)	(32,624,896)	(21,554,928)	5,417,495	(5,101,466)	(4,731,612)	(68,406,699)	(166,418,394)
Total liabilities and net assets (deficit)	\$ 65,746,919	\$ 36,850,278	\$ 52,231,755	\$ 31,316,224	\$ 77,736,993	\$ 106,327,524	\$ 133,659,693	\$ 92,611,095	\$ 596,480,481

Springpoint Senior Living, Inc. and Affiliates

Life Plan Communities, Combining Statement of Operations and Changes in Net Assets (Deficit)
Year Ended December 31, 2024

	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	\$ 8,139,507	\$ 7,714,334	\$ 13,798,625	\$ 9,743,182	\$ 6,608,974	\$ 11,327,432	\$ 16,717,095	\$ 12,861,037	\$ 86,910,186
Revenue from healthcare facilities	6,444,800	8,170,957	10,313,609	2,570,422	10,448,836	14,464,651	13,775,588	13,077,660	79,266,523
Services to residents	490,776	1,133,141	956,304	540,840	443,321	796,092	1,164,428	928,134	6,453,036
Contributions and bequests	112,579	109,761	133,616	97,286	17,271	152,573	131,355	85,343	839,784
Interest and dividends	228,959	293,532	249,620	47,195	215,132	48,943	1,274,146	287,783	2,645,310
Other revenue	2,699	94,965	20,433	95,347	102,433	698,894	126,182	335,609	1,476,562
Net assets released from restriction used for operations	142,069	118,926	152,321	142,431	67,988	129,894	300,251	169,077	1,222,957
Total revenues and other support	15,561,389	17,635,616	25,624,528	13,236,703	17,903,955	27,618,479	33,489,045	27,744,643	178,814,358
Expenses:									
Professional care of patients	4,783,487	6,218,461	7,855,827	1,825,984	5,569,599	11,176,546	8,165,609	7,034,880	52,630,393
Resident services	675,592	492,024	560,817	419,833	429,291	903,148	628,372	811,818	4,920,895
Dining services	2,358,248	3,398,409	4,563,698	3,311,017	2,650,268	3,411,067	4,315,124	4,308,087	28,315,918
Operation and maintenance of facility	2,773,320	2,707,581	5,799,962	3,466,542	2,003,280	4,529,382	4,649,450	5,908,624	31,838,141
Housekeeping and laundry	817,012	917,167	1,321,579	645,021	616,954	1,595,249	1,388,370	1,071,772	8,373,124
Administrative and general	1,514,275	2,196,249	2,309,439	2,861,307	1,602,192	2,266,292	2,366,462	2,521,566	17,637,782
Marketing	758,792	889,629	755,356	866,753	534,861	1,010,549	715,415	850,647	6,382,002
Insurance	306,044	370,631	503,280	308,208	257,484	583,275	425,271	562,245	3,316,438
Springpoint Senior Living, Inc. management fee	1,106,230	1,124,619	1,655,919	935,064	1,043,060	1,771,625	2,438,766	1,920,891	11,996,174
Interest	1,001,958	923,322	931,154	306,624	594,748	1,523,028	1,596,698	2,275,744	9,153,276
Credit loss expense	256,566	280,438	329,294	169,579	157,817	773,468	223,711	214,650	2,405,523
Total expenses	16,351,524	19,518,530	26,586,325	15,115,932	15,459,554	29,543,629	26,913,248	27,480,924	176,969,666
Operating (loss) income	(790,135)	(1,882,914)	(961,797)	(1,879,229)	2,444,401	(1,925,150)	6,575,797	263,719	1,844,692
Unrealized losses on investments	350,173	340,415	136,593	104,669	247,882	113,630	3,301,039	264,260	4,858,661
Net realized gains on investments	108,996	127,822	54,414	40,674	154,348	48,182	1,851,048	109,061	2,494,545
Amortization of entrance fees	3,307,025	1,514,808	3,020,726	3,025,193	2,640,463	3,047,430	3,838,161	5,255,268	25,649,074
Net change in fair value of derivative financial instruments	217,091	544,356	145,295	155,980	-	377,798	-	97,654	1,538,174
Loss on disposal of fixed assets	-	-	-	-	-	-	-	-	-
Depreciation and amortization	(2,954,010)	(3,569,337)	(5,162,547)	(3,224,746)	(2,109,101)	(4,572,502)	(6,478,462)	(7,025,725)	(35,096,430)
Revenues and other support (less than) in in excess of expenses	239,140	(2,924,850)	(2,767,316)	(1,777,459)	3,377,993	(2,910,612)	9,087,583	(1,035,763)	1,288,716
Pension liability adjustment	-	-	(40,107)	-	-	-	-	-	(40,107)
(Decrease) increase in net assets (deficit) without donor restrictions	\$ 239,140	\$ (2,924,850)	\$ (2,807,423)	\$ (1,777,459)	\$ 3,377,993	\$ (2,910,612)	\$ 9,087,583	\$ (1,035,763)	\$ 1,248,609

Springpoint Senior Living, Inc. and Affiliates

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

Year Ended December 31, 2024

	Atrium	Crestwood	Meadow Lakes	Monroe	The Moorings	The Oaks	Montgomery	Winchester Gardens	Combined Total
Changes in Net Assets with Donor Restrictions									
Contributions	\$ 108,355	\$ 121,396	\$ 166,393	\$ 108,949	\$ 73,485	\$ 128,894	\$ 277,605	\$ 149,921	\$ 1,134,998
Investment income	-	-	-	41,060	-	-	-	-	41,060
Net unrealized loss on investments	-	-	-	(14,590)	-	-	-	-	(14,590)
Net assets released from restriction used for operations	(142,069)	(118,926)	(152,321)	(142,431)	(67,988)	(129,894)	(300,251)	(169,077)	(1,222,957)
Increase (decrease) in net assets with donor restrictions	(33,714)	2,470	14,072	(7,012)	5,497	(1,000)	(22,646)	(19,156)	(61,489)
Change in net assets (deficit)	205,426	(2,922,380)	(2,793,351)	(1,784,471)	3,383,490	(2,911,612)	9,064,937	(1,054,919)	1,187,120
Net Assets (Deficit), Beginning	(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)
Net Assets (Deficit), Ending	<u>\$ (35,758,168)</u>	<u>\$ (3,658,120)</u>	<u>\$ (32,624,896)</u>	<u>\$ (21,554,928)</u>	<u>\$ 5,417,495</u>	<u>\$ (5,101,466)</u>	<u>\$ (4,731,612)</u>	<u>\$ (68,406,699)</u>	<u>\$ (166,418,394)</u>

Springpoint Senior Living, Inc. and Affiliates

Affordable Housing Communities: Combining Schedule, Balance Sheet

December 31, 2024

	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	\$ 65,826	\$ 57,989	\$ 78,958	\$ 58,154	\$ 16,008	\$ 88,958	\$ 17,798	\$ 16,266	\$ 12,139	\$ 20,431	\$ 432,527
Accounts receivable, net	551	12,267	9,275	5,327	1,783	180	6,469	24,270	5,640	9,631	75,393
Other current assets	6,288	3,602	4,362	3,104	2,036	2,161	1,913	2,109	2,289	2,017	29,881
Total current assets	72,665	73,858	92,595	66,585	19,827	91,299	26,180	42,645	20,068	32,079	537,801
Assets Whose Use is Limited	661,088	1,165,561	890,581	575,372	704,435	738,797	448,112	759,524	665,246	866,391	7,475,107
Property and Equipment, Net	8,549,095	1,783,033	4,104,775	4,932,684	2,922,538	9,353,653	1,971,976	1,919,088	4,683,408	3,818,696	44,038,946
Other Assets, Net	-	-	-	-	-	-	-	85,813	-	-	85,813
Total assets	\$ 9,282,848	\$ 3,022,452	\$ 5,087,951	\$ 5,574,641	\$ 3,646,800	\$ 10,183,749	\$ 2,446,268	\$ 2,807,070	\$ 5,368,722	\$ 4,717,166	\$ 52,137,667
Liabilities and Net Deficit											
Current Liabilities											
Accounts payable	\$ 17,998	\$ 29,760	\$ 41,767	\$ 59,734	\$ 25,347	\$30,240	\$ 24,400	\$ 34,787	\$45,050	\$ 38,079	\$ 347,162
Accrued expenses	34,166	29,267	21,879	22,108	36,905	37,611	19,564	31,856	31,812	18,556	283,724
Due to affiliates	16,759	18,430	24,207	17,007	22,632	17,445	13,527	57,685	16,507	39,548	243,747
Residents' deposits	37,371	30,908	18,159	26,691	32,505	35,792	22,676	29,978	33,116	15,666	282,862
Total current liabilities	106,294	108,365	106,012	125,540	117,389	121,088	80,167	154,306	126,485	111,849	1,157,495
Long-Term Debt	-	-	-	-	-	800,000	-	-	-	-	800,000
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	-	-	-	-	-	-	-	88,298	-	-	88,298
Total liabilities	10,918,394	5,882,065	8,285,112	8,892,940	7,551,389	12,560,488	5,354,894	6,513,204	7,996,385	8,126,449	82,081,320
Net Deficit											
Net deficit without donor restrictions	(1,635,546)	(2,859,613)	(3,197,161)	(3,318,299)	(3,904,589)	(2,376,739)	(2,908,626)	(3,706,134)	(2,627,663)	(3,409,283)	(29,943,653)
Total liabilities and net deficit	\$ 9,282,848	\$ 3,022,452	\$ 5,087,951	\$ 5,574,641	\$ 3,646,800	\$ 10,183,749	\$ 2,446,268	\$ 2,807,070	\$ 5,368,722	\$ 4,717,166	\$ 52,137,667

Springpoint Senior Living, Inc. and Affiliates

Affordable Housing Communities: Combining Schedule, Statement of Operations and Changes in Net Deficit
Year Ended December 31, 2024

	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	\$ 900,982	\$ 881,586	\$ 892,115	\$ 879,433	\$ 867,000	\$915,440	\$ 788,309	\$ 847,910	\$ 968,050	\$ 815,561	\$ 8,756,386
Interest and dividends	339	565	429	355	312	341	194	356	305	420	3,616
Other revenue	7,211	27,741	5,047	3,949	2,709	6,650	3,122	6,777	6,042	1,537	70,785
Total revenues and other support	908,532	909,892	897,591	883,737	870,021	922,431	791,625	855,043	974,397	817,518	8,830,787
Expenses:											
Operation and maintenance of facility	422,265	469,275	432,206	474,315	417,303	403,611	342,244	398,939	489,513	431,079	4,280,750
Administrative and general	388,135	253,673	226,711	512,988	300,852	283,965	269,818	331,608	332,152	207,764	3,107,666
Insurance	84,617	89,688	94,555	97,855	90,554	93,064	65,683	101,206	85,560	94,876	897,658
Springpoint Senior Living, Inc. management fee	61,800	65,736	56,640	65,650	56,987	64,740	39,597	61,889	52,799	53,757	579,595
Interest	-	6,950	-	-	-	-	6,950	8,848	-	-	22,748
Total expenses	956,817	885,322	810,112	1,150,808	865,696	845,380	724,292	902,490	960,024	787,476	8,888,417
Operating income	(48,285)	24,570	87,479	(267,071)	4,325	77,051	67,333	(47,447)	14,373	30,042	(57,630)
Forgiveness of debt	778,680	-	-	-	-	-	-	-	-	-	778,680
Depreciation and amortization	(365,906)	(162,105)	(247,590)	(258,893)	(219,032)	(357,467)	(189,573)	(243,012)	(290,825)	(243,729)	(2,578,132)
Change in net deficit without donor restrictions	364,489	(137,535)	(160,111)	(525,964)	(214,707)	(280,416)	(122,240)	(290,459)	(276,452)	(213,687)	(1,857,082)
Net Deficit, Beginning	(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)
Net Deficit, Ending	<u>\$ (1,635,546)</u>	<u>\$ (2,859,613)</u>	<u>\$ (3,197,161)</u>	<u>\$ (3,318,299)</u>	<u>\$ (3,904,589)</u>	<u>\$ (2,376,739)</u>	<u>\$ (2,908,626)</u>	<u>\$ (3,706,134)</u>	<u>\$ (2,627,663)</u>	<u>\$ (3,409,283)</u>	<u>\$ (29,943,653)</u>

Springpoint Senior Living, Inc. and Affiliates

Low Income Housing Tax Credit Communities: Combining Schedule, Balance Sheet
December 31, 2024

	Asbury	Butler LLC	Howell LLC	Heritage at Whiting	Mount Holly	Plainfield	Ramsey	Wall	Combined Total
Assets									
Current Assets									
Cash and cash equivalents	\$ 352,294	\$827,744	\$ 1,063,849	\$ 31,232	\$ 47,186	173,376	\$ 521,097	\$ 599,028	\$ 3,615,806
Accounts receivable, net	100,119	16,228	11,830	10,115	13,837	14,799	-	9,070	175,998
Other current assets	291,937	74,335	89,574	69,064	30,175	115,573	70,395	48,313	789,366
Total current assets	744,350	918,307	1,165,253	110,411	91,198	303,748	591,492	656,411	4,581,170
Assets Whose Use is Limited	3,248,014	1,091,059	1,239,298	992,560	139,042	1,401,355	1,214,910	934,875	10,261,113
Property and Equipment, Net	35,147,349	6,221,200	6,978,289	7,487,787	2,211,133	11,508,986	8,323,812	5,031,789	82,910,345
Other Assets, Net	5,700	-	-	27,719	-	-	-	-	33,419
Total assets	<u>\$ 39,145,413</u>	<u>\$ 8,230,566</u>	<u>\$ 9,382,840</u>	<u>\$ 8,618,477</u>	<u>\$ 2,441,373</u>	<u>\$ 13,214,089</u>	<u>\$ 10,130,214</u>	<u>\$ 6,623,075</u>	<u>\$ 97,786,047</u>
Liabilities and Net Deficit									
Current Liabilities									
Current maturities of long-term debt	\$ 136,720	\$170,180	\$ 168,845	\$ 20,779	\$ -	\$ 213,646	\$ 256,473	\$ 144,795	\$ 1,111,438
Accounts payable	136,237	6,758	25,302	53,467	57,835	139,453	42,107	30,167	491,326
Accrued expenses	948,130	45,845	32,602	517,488	29,379	54,270	38,573	34,385	1,700,672
Due to affiliates	1,959,250	57,010	55,890	227,770	64,779	415,139	35,146	28,466	2,843,450
Residents' deposits	312,913	35,297	38,704	52,190	17,500	53,812	28,957	25,672	565,045
Total current liabilities	3,493,250	315,090	321,343	871,694	169,493	876,320	401,256	263,485	6,711,931
Long-Term Debt	15,717,584	8,213,654	8,162,995	8,093,805	1,923,544	5,287,546	9,983,596	5,638,947	63,021,671
Notes Payable to Affiliate	26,504,208	-	-	936,768	243,307	2,956,003	-	-	30,640,286
Other Liabilities	1,202,634	19,785	19,738	628,116	272,866	32,598	28,444	15,345	2,219,526
Total liabilities	46,917,676	8,548,529	8,504,076	10,530,383	2,609,210	9,152,467	10,413,296	5,917,777	102,593,414
Net Assets (Deficit)									
Partner's equity (deficit)	-	-	-	(2,002,484)	-	575,433	-	-	(1,427,051)
Noncontrolling ownership interest in limited partnerships	-	-	-	90,578	-	3,486,189	-	-	3,576,767
Net assets without donor restrictions	(7,772,263)	(317,963)	878,764		(167,837)		(283,082)	705,298	(6,957,083)
Total net assets (deficit)	(7,772,263)	(317,963)	878,764	(1,911,906)	(167,837)	4,061,622	(283,082)	705,298	(4,807,367)
Total liabilities and net assets (deficit)	<u>\$ 39,145,413</u>	<u>\$ 8,230,566</u>	<u>\$ 9,382,840</u>	<u>\$ 8,618,477</u>	<u>\$ 2,441,373</u>	<u>\$ 13,214,089</u>	<u>\$ 10,130,214</u>	<u>\$ 6,623,075</u>	<u>\$ 97,786,047</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, 2024

	Asbury	Butler LLC	Howell LLC	Heritage at Whiting	Mount Holly	Plainfield	Ramsey	Wall	Combined Total
Revenues and Other Support									
Revenue from residential facilities	\$ 4,377,801	\$1,670,283	\$ 1,743,559	\$ 624,782	\$ 315,079	\$ 2,606,870	\$ 1,844,601	\$ 1,429,318	\$ 14,612,293
Interest and dividends	31,474	6,175	9,000	5,354	4,131	13,143	16,039	11,908	97,224
Other revenue	166,132	55,576	6,010	14,464	7,317	58,654	8,542	3,532	320,227
Total revenues and other support	4,575,407	1,732,034	1,758,569	644,600	326,527	2,678,667	1,869,182	1,444,758	15,029,744
Expenses:									
Operation and maintenance of facility	2,136,962	509,897	545,859	270,849	231,571	1,204,327	574,785	427,030	5,901,280
Administrative and general	815,808	343,950	379,224	187,207	66,206	517,125	333,344	340,489	2,983,353
Insurance	443,666	102,111	110,273	88,919	58,143	176,725	98,734	65,260	1,143,831
Springpoint Senior Living, Inc. management fee	275,532	82,685	86,526	61,106	20,351	136,050	93,353	58,656	814,259
Interest	1,134,377	250,200	261,315	139,096	30,301	520,717	350,185	190,447	2,876,638
Total expenses	4,806,345	1,288,843	1,383,197	747,177	406,572	2,554,944	1,450,401	1,081,882	13,719,361
Operating income (loss)	(230,938)	443,191	375,372	(102,577)	(80,045)	123,723	418,781	362,876	1,310,383
Net asset transfer (to) from affiliate	-	(141,729)	(27,605)	-	68,950	-	(516,123)	(40,673)	(657,180)
Equity distribution (to) from limited partner	(10,856)	-	-	-	97,186	-	-	-	86,330
Depreciation and amortization	(1,521,859)	(377,870)	(368,532)	(224,986)	(181,337)	(542,142)	(365,054)	(230,429)	(3,812,209)
Change in net assets (deficit) without donor restrictions	(1,763,653)	(76,408)	(20,765)	(327,563)	(95,246)	(418,419)	(462,396)	91,774	(3,072,676)
Net Assets (Deficit), Beginning	(6,008,610)	(241,555)	899,529	(1,584,343)	(72,591)	4,480,041	179,314	613,524	(1,734,691)
Net Assets (Deficit), Ending	<u>\$ (7,772,263)</u>	<u>\$ (317,963)</u>	<u>\$ 878,764</u>	<u>\$ (1,911,906)</u>	<u>\$ (167,837)</u>	<u>\$ 4,061,622</u>	<u>\$ (283,082)</u>	<u>\$ 705,298</u>	<u>\$ (4,807,367)</u>

Springpoint Senior Living, Inc. and Affiliates

Other Operating Entities: Combining Schedule, Balance Sheet

December 31, 2024

	Manalapan	Senior Net, Inc.	Village Point	Springpoint At Home	Springpoint Choice	Combined Total
Assets						
Current Assets						
Cash and cash equivalents	\$ 54,043	\$ (48,069)	\$ -	\$ 323,515	\$ 176,167	\$ 505,656
Current portion of assets whose use is limited			251,558			251,558
Accounts receivable, net	13,941	20,712	1,014,586	361,946	141,630	1,552,815
Due from affiliates	-	35	272,308	-	-	272,343
Other current assets	102,004	901	571,640	34,302	39,480	748,327
Total current assets	169,988	(26,421)	2,110,092	719,763	357,277	3,330,699
Investments	-	-	-	-	1,749,325	1,749,325
Assets Whose Use is Limited	2,341,187	-	1,142,431	-	687,333	4,170,951
Property and Equipment, Net	16,091,290	-	21,078,166	14,785	28,122	37,212,363
Goodwill	-	-	-	2,270,750	3,268,699	5,539,449
Derivative Instruments	(122,961)	-	-	-	-	(122,961)
Other Assets, Net	258,824	-	3,375,546	2,092	-	3,636,462
Total assets	\$ 18,738,328	\$ (26,421)	\$ 27,706,235	\$ 3,007,390	\$ 6,090,756	\$ 55,516,288

Springpoint Senior Living, Inc. and Affiliates

Other Operating Entities: Combining Schedule, Balance Sheet

December 31, 2024

	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	\$ 17,607	\$ -	\$ 63,000	\$ 54,377	\$ -	134,984
Accounts payable	74,225	1,899	1,136,174	54,600	188,161	1,455,059
Accrued expenses	368,065	8,709	793,159	349,098	117,834	1,636,865
Due to affiliates	1,613,098	-	-	1,181,469	(8,146)	2,786,421
Total current liabilities	2,072,995	10,608	1,992,333	1,639,544	297,849	6,013,329
Long-Term Debt and Capital Lease Obligations	13,127,754	-	22,250,932	-	-	35,378,686
Notes Payable to Affiliate	-	-	-	714,313	-	714,313
Due to Affiliate	3,314,933	-	1,399,338	1,758,986	-	6,473,257
Refundable Entrance Fees	-	-	-	-	71,980	71,980
Deferred Revenue from Entrance Fees	-	-	-	-	10,615,806	10,615,806
Other Liabilities	-	-	3,298,785	-	-	3,298,785
Total liabilities	18,515,682	10,608	28,941,388	4,112,843	10,985,635	62,566,156
Net Assets (Deficit)						
Net assets (deficit) without donor restrictions	(8,973,471)	(37,029)	(9,655,479)	(1,105,453)	(5,394,879)	(25,166,311)
Net assets with donor restrictions	-	-	3,425	-	-	3,425
Member's equity	9,196,117	-	8,416,901	-	500,000	18,113,018
Total net assets (deficit)	222,646	(37,029)	(1,235,153)	(1,105,453)	(4,894,879)	(7,049,868)
Total liabilities and net assets (deficit)	\$ 18,738,328	\$ (26,421)	\$ 27,706,235	\$ 3,007,390	\$ 6,090,756	\$ 55,516,288

Springpoint Senior Living, Inc. and Affiliates

Other Operating Entities: Combining Schedule, Statement of Operations and Changes in Net Assets (Deficit)

Year Ended December 31, 2024

	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	\$ 6,284,028	\$ -	\$ 16,987,374	\$ -	\$ -	\$ 23,271,402
Services to residents	111,514	101,759	105,659	6,612,306	1,949,506	8,880,744
Developer and management fees	-	-	-	-	86,608	86,608
Contributions and bequests	-	140,050	150,000	-	-	290,050
Interest and dividends	-	-	-	-	56,620	56,620
Other revenue	2,992	-	54,013	-	240	57,245
Net assets released from restrictions used for operations	11,770	-	6,935	-	-	18,705
Total revenues and other support	6,410,304	241,809	17,303,981	6,612,306	2,092,974	32,661,374
Expenses:						
Professional care of patients	3,501,892	-	9,899,233	4,748,442	2,584,093	20,733,660
Resident services	205,490	-	86,999	-	-	292,489
Dining services	1,240,140	-	1,658,106	-	-	2,898,246
Operation and maintenance of facility	141,783	-	860,535	-	2,665	1,004,983
Housekeeping and laundry	217,230	-	479,135	-	-	696,365
Administrative and general	671,634	233,663	1,386,624	1,103,395	1,202,343	4,597,659
Marketing	355,652	-	303,911	29,861	310,619	1,000,043
Insurance	123,709	1,271	266,826	49,101	19,981	460,888
Springpoint Senior Living, Inc. management fee	75,592	-	-	-	122,993	198,585
Interest	1,287,237	-	1,677,983	28,211	-	2,993,431
Credit loss expense	187,783	-	638,047	-	-	825,830
Total expenses	8,008,142	234,934	17,257,399	5,959,010	4,242,694	35,702,179
Operating income (loss)	(1,597,838)	6,875	46,582	653,296	(2,149,720)	(3,040,805)
Unrealized losses on investments	-	-	-	-	117,935	117,935
Net realized gains on investments	-	-	-	-	56,361	56,361
Amortization of entrance fees	-	-	-	-	1,035,694	1,035,694
Net change in fair value of derivative financial instruments	(122,961)	-	-	-	-	(122,961)
Gain on disposal of capital lease asset and liability	1,427,848	-	-	-	-	1,427,848
Net asset transfer (to) from affiliate	4,946,117	-	-	-	-	4,946,117
Depreciation and amortization	(960,335)	-	(996,590)	(19,672)	(6,275)	(1,982,872)
Revenues and other support in excess of (less than) expenses and change in net assets (deficit) without donor restrictions	3,692,831	6,875	(950,008)	633,624	(946,005)	2,437,317
Changes in Net Assets With Donor Restrictions						
Contributions	11,770	-	10,360	-	-	22,130
Net assets released from restrictions used for operations	(11,770)	-	(6,935)	-	-	(18,705)
Increase (decrease) in net assets with donor restrictions	-	-	3,425	-	-	3,425
Change in net assets (deficit)	3,692,831	6,875	(946,583)	633,624	(946,005)	2,440,742
Net Assets (Deficit), Beginning	(3,470,185)	(43,904)	(288,570)	(1,739,077)	(3,948,874)	(9,490,610)
Net Assets (Deficit), Ending	\$ 222,646	\$ (37,029)	\$ (1,235,153)	\$ (1,105,453)	\$ (4,894,879)	\$ (7,049,868)

Springpoint Senior Living, Inc. and Affiliates

Other Entities: Combining Schedule, Balance Sheet
December 31, 2024

	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	\$ 9,295,532	\$ 591,736	\$ 1,968,234	\$ 457,844	\$ -	\$ -	\$ (930,868)	\$ -	\$ -	\$ 9,764	\$ 1,627	\$ -	\$ 11,393,869
Due from affiliates	9,897,744	-	574,022	578,226	-	4,131,021	912,766	-	-	-	-	-	16,093,779
Other current assets	656,167	1,887,647	-	-	(6,000)	55,000	2,204,726	-	-	727,672	-	8,024	5,533,236
Total current assets	19,849,443	2,479,383	2,542,256	1,036,070	(6,000)	4,186,021	2,186,624	-	-	737,436	1,627	8,024	33,020,884
Investments	186,975	40,879,854	2,037,786	-	3,254,908	1,577,056		578,226	100	-	-	-	48,514,905
Assets Whose Use is Limited	4,454,479	8,806,373	-	-	-	-	-	-	-	-	-	-	13,260,852
Investments Held Under Split-Interest Agreements	-	3,284,841	-	-	-	-	-	-	-	-	-	-	3,284,841
Investments Held by Others under Split-Interest Agreements	-	1,078,443	-	-	-	-	-	-	-	-	-	-	1,078,443
Beneficial Interest in Perpetual Trusts	-	3,656,284	-	-	-	-	-	-	-	-	-	-	3,656,284
Due from Affiliates	20,495,553	-	-	-	-	-	-	-	-	-	-	-	20,495,553
Notes Receivable	6,047,172	196,148	936,768	2,956,003	-	-	-	-	-	-	-	-	10,136,091
Loans Receivable from Affiliate	25,444,404	-	3,000,000	-	-	-	-	-	-	-	-	-	28,444,404
Property and Equipment, Net	237,944	6,033	-	-	-	-	48,694	-	-	-	-	7,136,283	7,428,954
Derivative Instruments	1,902,171	-	-	-	-	-	-	-	-	-	-	-	1,902,171
Other Assets, Net	4,323,093	766,912	-	-	-	-	-	-	-	-	-	-	5,090,005
Total assets	\$ 82,941,234	\$ 61,154,271	\$ 8,516,810	\$ 3,992,073	\$ 3,248,908	\$ 5,763,077	\$ 2,235,318	\$ 578,226	\$ 100	\$ 737,436	\$ 1,627	\$ 7,144,307	\$ 176,313,387

Springpoint Senior Living, Inc. and Affiliates

Other Entities: Combining Schedule, Balance Sheet
December 31, 2024

	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	\$ 418,714	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,308	\$ -	\$ -	\$ -	\$ -	\$ -	445,022
Accounts payable	1,153,870	22,896	-	-	-	-	-	-	-	-	-	-	1,176,766
Accrued expenses	9,860,324	225,526	-	-	-	6,225	(96)	-	-	-	-	838	10,092,817
Due to affiliates	-	(20,635)	-	-	1,242,634	-	-	602,729	17,975	-	-	1,014,200	2,856,903
Total current liabilities	11,432,908	227,787	-	-	1,242,634	6,225	26,212	602,729	17,975	-	-	1,015,038	14,571,508
Long-Term Debt and Financing													
Lease Obligations	17,699,827	-	-	-	-	-	20,276	-	-	-	-	-	17,720,103
Line of Credit	7,383,046	-	-	-	-	-	-	-	-	-	-	-	7,383,046
Notes Payable to Affiliate	-	-	-	-	-	-	-	-	-	-	-	2,770,091	2,770,091
Liability for Split-Interest Agreements and Deferred Gift Agreements													
	-	2,318,278	-	-	-	-	-	-	-	-	-	-	2,318,278
Deferred Revenue	320,000	-	316,668	1,185,439	-	-	2,185,481	-	-	-	-	-	4,007,588
Other Liabilities	5,933,927	107,030	-	-	-	-	-	-	-	-	-	-	6,040,957
Total liabilities	42,769,708	2,653,095	316,668	1,185,439	1,242,634	6,225	2,231,969	602,729	17,975	-	-	3,785,129	54,811,571
Net Assets (Deficit)													
Net assets (deficit) without donor restrictions	52,011,886	48,759,135	16,731,683	2,806,634	2,006,274	5,756,852	3,349	(24,503)	(17,875)	9,764	1,627	3,359,178	131,404,004
Net assets with donor restrictions	-	14,688,158	-	-	-	-	-	-	-	727,672	-	-	15,415,830
Member's equity	(11,840,360)	(4,946,117)	(8,531,541)	-	-	-	-	-	-	-	-	-	(25,318,018)
Total net assets (deficit)	40,171,526	58,501,176	8,200,142	2,806,634	2,006,274	5,756,852	3,349	(24,503)	(17,875)	737,436	1,627	3,359,178	121,501,816
Total liabilities and net assets (deficit)	\$ 82,941,234	\$ 61,154,271	\$ 8,516,810	\$ 3,992,073	\$ 3,248,908	\$ 5,763,077	\$ 2,235,318	\$ 578,226	\$ 100	\$ 737,436	\$ 1,627	\$ 7,144,307	\$ 176,313,387

Springpoint Senior Living, Inc. and Affiliates

Other Entities: Combining Schedule, Statement of Operations and Changes in Net Assets (Deficit)
Year Ended December 31, 2024

	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	\$ 13,471,565	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 698,420	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,169,985
Contributions and bequests	-	912,676	68,950	-	-	-	291,751	-	-	-	-	-	1,273,377
Interest and dividends	166,862	1,034,407	-	9,749	-	-	-	-	-	208	-	-	1,211,226
Other revenue	777,472	(13,339)	41,909	-	-	-	109,662	-	-	-	-	-	915,704
Net assets released from restrictions used for operations	-	790,355	-	-	-	-	-	-	-	28,401	-	-	818,756
Total revenues and other support	14,415,899	2,724,099	110,859	9,749	-	-	1,099,833	-	-	28,609	-	-	18,389,048
Expenses:													
Professional care of patients	-	-	-	-	-	-	120,487	-	-	-	-	-	120,487
Operation and maintenance of facility	27,563	-	-	-	-	-	-	-	-	-	-	252,908	280,471
Administrative and general	9,333,070	1,630,215	30	-	3,009	6,225	1,178	2,402	2,433	30	-	6,277	10,984,869
Residents assistance and program services	-	2,375,627	-	-	-	-	100,915	-	-	28,401	-	-	2,504,943
Marketing	1,358,045	-	-	-	-	-	-	-	-	-	-	-	1,358,045
Insurance	190,569	2,171	-	-	-	-	30,226	-	-	-	-	-	222,966
Springpoint Senior Living, Inc. management fee	-	-	-	-	-	-	807,245	-	-	-	-	-	807,245
Interest	1,194,676	-	-	-	-	-	4,729	-	-	-	-	179,553	1,378,958
Total expenses	12,103,923	4,008,013	30	-	3,009	6,225	1,064,780	2,402	2,433	28,431	-	438,738	17,657,984
Operating income (loss)	2,311,976	(1,283,914)	110,829	9,749	(3,009)	(6,225)	35,053	(2,402)	(2,433)	178	-	(438,738)	731,064
Unrealized gains (losses) on investments	-	3,507,537	-	-	-	-	-	-	-	-	-	-	3,507,537
Net realized gains (losses) on investments	(21,257)	1,128,867	-	-	-	-	-	-	-	-	-	-	1,107,610
Net change in fair value of derivative financial instruments	182,228	-	-	-	-	-	-	-	-	-	-	-	182,228
Net asset transfer from (to) affiliate	-	(4,946,117)	-	-	68,955	726,125	-	-	-	-	-	-	(4,151,037)
Depreciation and amortization	(175,737)	(1,908)	-	-	-	-	(39,337)	-	-	-	-	-	(216,982)
Revenues and other support in excess of (less than) expenses and change in net assets (deficit) without donor restrictions	2,297,210	(1,595,535)	110,829	9,749	65,946	719,900	(4,284)	(2,402)	(2,433)	178	-	(438,738)	1,160,420
Changes in Net Assets With Donor Restrictions													
Contributions	-	1,702,252	-	-	-	-	-	-	-	28,401	-	-	1,730,653
Change in value of split-interest agreements	-	60,166	-	-	-	-	-	-	-	-	-	-	60,166
Investment income	-	944,234	-	-	-	-	-	-	-	-	-	-	944,234
Change in value of perpetual trust	-	234,638	-	-	-	-	-	-	-	44,657	-	-	279,295
Net assets released from restrictions used for operations	-	(790,355)	-	-	-	-	-	-	-	(28,401)	-	-	(818,756)
Increase in net assets with donor restrictions	-	2,150,935	-	-	-	-	-	-	-	44,657	-	-	2,195,592
Change in net assets (deficit)	2,297,210	555,400	110,829	9,749	65,946	719,900	(4,284)	(2,402)	(2,433)	44,835	-	(438,738)	3,356,012
Net Assets (Deficit), Beginning	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
Net Assets (Deficit), Ending	\$ 40,171,526	\$ 58,501,176	\$ 8,200,142	\$ 2,806,634	\$ 2,006,274	\$ 5,756,852	\$ 3,349	\$ (24,503)	\$ (17,875)	\$ 737,436	\$ 1,627	\$ 3,359,178	\$ 121,501,816