



# LIFESPIRE

Faith. Wellness. Community.

  
THE GLEBE



  
LAKEWOOD



  
THE CULPEPER



  
THE CHESAPEAKE



  
THE SUMMIT



  
AGESMART



VIRGINIA BAPTIST HOMES, INC. DBA LIFESPIRE OF VIRGINIA

REPORT FOR THE MUNICIPAL SECURITIES RULEMAKING  
BOARD, VIA ELECTRONIC MUNICIPAL MARKET ACCESS

As of March 31, 2026



## Quarterly Continuing Disclosure Information As of March 31, 2026

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**Virginia Baptist Homes, Inc., dba LifeSpire of Virginia**

TO: Municipal Securities Rulemaking Board, via  
Electronic Municipal Market Access  
Digital Assurance Certification, LLC  
US Bank, Master Trustee  
Truist Bank, Trustee  
Bondholders and Other Interested Parties

FROM: Robin Ransom, Chief Financial Officer

DATE: May 15, 2026

SUBJECT: Quarterly Disclosure for LifeSpire of Virginia and its Obligated Group:

Economic Development Authority of the City of Newport News, Virginia  
Residential Care Facilities Revenue Refunding Bonds  
(LifeSpire of Virginia), Series 2016

Economic Development Authority of Henrico County, Virginia  
Residential Care Facilities Revenue and Refunding Bonds  
(LifeSpire of Virginia), Series 2017C

Virginia Small Business Financing Authority  
Residential Care Facilities Revenue and Refunding Bonds  
(LifeSpire of Virginia), Series 2021

Virginia Small Business Financing Authority  
Residential Care Facilities Revenue and Refunding Bonds  
(LifeSpire of Virginia), Series 2024

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Virginia Baptist Homes, Inc. dba LifeSpire of Virginia, Lakewood Manor Baptist Retirement Community, Inc. dba Lakewood, Culpeper Baptist Retirement Community, Inc. dba The Culpeper, Newport News Baptist Retirement Community, Inc. dba The Chesapeake, The Glebe, Inc. dba The Glebe, and Lynchburg Baptist Retirement Community, LLC dba The Summit collectively comprise the Obligated Group (“Obligated Group”) that is obligated to make payments on the above-described Bonds (“Bonds”). Each is a Virginia non-stock corporation or limited liability company. Pursuant to its continuing disclosure obligations under the agreements executed in connection with the issuance of the Bonds, the Obligated Group submits the attached quarterly filing for the period ended March 31, 2026.

If there are questions, please feel free to contact:

Robin Ransom, Chief Financial Officer  
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**LIFESPIRE OF VIRGINIA AND SUBSIDIARIES**  
**STATEMENT OF OPERATIONS**  
**Obligated Group**

	Month Ended March 31, 2026		Increase (Decrease)	2025 Prior Year	Increase (Decrease)
	Actual	Budget			
<b>OPERATING REVENUES, GAINS, AND OTHER SUPPORT</b>					
Resident Services	14,536,244	14,084,663	451,581	13,003,347	1,532,897
Healthcare Services	13,357,270	13,239,609	117,661	12,645,262	712,008
Earned Entrance Fees	5,543,061	5,772,372	(229,311)	4,593,213	949,848
Admin Fee Revenue	174,984	295,753	(120,769)	249,044	(74,060)
Home Care Revenue	367,535	463,568	(96,033)	272,727	94,808
CCAH Revenue	267,840	238,935	28,905	211,100	56,740
Investment Income (Loss)	891,566	777,786	113,780	2,746,180	(1,854,614)
Other Operating Revenues	739,311	643,981	95,330	760,775	(21,464)
Subsidy from VBH Foundation	319,483	385,762	(66,278)	288,766	30,718
Total Operating Revenues, Gains, and Other Support	<u>36,197,294</u>	<u>35,902,430</u>	<u>294,864</u>	<u>34,770,415</u>	<u>1,426,880</u>
<b>OPERATING EXPENSES</b>					
General & Administrative	6,038,465	6,301,230	(262,766)	5,696,489	341,976
Resident Services	1,128,683	1,290,177	(161,495)	1,116,676	12,007
Healthcare Services	9,708,539	9,501,924	206,615	8,846,177	862,362
Dining Services	5,271,610	5,218,321	53,289	4,792,301	479,309
Environmental Services	1,357,429	1,439,241	(81,811)	1,272,286	85,143
Plant Operations	3,513,504	3,488,019	25,485	3,158,304	355,200
Home Care Services	324,350	380,796	(56,447)	244,064	80,286
Depreciation/Amortization	5,026,368	5,450,827	(424,458)	5,167,472	(141,103)
Interest Expense	2,526,723	2,720,600	(193,877)	4,017,458	(1,490,735)
Other	23,677	52,600	(28,923)	27,450	(3,774)
Total Operating Expenses	<u>34,919,347</u>	<u>35,843,734</u>	<u>(924,387)</u>	<u>34,338,677</u>	<u>580,670</u>
<b>OPERATING INCOME (LOSS)</b>	1,277,947	58,696	1,219,252	431,738	846,210
<b>NONOPERATING INCOME (LOSS)</b>					
Unrealized Gain (Loss) on Investments - Unrestricted	(2,094,994)	-	(2,094,994)	144,877	(2,239,871)
Unrealized Gain (Loss) on Investments - Temporarily Restricted	-	-	-	135,221	(135,221)
Total Nonoperating Income (Loss)	<u>(2,094,994)</u>	<u>-</u>	<u>(2,094,994)</u>	<u>280,098</u>	<u>(2,375,092)</u>
<b>EXCESS (DEFICIT) OF REVENUES, GAINS AND OTHER SUPPORT OVER (UNDER) EXPENSES</b>	(817,046)	58,696	(875,742)	711,836	(1,528,882)
<b>Temporarily restricted net assets</b>					
Reclassification of net assets	-	-	-	(4,060,915)	4,060,915
Increase in temporarily restricted net assets	-	-	-	(4,060,915)	4,060,915
<b>Permanently restricted net assets</b>					
Reclassification of net assets	-	-	-	(1,817,756)	1,817,756
Increase in permanently restricted net assets	-	-	-	(1,817,756)	1,817,756
<b>Increase (Decrease) in net assets</b>	(817,046)	58,696	(875,742)	(5,166,835)	4,349,789
<b>Net assets at beginning of year</b>	(41,600,362)	(41,600,362)	-	(53,506,703)	11,906,341
<b>Net assets at end of period</b>	<u>(42,417,409)</u>	<u>(41,541,667)</u>	<u>(875,742)</u>	<u>(58,673,538)</u>	<u>16,256,129</u>



**LIFESPIRE OF VIRGINIA AND SUBSIDIARIES**  
**BALANCE SHEET**  
**Obligated Group**

	<b>2026</b>	<b>2025</b>
	<b>March YTD</b>	<b>March YTD</b>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash & Equivalents	2,341,903	2,027,471
Current portion of assets whose use is limited	807,530	1,014,322
Accounts receivable	3,854,729	4,755,021
Notes receivable	1,620,596	2,141,796
Prepaid expenses	11,944,297	10,699,333
Due from affiliates	2,935,571	(190,272)
Other Assets	4,707,790	3,430,570
<b>Total current assets</b>	28,212,416	23,878,240
<b>Investments</b>	78,567,196	70,275,077
<b>Beneficial Interest in Perpetual Trusts</b>	10,356,841	9,307,243
<b>Assets whose use is limited:</b>		
Externally restricted under bond indenture agreement (held by trustee)	62,790,649	112,844,128
<b>Total assets whose use is limited</b>	62,790,649	112,844,128
<b>Property, plant and equipment, less accumulated depreciation of -\$274,592,778 in 2026 and -\$254,511,776 in 2025</b>	339,375,495	297,422,069
<b>TOTAL ASSETS</b>	519,302,596	513,726,757
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Accounts payable	4,716,645	4,820,473
Salaries and wages	2,851,822	4,607,721
Other payables	5,088,344	8,050,391
Deposits from prospective residents	5,421,387	3,284,170
Current Portion of Long Term Debt	7,435,000	7,015,000
<b>Total current liabilities</b>	25,513,199	27,777,756
<b>Advance fees:</b>		
Deferred revenue from advance fees	88,318,953	83,918,991
Deferred revenue from advance fees, subject to refund	121,022,288	105,008,004
<b>Total Advance Fees</b>	209,341,241	188,926,996
<b>Other Liabilities:</b>		
Long-term debt, less current portion	326,865,565	355,695,544
<b>Total liabilities</b>	561,720,005	572,400,295
<b>Net assets:</b>		
Unrestricted net assets	(51,369,902)	(67,626,032)
Temporarily restricted net assets	223,676	223,676
Permanently restricted net assets	8,728,817	8,728,817
<b>Total net assets</b>	(42,417,409)	(58,673,538)
<b>TOTAL LIABILITIES AND NET ASSETS</b>	519,302,596	513,726,757



**LIFESPIRE OF VIRGINIA AND SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS**  
**Obligated Group**

	<b>For the Quarter Ended</b>	
	<b>March 31,</b>	
	<b>2026</b>	<b>2025</b>
<b>Cash flows from operating activities</b>		
Increase/(Decrease) in net assets	(817,046)	(5,166,835)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Amortization of deferred revenue from advance fees	(5,558,791)	(4,473,136)
Proceeds from advance fees and deposits	4,470,050	6,142,873
Increase (decrease) in obligation to provide future services	-	-
Amortization of deferred marketing costs	-	-
Amortization of deferred financing costs	69,411	65,773
Loss on Extinguishment of Debt	-	-
Gain on Long-Term Debt Forgiveness	-	-
Accretion of Interest	-	-
Provision for Bad Debts	153,899	(137,536)
Provision for depreciation	5,020,725	5,199,242
Increase (decrease) in annuity obligations	-	-
Contributions restricted for long-term investment	-	-
Net realized and unrealized (gains) losses on long-term investments	1,277,646	(1,645,552)
Other-than-temporary decline in value of investments	-	-
Change in present value of trust funds	-	-
Value of Interest Rate Swap Agreement	-	-
(Gain)/loss on sales of assets	-	-
Other	-	-
Decrease (increase) in operating assets:		
Accounts receivable	587,591	(590,775)
Interest receivable	-	-
Prepaid expense	(6,204,562)	1,419,676
Notes Receivable	564,588	683,229
Other current assets	(1,720,714)	(114,753)
Beneficial Interest in Perpetual Trust	-	-
Increase (decrease) in operating liabilities:		
Accounts payable	(6,177,034)	(8,406,198)
Deferred Revenue	-	-
Salaries and wages	(1,133,022)	870,317
Interest payable	3,401,025	4,112,753
Lease payable	-	-
Swaps	-	-
Deposits from prospective residents	1,915,437	155,500
<b>Net cash (used in) provided by operating activities</b>	<b>(4,150,796)</b>	<b>(1,885,422)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(7,822,067)	(13,941,537)
Proceeds from sales of property, plant and equipment	-	-
Decrease (increase) in deferred development costs	-	-
Change in investments and assets whose use is limited:		
Change in cash and cash equivalents	13,910,539	2,943,102
Net (Purchases)/Sales of Investments	-	6,251,350
<b>Net cash used in investing activities</b>	<b>6,088,471</b>	<b>(4,747,085)</b>
<b>Cash flows from financing activities</b>		
Other financing activities:		
Refunds of advance fees and deposits	(828,650)	(1,635,153)
Payments on long-term debt	(2,650,000)	-
Increase in other liabilities	(212,649)	(212,660)
<b>Net cash provided by financing activities</b>	<b>(3,691,299)</b>	<b>(1,847,813)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,753,624)</b>	<b>(8,480,320)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>4,095,527</b>	<b>10,507,790</b>
<b>Cash and cash equivalents at end of period</b>	<b>2,341,903</b>	<b>2,027,471</b>

**STATISTICAL SUMMARY**  
Average Year-to-Date Through 3/31/2026

	UNITS AVAILABLE					UNITS OCCUPIED					OCCUPANCY PERCENT				
	ILU	AL	MS	HC	Total	ILU	AL	MS	HC	Total	ILU	AL	MS	HC	TOTAL
Culpeper	50	54	32	47	183	48	52	31	44	175	96.0%	96.3%	96.9%	93.6%	95.6%
Chesapeake	251	57	16	52	376	243	54	15	49	361	96.8%	94.7%	95.3%	94.2%	96.1%
Lakewood	336	39	20	95	490	326	36	18	86	466	97.0%	92.3%	90.0%	90.5%	95.1%
Summit	118	43	-	-	161	96	41	-	-	137	81.4%	95.3%	0.0%	0.0%	85.1%
Glebe	176	32	20	32	260	171	30	19	29	249	97.2%	93.4%	95.0%	90.6%	95.8%
<b>OBLIGATED GROUP</b>	<b>931</b>	<b>225</b>	<b>88</b>	<b>226</b>	<b>1,470</b>	<b>884</b>	<b>213</b>	<b>83</b>	<b>208</b>	<b>1,388</b>	<b>95.0%</b>	<b>94.7%</b>	<b>94.6%</b>	<b>92.0%</b>	<b>94.4%</b>

**Actual 03/31/26**

	UNITS AVAILABLE					UNITS OCCUPIED					OCCUPANCY PERCENT				
	ILU	AL	MS	HC	Total	ILU	AL	MS	HC	Total	ILU	AL	MS	HC	TOTAL
Culpeper	50	54	32	47	183	48	50	30	41	169	96.0%	92.6%	93.8%	87.2%	92.3%
Chesapeake	251	57	16	52	376	248	57	16	49	370	98.8%	100.0%	100.0%	94.2%	98.4%
Lakewood	336	39	20	79	474	321	37	20	73	451	95.5%	94.9%	100.0%	92.4%	95.1%
Summit	118	43	-	-	161	115	40	-	-	155	97.5%	93.0%	0.0%	0.0%	96.3%
Glebe	176	32	20	32	260	174	31	20	32	257	98.9%	96.9%	100.0%	100.0%	98.8%
<b>OBLIGATED GROUP</b>	<b>931</b>	<b>225</b>	<b>88</b>	<b>210</b>	<b>1,454</b>	<b>906</b>	<b>215</b>	<b>86</b>	<b>195</b>	<b>1,402</b>	<b>97.3%</b>	<b>95.6%</b>	<b>97.7%</b>	<b>92.9%</b>	<b>96.4%</b>

**LifeSpire of Virginia – All Five CCRCs**  
**Supplemental Occupancy & Contract-Related Continuing Disclosure Information**  
**March 31, 2026**

**Residency Agreement Type Mix**

The following table displays The Obligated Group's year-end contract type mix (Life Care vs. Continuing Care/Fee for Service/Rental) from fiscal year 2023 through Q1/2026:

	FYE 2023	FYE 2024	FYE 2025	Q1 2026
Life Care	53.1%	52.0%	52.3%	52.4%
CC/FFS/RE	46.9%	48.0%	47.7%	47.6%
Total	100%	100%	100%	100%

**Refund Type Mix**

The following table displays the refund type mix from fiscal year 2023 through Q1/2026:

	FYE 2023	FYE 2024	FYE 2025	Q1 2026
Standard	83.0%	83.7%	86.3%	84.6%
Guaranteed:				
90%+	16.2%	16.1%	13.2%	14.9%
50%	0.8%	0.2%	0.5%	0.5%
Total	100%	100%	100%	100%

\* "Standard" refers to all non-guaranteed refundable contract types; both non-refundable and fully amortizing. Effective December 31, 2024, 50% Refundable Contracts are no longer available

## OCCUPANCY

Below is a table showing available units and actual year to date unit occupancy through March 31, 2026, followed by the average occupancy of the five most recent fiscal years: (The Summit became a member of the LifeSpire family on October 1, 2021.)

	# of Units Available	Actual as of March 31, 2026		Average Occupancy for the Fiscal Year Ended December 31,				
		# Occ.	% Occ.	2025	2024	2023	2022	2021
<b>Independent Living</b>								
Lakewood	336	331	95.5%	98.2%	98.2%	95.5%	93.5%	92.3%
The Chesapeake	251	248	98.8%	97.6%	98.0%	96.2%	96.4%	97.1%
The Culpeper	50	48	96.0%	96.0%	92.0%	87.5%	75.4%	98.0%
The Glebe	176	174	98.9%	98.9%	98.9%	97.4%	97.0%	95.9%
The Summit	118	115	97.5%	98.3%	98.7%	88.4%	95.6%	95.6%
<b>Assisted Living</b>								
Lakewood	39	37	94.9%	94.9%	92.7%	87.7%	84.0%	78.9%
The Chesapeake	57	57	100.0%	98.2%	96.5%	90.3%	91.3%	86.1%
The Culpeper	54	50	92.6%	100.0%	100.0%	85.1%	85.0%	94.5%
The Glebe	32	31	96.9%	93.8%	96.3%	98.6%	91.3%	95.1%
The Summit	43	40	93.0%	95.3%	93.0%	97.5%	96.1%	96.1%
<b>Memory Support</b>								
Lakewood	20	20	100.0%	100.0%	82.4%	96.3%	70.7%	50.9%
The Chesapeake	16	16	100.0%	100.0%	100.0%	94.0%	90.3%	91.8%
The Culpeper	32	30	93.8%	93.8%	96.3%	89.4%	90.8%	74.0%
The Glebe	20	20	100.0%	95.0%	100.0%	99.3%	94.9%	89.3%
The Summit	-	-	-	-	-	-	-	-
<b>Nursing</b>								
Lakewood	79	73	92.4%	85.3%	94.7%	86.0%	81.0%	82.8%
The Chesapeake	52	49	94.2%	86.5%	90.6%	99.1%	94.4%	93.6%
The Culpeper	47	41	87.2%	91.5%	80.9%	97.1%	92.8%	83.3%
The Glebe	32	32	100.0%	84.4%	100.0%	91.5%	93.1%	87.2%
The Summit	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,454</b>	<b>1,402</b>	<b>96.4%</b>	<b>96.1%</b>	<b>96.5%</b>	<b>93.8%</b>	<b>92.0%</b>	<b>91.5%</b>

Below is a table of the actual year to date unit occupancy through March 31, 2026, and during the five most recent fiscal years:

	# of Units Available	Actual Through March 31, 2026		Weighted Average Occupancy for the Fiscal Year Ended December 31,				
		# Occ.	% Occ.	2025	2024	2023	2022	2021
<b>Independent Living</b>	931	906	97.3%	98.1%	98.0%	94.7%	94.1%	94.9%
<b>Assisted Living</b>	225	215	95.6%	96.9%	96.0%	91.5%	89.0%	89.1%
<b>Memory Support</b>	88	86	97.7%	96.6%	94.6%	93.9%	88.3%	77.2%
<b>Nursing</b>	210	195	92.9%	86.7%	91.6%	92.1%	88.2%	86.0%
<b>Total</b>	<b>1,454</b>	<b>1,402</b>	<b>96.4%</b>	<b>96.1%</b>	<b>96.5%</b>	<b>93.8%</b>	<b>92.0%</b>	<b>91.5%</b>

**SKILLED NURSING PAYOR MIX**

The following tables display the skilled nursing payor mix from fiscal year 2023 through Q1/2026 for each community and the Obligated Group:

**Lakewood Payor Mix**

	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FYE 2025</b>	<b>YTD through 3/31/2026</b>
Private Pay	80.6%	70.1%	64.2%	70.7%
Medicare	17.0%	26.6%	31.2%	27.7%
Medicaid	0.0%	0.0%	0.0%	0.0%
Other	2.4%	3.3%	4.6%	1.6%
Total	100%	100%	100%	100%

**The Chesapeake Payor Mix**

	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FYE 2025</b>	<b>YTD through 3/31/2026</b>
Private Pay	74.3%	67.3%	73.3%	65.2%
Medicare	20.0%	28.4%	23.7%	32.8%
Medicaid	4.1%	3.6%	1.2%	0.0%
Other	1.6%	0.7%	1.8%	2.0%
Total	100%	100%	100%	100%

**The Culpeper Payor Mix**

	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FYE 2025</b>	<b>YTD through 3/31/2026</b>
Private Pay	56.8%	59.4%	74.0%	70.5%
Medicare	23.5%	27.0%	18.6%	21.0%
Medicaid	18.1%	11.8%	5.6%	6.0%
Other	1.6%	1.8%	1.8%	2.5%
Total	100%	100%	100%	100%

**The Glebe Payor Mix**

	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FYE 2025</b>	<b>YTD through 3/31/2026</b>
Private Pay	66.1%	60.8%	55.5%	63.6%
Medicare	33.1%	37.2%	41.7%	31.7%
Medicaid	0.0%	0.0%	0.0%	0.0%
Other	0.8%	2.0%	2.8%	4.7%
Total	100%	100%	100%	100%

**Consolidated Payor Mix**

	<u>FYE 2023</u>	<u>FYE 2024</u>	<u>FYE 2025</u>	<u>YTD through 3/31/2026</u>
Private Pay	71.7%	65.9%	67.1%	68.2%
Medicare	21.6%	28.6%	28.4%	28.1%
Medicaid	4.9%	3.3%	1.4%	1.3%
Other	1.8%	2.2%	3.1%	2.4%
Total	100%	100%	100%	100%

**SKILLED NURSING PRIVATE PAY MIX**

The following table displays the composition of The Obligated Group's skilled nursing private pay residents (i.e., outside admissions vs internal transfers of continuing care contract holders) through fiscal period March 31, 2026:

	<u>Culpeper</u>	<u>Chesapeake</u>	<u>Lakewood</u>	<u>Glebe</u>	<u>Combined YTD 3/31/2026</u>
Cont. Care	33.7%	86.6%	65.4%	100.0%	66.8%
Direct Admits	66.3%	13.4%	34.6%	0.0%	33.2%
Total	100%	100%	100%	100%	100%

**LIFESPIRE OF VIRGINIA  
OBLIGATED GROUP  
DEBT SERVICE COVERAGE RATIO**

*Tested annually on December 31st*

	<u>December 31, 2023</u>	<u>December 31, 2024</u>	<u>December 31, 2025</u>	<u>March 31, 2026</u>
Change in Net Assets (Dec 2025 Operating Income )	1,646,830	(1,655,494)	7,112,196	1,277,947
Deduct:				
Entrance fee amortization	(20,832,567)	(21,124,843)	(22,253,936)	(5,543,061)
Entrance Fee 4% Administration Fee	(6,210,368)	(1,136,824)	(2,094,626)	(174,984)
Unrealized gains on investments	(27,042,935)	(2,483,283)	-	-
	<u>(27,042,935)</u>	<u>(24,744,950)</u>	<u>(24,348,562)</u>	<u>(5,718,045)</u>
Add:				
Provision for depreciation and amortization	18,002,389	19,173,759	20,144,125	5,026,368
Interest expense	10,565,332	10,915,379	8,992,304	2,526,723
Entrance fees received, net of refunds	34,476,100	20,850,183	27,339,264	3,117,818
Financing related adjustments and write-off	516,923	1,499,949	-	-
	<u>63,560,744</u>	<u>52,439,270</u>	<u>56,475,693</u>	<u>10,670,909</u>
Income available for debt service	<u>\$ 38,164,639</u>	<u>\$ 26,038,826</u>	<u>\$ 39,239,327</u>	<u>\$ 6,230,811</u>
Maximum annual debt service	<u>\$ 16,850,831</u>	<u>\$ 16,850,831</u>	<u>\$ 16,980,709</u>	<u>\$ 4,579,644</u>
<b>Debt service coverage ratio (excluding deferred entrance fees receivable)</b>	<b><u>2.26</u></b>	<b><u>1.55</u></b>	<b><u>2.31</u></b>	<b><u>1.36</u></b>

**LIFESPIRE OF VIRGINIA  
OBLIGATED GROUP  
DAYS CASH ON HAND**

<b>For Period Ending</b>	<b>12/31/2023</b>	<b>12/31/2024</b>	<b>12/31/2025</b>	<b>3/31/2026</b>
Unrestricted Cash and Securities	99,302,918	80,881,279	84,038,635	80,909,099
Total Operating Expenses for period ended	120,275,803	133,444,939	135,457,132	34,919,347
Less: Depreciation & Amortization	18,002,389	19,173,759	20,144,125	5,026,368
	<u>102,273,414</u>	<u>114,271,180</u>	<u>115,313,007</u>	<u>29,892,979</u>
Average day's expenses	280,201	312,216	315,926	332,144
Day's Cash on Hand	<b>354</b>	<b>259</b>	<b>266</b>	<b>244</b>
Minimum Days Cash on Hand	120	120	120	120
Better or Worse than requirement	Better	Better	Better	Better









**LifeSpire of Virginia Obligated Group  
Interim Financial Statements  
Year Ended March 31, 2026**

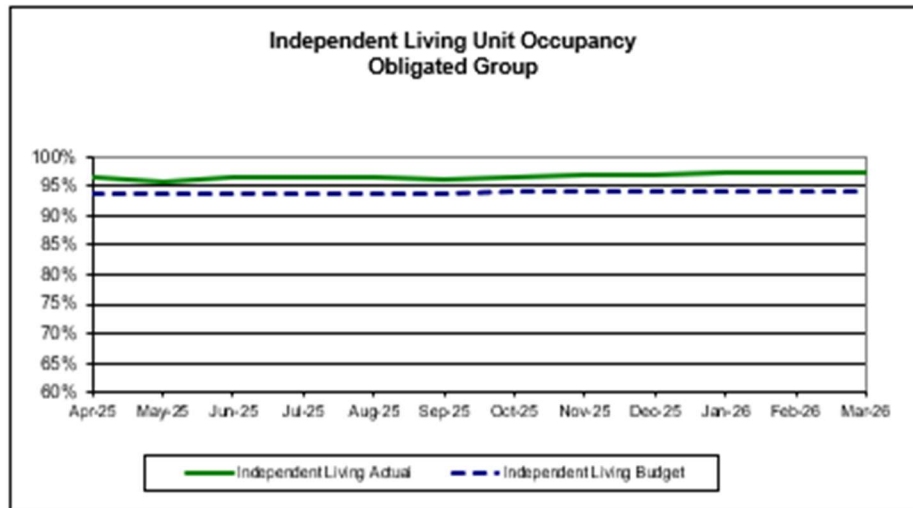
**Narrative on Financial Condition**

*Virginia Baptist Homes, Inc. dba LifeSpire of Virginia, Culpeper Baptist Retirement Community, Inc. dba The Culpeper, Newport News Baptist Retirement Community, Inc. dba The Chesapeake, Lakewood Manor Baptist Retirement Community, Inc. dba Lakewood, The Glebe, Inc. dba The Glebe, and Lynchburg Baptist Retirement Community, LLC dba The Summit*

**Revenues:**

Combined revenues for the Obligated Group (“The Group”) of \$36.1M through Q1 2026 were \$295K above budget and \$1.4M more than the previous year’s results. The favorable variance to budget was due to \$568K increase in Resident and Healthcare Service revenue recorded through Q1. The revenue variance to the previous year is primarily the result of monthly service fees which were driven primarily by the 2026 rate increases, occupancy greater than plan, other income and Investment income.

The following chart illustrates The Group’s trailing 12-month IL occupancy results:



Healthcare Services which includes Assisted Living, Healthcare and Memory Support services was \$118K above budget, and \$712K above the previous year's results through Q1. The Group's combined unit occupancy was 496 as of March 31, 2026 and on average year to date has been 504.

**Operating Expenses:**

Combined operating expenses were \$34.9M through Q1 2026, \$924K under budget and \$581K above the prior year. Labor remains tight: we're balancing shifts with overtime and agency staff at higher unit costs, though agency utilization is beginning to decline. Salaries & wages are \$53K over budget and 9.21% higher year-over-year, driven by insurance, overtime, and market-based wage increases to support higher acuity levels. Interest expense is \$194K under budget and \$1.5M lower than prior year, reflecting the 2014 debt retirement and the capitalized interest fund established with the 2024 financing supporting campus expansions.

Combined Medicare Part A average case load for The Group for the previous twelve months, by quarter, is below:

<b>Medicare Part A - Average Caseload</b>					
	QE	QE	QE	QE	QE
	<u>3/31/2025</u>	<u>6/30/2025</u>	<u>9/30/2025</u>	<u>12/31/2025</u>	<u>3/31/2026</u>
The Culpeper	841	835	775	694	863
The Chesapeake	1109	1206	975	1112	1442
The Glebe	1010	1227	1221	1230	975
Lakewood	2765	2851	2602	2783	1971
OG Total	5725	6119	5573	5819	5251
Actual Avg.	63.6	67.2	60.6	63.3	58.3
Avg. Annual Budgeted	63.0	63.0	63.0	63.0	66.0

Medicare occupancy tends to be variable, because of its rehabilitative nature and resultant short length of stay. This variability will cause the Group's average Medicare to fluctuate.

### **Entrance Fee Deferrals:**

New entrance fee deferrals granted for through Q4 were \$565K less than collections of previously deferred entrance fees, decreasing The Group's outstanding entrance fee deferral balance to \$1.6M as of March 31, 2026. We expect the outstanding deferrals to be collected over the next six months.

### **Net Entrance Fee Receipts:**

Net cash entrance fee receipts through Q1 2026 were \$3.1M and \$4.5M below our quarterly budget of \$7.6M. The annual budget for entrance fee's is budgeted evenly over the course of the year.

### **Capital Projects:**

The Group has undertaken major strategic expansion/construction projects pertaining to its communities:

- The Summit Expansion Project is slated for 18 cottages, 2 Hybrids Homes, a Memory Support Unit and increased amenities. As of March 31, 2026, we had recognized \$51.2M in capital costs relating to this project.
- The Glebe Expansion Project is slated for 22 cottages. As of March 31, 2026, we have recognized \$28.4M in capital costs relating to this project.
- The Summit and The Glebe projects are being funded from a bond issuance in Q4 2024.

### **CMS Star Ratings:**

The federal government's Centers for Medicare and Medicaid Services ("CMS") maintains a rating system in which it assigns one to five stars (with five being the best) to nursing facilities based on the results of surveys and various other quality indicators. As of May 3, 2026, the overall CMS star ratings assigned to the Health Care components of each of The Group's communities were:

- The Chesapeake      5 stars (above average)
- The Culpeper        4 stars (above average)
- Lakewood            3 stars (average)
- The Glebe            5 stars (much above average)

### Schedule of Long-Term Debt:

Following is a schedule of The Group's long-term debt, including unamortized original issuance discounts/premiums ("OID" and "OIP") and bond issuance costs ("BIC") as of 3/31/2026:

Schedule of Long-Term Debt at 3/31/2026:			
Issue	Current	Non-Current	Total
Series 2016	3,520,000	55,930,000	59,450,000
OIP (net)		3,383,093	3,383,093
BIC (net)		(792,437)	(792,437)
Series 2017C	1,042,966	43,092,034	44,135,000
OIP (net)		1,492,253	1,492,253
BIC (net)		(1,094,756)	(1,094,756)
Series 2021	1,822,034	69,972,966	71,795,000
OIP (net)		8,712,080	8,712,080
BIC (net)		(1,507,140)	(1,507,140)
Series 2024	1,050,000	145,888,705	146,938,705
OIP (net)		4,818,284	4,818,284
BIC (net)		(3,029,516)	(3,029,516)
Total	7,435,000	326,865,565	334,300,565
OIP:	Original Issue Premium		
BIC:	Bond Issuance Costs		

### Financial Ratios and Covenant Compliance:

The Group's financial ratio covenants, calculated in accordance with the definitions in the applicable bond documents, reflect days cash on hand and debt service coverage ratio exceeding the requirements as of March 31, 2026:

Interim Covenant Tests:	Results	Required
Days Cash on Hand (a)	244	120
Debt Service Coverage Ratio (a)	1.36	1.20
(a) Tested annually at December 31st.		

### AgeSmart Program:

LifeSpire's AgeSmart program, formerly known as Lakewood at Home, is a CCRC without walls program that continues to evolve and expand our mission. This program was established in 2019 at Lakewood, and in 2024 LifeSpire received permission from the state corporation to expand this program offering to all LifeSpire communities. LifeSpire has begun to slowly introduce this offering to other markets.

Through the first quarter of 2026, AgeSmart has 152 active members and 19 consultative members for a total of 171 members. During the first quarter of 2026 approximately 3% of membership is utilizing services in their homes. AgeSmart has had 12 applications YTD with 9 being approved, 4 denied for health concerns and 0 withdrawn application with a 75% approval rate.

**NOTE:** The following information has been published separately on EMMA, and is incorporated hereinto by reference:

- Fee Lists, Published Rates and Unit Counts of Obligated Group communities
- Obligated Group budget summary
- Consolidated audited financial statements of LifeSpire and its subsidiaries

