

LifeSpire

of Virginia

Faith. Wellness. Community.

The Chesapeake



The SUMMIT



THE CULPEPER



The Glebe



LAKEWOOD



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, 2025



Quarterly Continuing Disclosure Information

As of March 31, 2025

Table of Contents

	<u>Pages</u>
Disclosure Cover Memo	3
Consolidated Statement of Operations and Changes in Net Assets	4
Consolidating Balance Sheet	5
Consolidated Statement of Cash Flows	6
Occupancy Summary	7
Supplemental Occupancy and Contract-related Disclosure Information	8
Debt Service Coverage Ratio	12
Days Cash on Hand	13
Entry Fee Analysis	14
Obligated Group Narrative	17



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: Jonathan Cook, Chief Executive Officer

DATE: May 15, 2025

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

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, 2025.

If there are questions, please feel free to contact:

Jonathan Cook, Chief Executive Officer
Phone: (804) 521-9214 Email: jcook@lifespireliving.org



LIFESPIRE OF VIRGINIA AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

	Quarter Ended March 31, 2025		Increase (Decrease)	2024 Prior Year	Increase (Decrease)
	Actual	Budget			
OPERATING REVENUES, GAINS, AND OTHER SUPPORT					
Resident Services	\$ 13,003,347	\$ 12,861,872	\$ 141,475	\$ 12,454,323	\$ 549,024
Healthcare Services	12,645,262	12,426,542	218,720	11,887,414	757,848
Earned Entrance Fees	4,593,213	5,147,168	(553,954)	4,275,287	317,926
Admin Fee Revenue	249,044	469,461	(220,417)	-	249,044
Home Care Revenue	272,727	282,956	(10,229)	298,131	(25,405)
CCAH Revenue	211,100	222,600	(11,500)	172,451	38,649
Contributions/Donations	-	1,625	(1,625)	2,140	(2,140)
Investment Income (Loss)	2,746,180	494,193	2,251,987	1,505,962	1,240,218
Other Operating Revenues	760,775	651,549	109,226	(45,928)	689,320
Subsidy from VBH Foundation	288,766	439,318	(150,552)	389,321	(100,556)
Total Operating Revenues, Gains, and Other Support	34,770,414	32,997,284	1,773,131	30,939,102	3,713,929
OPERATING EXPENSES					
General & Administrative	5,696,489	6,033,195	(336,707)	5,166,412	530,077
Resident Services	1,116,676	1,150,135	(33,459)	1,073,652	43,024
Healthcare Services	8,846,177	8,802,874	43,303	8,447,533	398,643
Dining Services	4,792,301	4,979,277	(186,976)	4,576,442	215,859
Environmental Services	1,272,286	1,372,084	(99,797)	1,261,394	10,892
Plant Operations	3,158,304	3,243,590	(85,285)	2,951,907	206,397
Home Care Services	244,064	188,804	55,260	222,239	21,825
Depreciation/Amortization	5,167,472	5,158,746	8,726	4,545,980	621,491
Interest Expense	4,017,458	2,491,536	1,525,922	2,635,052	1,382,406
Other	27,450	57,579	(30,129)	(65,890)	(24,041)
Total Operating Expenses	34,338,676	33,477,819	860,857	30,814,721	3,406,574
OPERATING INCOME (LOSS)	431,738	(480,536)	912,273	124,381	307,357
NONOPERATING INCOME (LOSS)					
Change in Present Value of Trusts and Annuities	-	-	-	-	-
Unrealized Gain (Loss) on Investments	280,098	515,000	(234,902)	2,373,053	(2,092,954)
Reclassification of Net Assets	(1,479,505)	-	(1,479,505)	(526,951)	(952,554)
Total Nonoperating Income (Loss)	(1,199,407)	515,000	(1,714,407)	1,846,102	(3,045,508)
EXCESS (DEFICIT) OF REVENUES, GAINS AND OTHER SUPPORT OVER (UNDER) EXPENSES	(767,669)	34,464	(802,133)	1,970,483	(2,738,152)
Temporarily restricted net assets					
Gifts, grants and bequests	-	-	-	8,050	(8,050)
Reclassification of net assets	(2,581,410)	-	(2,581,410)	(302,360)	(2,279,050)
Net assets released from restrictions					
Increase in temporarily restricted net assets	(2,581,410)	-	(2,581,410)	(294,310)	(2,287,100)
Permanently restricted net assets					
Change in present value of perpetual trust funds	-	500	(500)	-	-
Reclassification of net assets	(1,817,756)	-	(1,817,756)	283,852	(2,101,608)
Increase in permanently restricted net assets	(1,817,756)	500	(1,818,256)	283,852	(2,101,608)
Increase (Decrease) in net assets	(5,166,835)	34,964	(5,201,799)	1,960,025	(7,126,860)
Net assets at beginning of year	(53,506,703)	(53,506,703)	-	(51,608,039)	(1,898,664)
Net assets at end of period	\$ (58,673,538)	\$ (53,471,739)	\$ (5,201,799)	\$ (49,648,014)	\$ (9,025,524)



LIFESPIRE OF VIRGINIA AND SUBSIDIARIES
Consolidated Balance Sheet

	March 2025	March 2024		March 2025	March 2024
ASSETS			LIABILITIES AND NET ASSETS		
Current assets:			Current liabilities:		
Cash & Equivalents	\$ 2,027,471	\$ 12,730,321	Accounts payable	\$ 4,820,474	\$ 6,079,317
Current portion of assets whose use is limited	1,014,322	991,331	Salaries and wages	4,607,721	4,149,553
Accounts receivable	4,755,021	7,791,828	Other payables	8,050,391	5,383,903
Notes receivable	2,141,796	1,941,711	Deposits from prospective residents	3,284,170	2,233,500
Prepaid expenses	10,699,333	1,136,704	Current Portion of Long Term Debt	7,015,000	10,853,000
Due from affiliates	(190,272)	5,872,355	Total current liabilities	27,777,756	28,699,273
Other Assets	3,430,570	3,165,786			
Total current assets	23,878,240	33,630,036			
Investments	70,275,077	65,675,024	Advance fees:		
			Deferred revenue from advance fees	83,918,991	82,368,093
Beneficial Interest in Perpetual Trusts	9,307,243	8,628,817	Deferred revenue from advance fees, subject to refund	105,008,005	104,738,145
			Total Advance Fees	188,926,996	187,106,238
Assets whose use is limited:					
Externally restricted under bond indenture agreement (held by trustee)	112,844,128	19,102,680	Other Liabilities:		
Investments-limited use	-	121,057	Long-term debt, less current portion	362,400,676	236,372,480
Total assets whose use is limited	112,844,128	19,223,736	Total liabilities	579,105,428	452,177,991
Property, plant and equipment, less accumulated depreciation of -\$254,511,776 in March and -\$234,377,797 in March	297,422,069	270,087,744	Net assets:		
			Unrestricted net assets	(67,626,031)	(62,865,293)
Other assets:			Temporarily restricted net assets	223,676	2,670,706
Deferred costs	6,705,133	5,284,620	Permanently restricted net assets	8,728,817	10,546,573
Total other assets	6,705,133	5,284,620	Total net assets	(58,673,538)	(49,648,014)
TOTAL ASSETS	\$ 520,431,890	\$ 402,529,977	TOTAL LIABILITIES AND NET ASSETS	\$ 520,431,890	\$ 402,529,977



**LIFESPIRE OF VIRGINIA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS**

	For the Quarter Ended March 31,	
	2025	2024
Cash flows from operating activities		
Increase/(Decrease) in net assets	\$ (5,166,835)	\$ 1,960,025
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Amortization of deferred revenue from advance fees	(4,473,136)	(4,275,287)
Proceeds from advance fees and deposits	6,142,873	6,059,584
Amortization of deferred financing costs	65,773	-
Provision for Bad Debts	(137,536)	(639,753)
Provision for depreciation	5,199,242	4,590,577
Net realized and unrealized (gains) losses on long-term investments	(1,645,552)	(9,960,005)
Decrease (increase) in operating assets:		
Accounts receivable	(590,775)	504,171
Prepaid expense	1,419,676	312,214
Notes Receivable	683,229	1,042,735
Other current assets	(114,753)	(1,463,118)
Increase (decrease) in operating liabilities:		
Accounts payable	(8,406,198)	(2,741,548)
Salaries and wages	870,317	1,126,790
Interest payable	4,112,753	2,536,390
Lease payable	-	(90,361)
Deposits from prospective residents	155,500	1,433,600
Net cash (used in) provided by operating activities	(1,885,422)	396,014
Cash flows from investing activities		
Acquisition of property, plant and equipment	(13,941,537)	(3,482,197)
Change in investments and assets whose use is limited:		
Change in cash and cash equivalents	2,943,102	(6,351,729)
Net (Purchases)/Sales of Investments	6,251,350	618,023
Net cash used in investing activities	(4,747,084)	(9,215,903)
Cash flows from financing activities		
Other financing activities:		
Refunds of advance fees and deposits	(1,635,153)	(2,772,066)
Proceeds from debt issuance	-	57,871
Payments on long-term debt	-	(1,872,000)
Increase in other liabilities	(212,660)	(170,518)
Net cash provided by financing activities	(1,847,813)	(4,756,713)
Net increase (decrease) in cash and cash equivalents	(8,480,319)	(13,576,602)
Cash and cash equivalents at beginning of year	10,507,790	26,306,923
Cash and cash equivalents at end of period	\$ 2,027,471	\$ 12,730,321

STATISTICAL SUMMARY
Average Year-to-Date Through 3/31/2025

	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	47	52	30	44	173	94.0%	96.3%	93.8%	93.6%	94.5%
Chesapeake	251	57	16	52	376	243	54	15	49	361	96.8%	94.7%	93.8%	94.2%	96.0%
Lakewood	337	41	20	95	493	323	39	18	86	466	95.8%	95.1%	90.0%	90.5%	94.5%
Summit	100	43	-	-	143	96	41	-	-	137	96.0%	95.3%	0.0%	0.0%	95.8%
Glebe	154	32	20	32	238	150	30	19	30	229	97.4%	93.4%	95.0%	93.8%	96.2%
OBLIGATED GROUP	892	227	88	226	1,433	859	216	82	209	1,366	96.3%	95.2%	93.2%	92.5%	95.3%

Actual 03/31/25

	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	31	41	170	96.0%	92.6%	96.9%	87.2%	92.9%
Chesapeake	251	57	16	52	376	244	52	16	47	359	97.2%	91.2%	100.0%	90.4%	95.5%
Lakewood	337	41	20	95	493	326	37	15	84	462	96.7%	90.2%	75.0%	88.4%	93.7%
Summit	100	43	-	-	143	99	42	-	-	141	99.0%	97.7%	0.0%	0.0%	98.6%
Glebe	156	32	20	32	240	152	31	20	28	231	97.4%	96.3%	100.0%	87.5%	96.3%
OBLIGATED GROUP	894	227	88	226	1,435	869	212	82	200	1,363	97.2%	93.4%	93.2%	88.5%	95.0%

LifeSpire of Virginia – All Five CCRCs
Supplemental Occupancy & Contract-Related Continuing Disclosure Information
March 31, 2025

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 2022 through Q1/2025:

	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Life Care	54.1%	53.1%	52.0%	51.3%
CC/FFS/RE	45.9%	46.9%	48.0%	48.7%
Total	100%	100%	100%	100%

Refund Type Mix

The following table displays the refund type mix from fiscal year 2022 through Q1/2025:

	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Standard	82.7%	83.0%	83.7%	84.1%
Guaranteed:				
90%+	16.4%	16.2%	16.1%	15.3%
50%	0.9%	0.8%	0.2%	0.6%
Total	100%	100%	100%	100%

* "Standard" refers to all non-guaranteed refundable contract types; both non-refundable and fully amortizing.

OCCUPANCY

Below is a table showing available units and actual year to date unit occupancy through March 31, 2025, 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, 2025		Average Occupancy for the Fiscal Year Ended December 31,				
		# Occ.	% Occ.	2024	2023	2022	2021	2020
Independent Living								
Lakewood	337	326	96.7%	98.2%	95.5%	93.5%	92.3%	91.3%
The Chesapeake	251	244	97.2%	98.0%	96.2%	96.4%	97.1%	96.7%
The Culpeper	50	48	96.0%	92.0%	87.5%	75.4%	98.0%	98.6%
The Glebe	156	152	97.4%	98.9%	97.4%	97.0%	95.9%	95.7%
The Summit	100	99	99.0%	98.7%	88.4%	95.6%	95.6%	-
Assisted Living								
Lakewood	41	37	90.2%	92.7%	87.7%	84.0%	78.9%	82.8%
The Chesapeake	57	52	91.2%	96.5%	90.3%	91.3%	86.1%	93.1%
The Culpeper	54	50	92.6%	100.0%	85.1%	85.0%	94.5%	95.2%
The Glebe	32	31	96.3%	96.3%	98.6%	91.3%	95.1%	98.0%
The Summit	43	42	97.7%	93.0%	97.5%	96.1%	96.1%	-
Memory Support								
Lakewood	20	15	75.0%	82.4%	96.3%	70.7%	50.9%	79.2%
The Chesapeake	16	16	100.0%	100.0%	94.0%	90.3%	91.8%	82.2%
The Culpeper	32	31	96.9%	96.3%	89.4%	90.8%	74.0%	81.5%
The Glebe	20	20	100.0%	100.0%	99.3%	94.9%	89.3%	85.7%
The Summit	-	-	-	-	-	-	-	-
Nursing								
Lakewood	95	84	88.4%	94.7%	86.0%	81.0%	82.8%	87.5%
The Chesapeake	52	47	90.4%	90.6%	99.1%	94.4%	93.6%	88.4%
The Culpeper	47	41	87.2%	80.9%	97.1%	92.8%	83.3%	89.6%
The Glebe	32	28	87.5%	100.0%	91.5%	93.1%	87.2%	84.9%
The Summit	-	-	-	-	-	-	-	-
Total	1,435	1,363	95.0%	96.5%	93.8%	92.0%	91.5%	91.9%

Below is a table of the actual year to date unit occupancy through March 31, 2025, and during the five most recent fiscal years:

	# of Units Available	Actual Through March 31, 2025		Weighted Average Occupancy for the Fiscal Year Ended December 31,				
		# Occ.	% Occ.	2024	2023	2022	2021	2020
Independent Living	894	869	97.2%	98.0%	94.7%	94.1%	94.9%	94.2%
Assisted Living	227	212	93.4%	96.0%	91.5%	89.0%	89.1%	91.4%
Memory Support	88	82	93.2%	94.6%	93.9%	88.3%	77.2%	82.3%
Nursing	226	200	88.5%	91.6%	92.1%	88.2%	86.0%	87.8%
Total	1,435	1,363	95.0%	96.5%	93.8%	92.0%	91.5%	91.9%

SKILLED NURSING PAYOR MIX

The following tables display the skilled nursing payor mix from fiscal year 2022 through Q1/2025 for each community and the Obligated Group:

Lakewood Payor Mix

	FYE 2022	FYE 2023	FYE 2024	YTD through 3/31/2025
Private Pay	74.8%	80.6%	70.1%	64.5%
Medicare	23.8%	17.0%	26.6%	31.5%
Medicaid	0.0%	0.0%	0.0%	0.0%
Other	1.4%	2.4%	3.3%	4.0%
Total	100%	100%	100%	100%

The Chesapeake Payor Mix

	FYE 2022	FYE 2023	FYE 2024	YTD through 3/31/2025
Private Pay	78.7%	74.3%	67.3%	71.7%
Medicare	16.0%	20.0%	28.4%	24.3%
Medicaid	4.0%	4.1%	3.6%	2.1%
Other	1.3%	1.6%	0.7%	1.9%
Total	100%	100%	100%	100%

The Culpeper Payor Mix

	FYE 2022	FYE 2023	FYE 2024	YTD through 3/31/2025
Private Pay	52.1%	56.8%	59.4%	72.0%
Medicare	26.6%	23.5%	27.0%	18.9%
Medicaid	20.0%	18.1%	11.8%	4.9%
Other	1.3%	1.6%	1.8%	4.2%
Total	100%	100%	100%	100%

The Glebe Payor Mix

	FYE 2022	FYE 2023	FYE 2024	YTD through 3/31/2025
Private Pay	69.5%	66.1%	60.8%	60.9%
Medicare	28.7%	33.1%	37.2%	35.3%
Medicaid	0.0%	0.0%	0.0%	0.0%
Other	1.8%	0.8%	2.0%	3.8%
Total	100%	100%	100%	100%

Consolidated Payor Mix

	FYE 2022	FYE 2023	FYE 2024	YTD through 3/31/2025
Private Pay	70.0%	71.7%	65.9%	67.1%
Medicare	23.3%	21.6%	28.6%	27.9%
Medicaid	5.4%	4.9%	3.3%	1.5%
Other	1.3%	1.8%	2.2%	3.5%
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, 2025:

	Culpeper	Chesapeake	Lakewood	Glebe	Combined YTD 3/31/2025
Cont. Care	23.4%	90.8%	81.9%	100.0%	73.8%
Direct Admits	76.6%	9.2%	18.1%	0.0%	26.2%
Total	100%	100%	100%	100%	100%

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

Tested annually on December 31st

	December 31, 2022	December 31, 2023	December 31, 2024	March 31, 2025
Increase (Decrease) in Net Assets (Mar 2025 Operating Income)	(20,780,036)	1,646,830	(1,655,494)	431,738
Deduct:				
Entrance fee amortization	(19,140,913)	(20,832,567)	(21,124,843)	(4,593,213)
Entrance Fee 4% Administration Fee			(1,136,824)	(249,044)
Unrealized gains on investments	-	(6,210,368)	(2,483,283)	-
Extraordinary Gain on debt extinguishment	-			
Decrease in future service obligation	-			
Adjustment for gains/(losses) on disposal of fixed assets	-	-	-	
	(19,140,913)	(27,042,935)	(24,744,950)	(4,842,257)
Add:				
Provision for depreciation and amortization	17,278,066	18,002,389	19,173,759	5,167,472
Interest expense	10,683,360	10,565,332	10,915,379	4,017,458
Entrance fees received, net of refunds	31,348,930	34,476,100	20,850,183	5,085,037
Unrealized losses on investments	11,766,776	-	-	
Financing related adjustments and write-off	425,486	516,923	1,499,949	-
Increase in future service obligation	-	-	-	
Other than temporary decline in investments	-	-	-	
Loss on project abandonment	-	-	-	
	71,502,618	63,560,744	52,439,270	14,269,967
Income available for debt service	\$ 31,581,669	\$ 38,164,639	\$ 26,038,826	\$ 9,859,448
Maximum annual debt service	\$ 16,861,519	\$ 16,850,831	\$ 16,850,831	\$ 5,980,288
Debt service coverage ratio (excluding deferred entrance fees receivable)	1.87	2.26	1.55	1.65

*** March 2025 is starting with Net Income due to reclassification of Net Assets. This change makes the ratio comparable to prior years.**

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

For Period Ending	12/31/2022	12/31/2023	12/31/2024	3/31/2025
Unrestricted Cash and Securities	98,630,326	99,302,918	80,881,279	73,126,598
Total Operating Expenses for period ended	113,766,858	120,275,803	133,444,939	34,338,676
Less: Depreciation & Amortization	17,278,066	18,002,389	19,173,759	5,167,472
	96,488,792	102,273,414	114,271,180	29,171,204
Average day's expenses	264,353	280,201	312,216	324,124
Day's Cash on Hand	373	354	259	226
Minimum Days Cash on Hand	120	120	120	120
Better or Worse than requirement	Better	Better	Better	Better

**LifeSpire of Virginia
Obligated Group**

Year-to-Date through 12/31/2025

Beginning Deferral Balance	Month													YTD Deferral Balance
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	

Culpeper

[illegible]

Chesapeake

[illegible]

[illegible][illegible]

[illegible][illegible][illegible]

**LifeSpire of Virginia Obligated Group
Interim Financial Statements
Year Ended March 31, 2025**

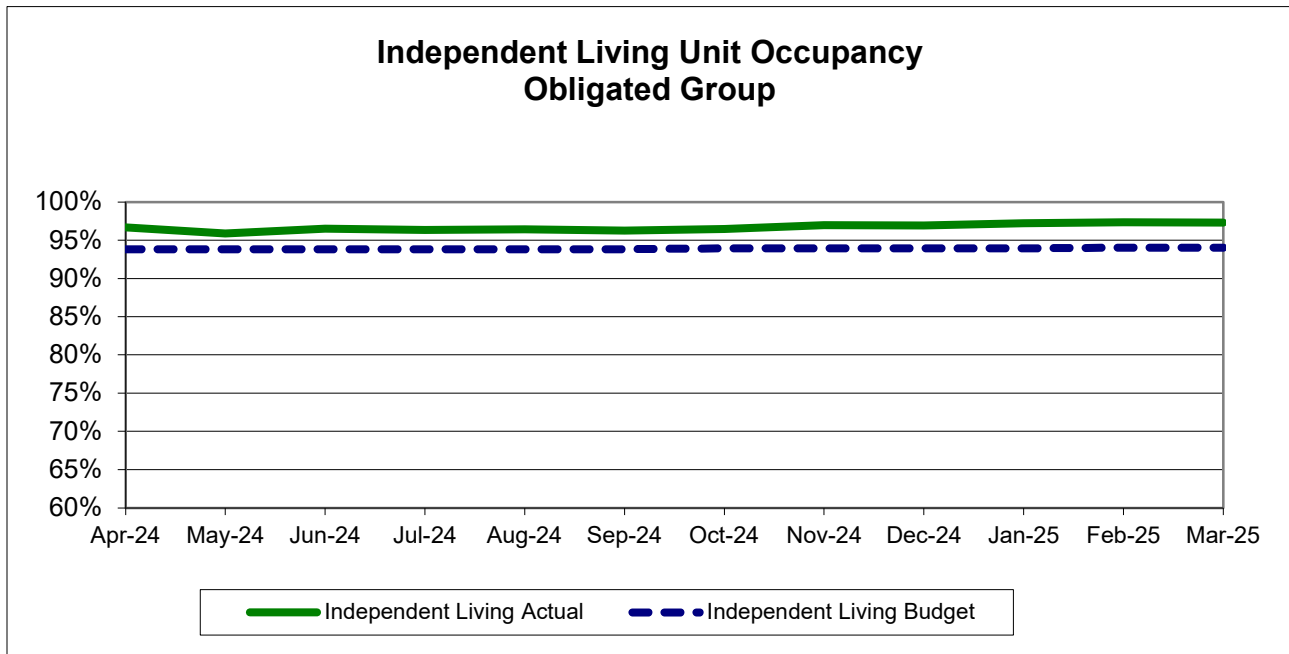
Narrative on Financial Condition

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 \$34.8M through Q1 2025 were \$1.7M above budget and \$3.7M (12.0%) more than the previous year's results. The favorable variance to budget was primarily due to \$2.3M of Investment Income recorded through Q1. The revenue variance to the previous year is primarily the result of monthly service fees which were driven primarily by the 2025 rate increases and Investment income, that exceeded the prior year by \$1.2M due to improved investment portfolio performance.

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 \$218K above budget, and \$758K above the previous year's results through Q1. The Group's combined unit occupancy was 494 through Q1, lower than the average 2025 budget of 507 but 6 units higher than the previous year.

Operating Expenses:

Combined operating expenses for The Group of \$34.3M through Q1 2025 were \$861K above budget and \$3.4M more than the previous year. We continue to balance our teams using overtime and agency staff which come at an elevated cost but agency usage is starting to decline. "Salaries, wages and professional fees" are below budget by \$177K and \$1.3M (8.1%) higher than the previous year reflecting an increase in insurance costs, overtime cost as well as wage increases required to staff higher levels of care in today's market. Interest expense was above budget by \$1.5M and \$1.4M higher than the previous year. This is a result of the 2024 Debt issuance for The Glebe and Summit campus expansions.

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

	QE <u>12/31/2023</u>	QE <u>3/31/2024</u>	QE <u>6/30/2024</u>	QE <u>9/30/2024</u>	QE <u>12/31/2024</u>	QE <u>3/31/2025</u>
Actual Avg.	50.6	60.4	61.3	67.8	65.0	63.6
Avg. Annual Budgeted	50.0	56.5	56.5	56.5	56.5	63.0

Medicare occupancy tends to be variable, because of its rehabilitative nature and resultant short length of stay. The Group's average Medicare stays have been increasing over the last twelve months.

Entrance Fee Deferrals:

New entrance fee deferrals granted for through Q1 were \$683k less than collections of previously deferred entrance fees, increasing The Group's outstanding entrance fee deferral balance to \$2.1M as of March 31, 2025. We expect the presently outstanding deferrals to be collected over the next six months.

Net Entrance Fee Receipts:

Net cash entrance fee receipts through Q1 2025 were \$6.2M and \$3.8M below our budget of \$10.1M. This is primarily due to the shortage of available IL unit inventory caused by The Group's high IL occupancy rate.

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, 2025, we had recognized \$9.2M in capital costs relating to this project.
- The Glebe Expansion Project is slated for 22 cottages. As of March 31, 2025, we have recognized \$14.5M 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 6, 2025, the overall CMS star ratings assigned to the Health Care components of each of The Group's communities were:

- The Chesapeake 5 stars (much above average)
- The Culpeper 4 stars (above average)
- Lakewood 2 stars (below 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 03/31/2025:

Schedule of Long-Term Debt at 03/31/2025:			
Issue	Current	Non-Current	Total
Series 2016	3,350,000	59,274,370	62,624,370
OIP (net)		3,653,740	3,653,740
BIC (net)		(855,832)	(855,832)
Series 2017C	1,190,000	44,135,000	45,325,000
OIP (net)		1,560,862	1,560,862
BIC (net)		(1,148,729)	(1,148,729)
Series 2021	1,590,000	71,795,000	73,385,000
OIP (net)		9,054,850	9,054,850
BIC (net)		(1,565,067)	(1,565,067)
Series 2024	885,000	167,940,000	168,825,000
OIP (net)		4,986,854	4,986,854
BIC (net)		(3,135,505)	(3,135,505)
Total	7,015,000	355,695,543	362,710,543

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, 2025:

Interim Covenant Tests:	Results	Required
Days Cash on Hand (a)	226	120
Debt Service Coverage Ratio (a)	1.65	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 2025, AgeSmart has 137 active members and 16 consultative members for a total of 153 members. In the first quarter approximately 5% of membership is utilizing services in their homes. AgeSmart has had 17 applications YTD with 12 being approved, 4 denied for health concerns and one 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