

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 DECEMBER 31, 2024



Quarterly Continuing Disclosure Information

As of December 31, 2024

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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: Erik Mauritsen, Chief Financial Officer

DATE: February 14, 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 December 31, 2024.

If there are questions, please feel free to contact:

Erik Mauritsen, Chief Financial Officer
Phone: (804) 521-9206 Email: emauritsen@lifespireliving.org



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

	Year Ended 12/31/24 Actual	Budget	Increase (Decrease)	2023 Prior Year	Increase (Decrease)
Unrestricted revenues, gains and other support:					
Earned Entrance Fees	\$ 21,124,843	\$ 19,312,282	\$ 1,812,561	\$ 20,832,567	\$ 292,276
Independent Living	49,951,423	50,072,417	(120,994)	46,665,173	3,286,250
Assisted Living	14,635,208	14,958,240	(323,032)	13,248,058	1,387,150
Memory Support	6,665,790	6,434,217	231,573	5,977,477	688,313
Health care services	25,634,008	27,483,976	(1,849,968)	24,372,103	1,261,905
Clinic	1,230,137	979,308	250,829	978,218	251,919
Net assets released from restrictions used for operations	577,854	1,389,813	(811,959)	1,021,327	(443,473)
Unrestricted gifts and donations:					
Cooperative Program	-	-	-	1,500	(1,500)
Gifts and bequests	670,858	1,111,500	(440,642)	387,368	283,491
Investment income designated for current operations	5,328,246	1,942,296	3,385,950	1,584,915	3,743,331
Other	5,147,672	4,111,898	1,035,774	5,336,380	(188,708)
	<u>130,966,040</u>	<u>127,795,947</u>	<u>3,170,093</u>	<u>120,405,086</u>	<u>10,560,954</u>
Expenses:					
Salaries, wages and professional fees	68,744,492	67,304,583	1,439,909	60,176,270	8,568,222
Provisions for depreciation and amortization	19,173,759	18,018,802	1,154,957	17,953,099	1,220,660
Interest	10,915,379	10,577,562	337,817	10,542,867	372,512
Other	34,611,309	32,049,956	2,561,357	36,027,838	(1,416,525)
	<u>133,444,939</u>	<u>127,950,903</u>	<u>5,494,040</u>	<u>124,700,074</u>	<u>8,744,869</u>
Operating Income	(2,478,899)	(154,956)	(2,323,947)	(4,294,988)	1,816,085
Unrealized gains on investments	2,483,283	-	2,483,283	6,211,368	(3,728,085)
Deferred Financing Cost Write-off	(1,499,949)	-	(1,499,949)	-	(1,499,949)
	<u>983,334</u>	<u>-</u>	<u>983,334</u>	<u>6,211,368</u>	<u>(5,228,034)</u>
Excess of revenues, gains and other support over expenses	(1,495,565)	(154,956)	(1,340,613)	1,916,380	(3,411,949)
Temporarily restricted net assets:					
Gifts, grants and bequests	421,924	1,065,000	(643,076)	442,166	(20,242)
Net assets released from restrictions	(581,853)	(1,389,813)	807,960	(1,021,327)	439,474
Increase in temporarily restricted net assets	(159,929)	(324,813)	164,884	(579,161)	419,232
Permanently restricted net assets:					
Change in present value of perpetual trust funds	-	-	-	(132,449)	132,449
Increase in permanently restricted net assets	-	-	-	(132,449)	132,449
Increase (Decrease) in net assets	(1,655,494)	(479,769)	(1,175,729)	1,204,770	(2,860,268)
Net assets at beginning of year	(51,608,044)	(51,608,044)	-	(52,812,813)	1,204,774
Net assets at end of period	<u>\$ (53,263,538)</u>	<u>\$ (52,087,813)</u>	<u>\$ (1,175,729)</u>	<u>\$ (51,608,043)</u>	<u>\$ (1,655,494)</u>



**LIFESPIRE OF VIRGINIA AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET**

	December 2024	December 2023		December 2024	December 2023
ASSETS			LIABILITIES AND NET ASSETS		
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 11,522,112	\$ 26,306,923	Accounts payable	\$ 13,167,503	\$ 8,820,873
Current portion of assets whose use is limited	237,648	7,855,454	Salaries and wages	\$ 3,737,404	\$ 3,022,763
Accounts receivable	4,071,704	7,656,242	Interest payable	\$ (2,725,249)	\$ 1,819,529
Notes receivable	2,825,025	2,984,446	Lease payable	\$ 777,890	\$ 1,118,346
Prepaid expenses	1,459,917	1,448,918	Deferred Revenue	\$ 185,525	\$ -
Other	4,125,739	1,702,667	Deposits from prospective residents	\$ 3,234,570	\$ 883,400
Total current assets	<u>24,242,145</u>	<u>47,954,650</u>	Current portion of long-term debt	\$ 6,737,370	\$ 12,725,000
Investments	69,359,167	61,795,381	Deferred revenue from advance fees subject to refund	\$ 105,549,478	\$ 107,455,830
Beneficial Interest in Perpetual Trust	8,628,817	8,628,817	Total current liabilities	<u>\$ 130,664,491</u>	<u>\$ 135,845,741</u>
Assets whose use is limited:			Advance fees:		
Externally restricted under bond indenture agreement (held by trustee)	121,118,660	14,273,353	Deferred revenue from advance fees	\$ 83,044,006	\$ 80,554,677
Less amounts available for current liabilities	237,648	7,855,454	Other Liabilities		
Total assets whose use is limited	<u>120,881,012</u>	<u>6,417,899</u>	Long-term debt, less current portion	\$ 351,345,959	\$ 231,200,497
Property, plant and equipment, less accumulated depreciation of \$248,981,034 and \$229,825,133 in 2024 and 2023	288,679,777	271,196,125	Total liabilities	<u>\$ 565,054,456</u>	<u>\$ 447,600,915</u>
Other assets:			Net assets:		
Miscellaneous	-	-	Unrestricted	\$ (66,006,939)	\$ (64,643,823)
Total other assets	<u>-</u>	<u>-</u>	Temporarily restricted	\$ 2,329,278	\$ 2,905,509
TOTAL ASSETS	<u>\$ 511,790,918</u>	<u>\$ 395,992,872</u>	Permanently restricted	\$ 10,414,123	\$ 10,130,271
			Total net assets	<u>\$ (53,263,538)</u>	<u>\$ (51,608,043)</u>
			TOTAL LIABILITIES AND NET ASSETS	<u>\$ 511,790,918</u>	<u>\$ 395,992,872</u>



LIFESPIRE OF VIRGINIA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Year Ended December 31,	
	2024	2023
Cash flows from operating activities		
Increase/(Decrease) in net assets	\$ (1,655,494)	\$ 1,204,771
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Amortization of deferred revenue from advance fees	(22,707,459)	(21,335,980)
Proceeds from advance fees and deposits	30,556,881	41,703,031
Provision for Bad Debts	(1,355,129)	(674,226)
Provision for depreciation	19,525,318	18,312,302
Net realized and unrealized (gains) losses on long-term investments	(10,543,095)	(15,826,937)
Change in present value of trust funds	-	132,449
Decrease (increase) in operating assets:		
Accounts receivable	4,939,663	(2,935,336)
Prepaid expense	(10,999)	(25,092)
Notes Receivable	159,421	(533,414)
Other current assets	(2,423,072)	808,950
Increase (decrease) in operating liabilities:		
Accounts payable	4,346,642	2,441,300
Deferred Revenue	185,522	(698,678)
Salaries and wages	714,641	(335,964)
Interest payable	(4,544,777)	3
Lease payable	(340,455)	(389,044)
Deposits from prospective residents	2,637,830	(305,600)
Net cash (used in) provided by operating activities	19,485,438	21,542,535
Cash flows from investing activities		
Acquisition of property, plant and equipment	(37,008,968)	(24,969,782)
Change in investments and assets whose use is limited:		
Change in cash and cash equivalents	(109,312,010)	2,640,111
Net (Purchases)/Sales of Investments	5,446,013	6,045,844
Net cash used in investing activities	(140,874,965)	(16,283,827)
Cash flows from financing activities		
Other financing activities:		
Refunds of advance fees and deposits	(7,553,105)	(9,197,741)
Proceeds from debt issuance	168,635,882	246,033
Payments on long-term debt	(46,926,631)	(7,713,000)
Increase in other liabilities	(7,551,430)	(682,037)
Net cash provided by financing activities	106,604,716	(17,346,745)
Net increase (decrease) in cash and cash equivalents	(14,784,811)	(12,088,037)
Cash and cash equivalents at beginning of year	26,306,923	38,394,958
Cash and cash equivalents at end of period	\$ 11,522,112	\$ 26,306,921

STATISTICAL SUMMARY
Average Year-to-Date Through 12/31/2024

	UNITS AVAILABLE					UNITS OCCUPIED					OCCUPANCY PERCENT				
	ILU	AL	MS	HC	Total	ILU	AL	MS	HC	Total	ILU	AL	MS	HC	TOTAL
Culpeper	51	54	32	47	184	48	48	31	43	169	94.5%	88.2%	96.5%	91.8%	92.3%
Chesapeake	251	57	16	52	376	243	56	15	47	362	96.8%	98.3%	96.1%	90.5%	96.2%
Lakewood	337	41	20	95	493	326	34	16	87	463	96.8%	82.1%	78.9%	91.6%	93.9%
Summit	101	43	-	-	144	94	42	-	-	136	93.0%	97.2%	0.0%	0.0%	94.3%
Glebe	154	32	20	32	238	153	32	20	29	234	99.3%	100.0%	98.1%	91.4%	98.3%
OBLIGATED GROUP	893	227	88	226	1,434	864	211	82	206	1,363	96.7%	93.1%	92.8%	91.3%	95.0%

Actual 12/31/24

	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	46	54	31	38	169	92.0%	100.0%	96.3%	80.9%	92.2%
Chesapeake	251	57	16	52	376	246	55	16	47	364	98.0%	96.5%	100.0%	90.6%	96.8%
Lakewood	337	41	20	95	493	331	38	16	90	475	98.2%	92.7%	82.4%	94.7%	96.4%
Summit	100	43	-	-	143	99	40	-	-	139	98.7%	93.0%	0.0%	0.0%	97.0%
Glebe	154	32	20	32	238	152	31	20	32	235	98.9%	96.3%	100.0%	100.0%	98.9%
OBLIGATED GROUP	892	227	88	226	1,433	874	218	83	207	1,382	98.0%	96.0%	94.6%	91.6%	96.5%

LifeSpire of Virginia – All Five CCRCs
Supplemental Occupancy & Contract-Related Continuing Disclosure Information
December 31, 2024

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 2021 through Q4/2024:

	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Life Care	55.8%	54.1%	53.1%	52.0%
CC/FFS/RE	44.2%	45.9%	46.9%	48.0%
Total	100%	100%	100%	100%

Refund Type Mix

The following table displays the refund type mix from fiscal year 2021 through Q4/2024:

	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Standard	82.6%	82.7%	83.0%	83.7%
Guaranteed:				
90%+	16.5%	16.4%	16.2%	16.1%
50%	0.9%	0.9%	0.2%	0.2%
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 December 31, 2024, 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 December 31, 2024		Average Occupancy for the Fiscal Year Ended December 31,				
		# Occ.	% Occ.	2023	2021	2020	2019	2018
Independent Living								
Lakewood	337	331	98.2%	95.5%	93.5%	92.3%	91.3%	88.8%
The Chesapeake	251	246	98.0%	96.2%	96.4%	97.1%	96.7%	97.2%
The Culpeper	50	46	92.0%	87.5%	75.4%	98.0%	98.6%	100.0%
The Glebe	154	152	98.9%	97.4%	97.0%	95.9%	95.7%	95.0%
The Summit	100	99	98.7%	88.4%	95.6%	95.6%	-	-
Assisted Living								
Lakewood	41	38	92.7%	87.7%	84.0%	78.9%	82.8%	88.5%
The Chesapeake	57	55	96.5%	90.3%	91.3%	86.1%	93.1%	90.2%
The Culpeper	54	54	100.0%	85.1%	85.0%	94.5%	95.2%	114.3%
The Glebe	32	31	96.3%	98.6%	91.3%	95.1%	98.0%	92.6%
The Summit	43	40	93.0%	97.5%	96.1%	96.1%	-	-
Memory Support								
Lakewood	20	16	82.4%	96.3%	70.7%	50.9%	79.2%	85.7%
The Chesapeake	16	16	100.0%	94.0%	90.3%	91.8%	82.2%	68.8%
The Culpeper	32	31	96.3%	89.4%	90.8%	74.0%	81.5%	42.2%
The Glebe	20	20	100.0%	99.3%	94.9%	89.3%	85.7%	79.5%
The Summit	-	-	-	-	-	-	-	-
Nursing								
Lakewood	95	90	94.7%	86.0%	81.0%	82.8%	87.5%	91.8%
The Chesapeake	52	47	90.6%	99.1%	94.4%	93.6%	88.4%	90.1%
The Culpeper	47	38	80.9%	97.1%	92.8%	83.3%	89.6%	93.1%
The Glebe	32	32	100.0%	91.5%	93.1%	87.2%	84.9%	89.0%
The Summit	-	-	-	-	-	-	-	-
Total	1,433	1,382	96.5%	93.8%	92.0%	91.5%	91.9%	91.5%

Below is a table of the actual year to date unit occupancy through December 31, 2024, and during the five most recent fiscal years:

	# of Units Available	Actual Through December 31, 2024		Weighted Average Occupancy for the Fiscal Year Ended December 31,				
		# Occ.	% Occ.	2023	2022	2021	2020	2019
Independent Living	892	874	98.0%	94.7%	94.1%	94.9%	94.2%	93.2%
Assisted Living	227	218	96.0%	91.5%	89.0%	89.1%	91.4%	96.5%
Memory Support	88	83	94.6%	93.9%	88.3%	77.2%	82.3%	63.9%
Nursing	226	207	91.6%	92.1%	88.2%	86.0%	87.8%	91.3%
Total	1,433	1,382	96.2%	93.8%	92.0%	91.5%	91.9%	91.5%

SKILLED NURSING PAYOR MIX

The following tables display the skilled nursing payor mix from fiscal year 2021 through Q4/2024 for each community and the Obligated Group:

Lakewood Payor Mix

	FYE 2021	FYE 2022	FYE 2023	YTD through 12/31/2024
Private Pay	60.9%	74.8%	80.6%	70.1%
Medicare	37.1%	23.8%	17.0%	26.6%
Medicaid	0.0%	0.0%	0.0%	0.0%
Other	2.0%	1.4%	2.4%	3.3%
Total	100%	100%	100%	100%

The Chesapeake Payor Mix

	FYE 2021	FYE 2022	FYE 2023	YTD through 12/31/2024
Private Pay	84.7%	78.7%	74.3%	67.3%
Medicare	10.5%	16.0%	20.0%	28.4%
Medicaid	3.6%	4.0%	4.1%	3.6%
Other	1.2%	1.3%	1.6%	0.7%
Total	100%	100%	100%	100%

The Culpeper Payor Mix

	FYE 2021	FYE 2022	FYE 2023	YTD through 12/31/2024
Private Pay	52.7%	52.1%	56.8%	59.4%
Medicare	24.4%	26.6%	23.5%	27.0%
Medicaid	22.0%	20.0%	18.1%	11.8%
Other	0.9%	1.3%	1.6%	1.8%
Total	100%	100%	100%	100%

The Glebe Payor Mix

	FYE 2021	FYE 2022	FYE 2023	YTD through 12/31/2024
Private Pay	65.3%	69.5%	66.1%	60.8%
Medicare	33.4%	28.7%	33.1%	37.2%
Medicaid	0.0%	0.0%	0.0%	0.0%
Other	1.3%	1.8%	0.8%	2.0%
Total	100%	100%	100%	100%

Consolidated Payor Mix

	FYE 2021	FYE 2022	FYE 2023	YTD through 12/31/2024
Private Pay	65.8%	70.0%	71.7%	65.9%
Medicare	27.4%	23.3%	21.6%	28.6%
Medicaid	5.3%	5.4%	4.9%	3.3%
Other	1.5%	1.3%	1.8%	2.2%
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 December 31, 2024:

	Culpeper	Chesapeake	Lakewood	Glebe	Combined YTD 12/31/2024
Cont. Care	31.4%	91.3%	86.6%	98.0%	78.8%
Direct Admits	68.6%	8.7%	13.4%	2.0%	21.2%
Total	100%	100%	100%	100%	100%

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

Tested annually on December 31st

	2021	2022	2023	December 31, 2024
Change in unrestricted net assets	2,672,941	(20,780,036)	1,646,830	(1,655,494)
Deduct:				
Entrance fee amortization	17,171,960	19,140,913	20,832,567	(21,124,843)
Entrance Fee 4% Administration Fee				(1,136,824)
Unrealized gains on investments	1,578,778	-	6,210,368	(2,483,283)
Extraordinary Gain on debt extinguishment	936,379	-		
Decrease in future service obligation	-	-		
Adjustment for gains/(losses) on disposal of fixed assets	-	-	-	-
	19,687,117	19,140,913	27,042,935	(24,744,950)
Add:				
Provision for depreciation and amortization	16,620,762	17,278,066	18,002,389	19,173,759
Interest expense	10,093,692	10,683,360	10,565,332	10,915,379
Entrance fees received, net of refunds	21,821,357	31,348,930	34,476,100	20,850,183
Unrealized losses on investments	-	11,766,776	-	-
Financing related adjustments and write-off	641,731	425,486	516,923	1,499,949
Increase in future service obligation	-	-	-	-
Other than temporary decline in investments	-	-	-	-
Loss on project abandonment	-	-	-	-
	49,177,542	71,502,618	63,560,744	52,439,270
Income available for debt service	\$ 32,163,366	\$ 31,581,669	\$ 38,164,639	\$ 26,038,826
Maximum annual debt service	\$ 15,788,677	\$ 16,861,519	\$ 16,850,831	\$ 16,850,831
Debt service coverage ratio (excluding deferred entrance fees receivable)	2.04	1.87	2.26	1.55

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

For Period Ending	12/31/2021	12/31/2022	12/31/2023	12/31/2024
Unrestricted Cash and Securities	99,797,241	98,630,326	99,302,918	80,881,279
Total Operating Expenses for period ended	103,592,332	113,766,858	120,275,803	133,444,939
Less: Depreciation & Amortization	16,620,762	17,278,066	18,002,389	19,173,759
	86,971,570	96,488,792	102,273,414	114,271,180
Average day's expenses	238,278	264,353	280,201	312,216
Day's Cash on Hand	419	373	354	259
Minimum Days Cash on Hand	120	120	120	120
Better or Worse than requirement	Better	Better	Better	Better

Year-to-Date through 12/31/2024

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

Culpeper

New Entrants: Fees Paid in Cash	-	-	95,000	409,000	-	-	-	-	81,000	-	-	105,000	690,000
Hillside Cottage: Fees Paid in Cash	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferrals Collected: New Entrants	243,000	-	-	-	-	-	-	-	-	-	-	-	243,000
Deferrals Collected: Hillside Cottages	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Entry Fee Cash	243,000	-	95,000	409,000	-	-	-	-	81,000	-	-	105,000	933,000
Deferrals Granted: New Entrants	-	-	-	-	-	-	-	-	-	173,000	-	-	173,000
Deferrals Granted: Hillside Cottages	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferrals Collected: New Entrants	(243,000)	-	-	-	-	-	-	-	-	-	-	-	(243,000)
Deferrals Collected: Hillside Cottages	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferrals W/O to Bad debt/ Adjusted off	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Deferrals/(Collections)	243,000	(243,000)	-	-	-	-	-	-	-	173,000	-	-	(70,000) 173,000

Refunds - Paid	-	-	-	-	-	55,949	-	30,240	-	27,360	113,549	
Refunds - On Hold	-	(55,949)	-	-	-	(30,240)	-	(27,360)	-	-	(138,029)	
Net Refunds	-	(55,949)	-	-	-	(30,240)	55,949	2,880	-	27,360	(24,480)	(24,480)

Foregone Entrance Fees: Discounts

[illegible]

Chesapeake

[illegible]

Refunds - Paid	-	205,273	196,128	343,008	-	278,102	-	-	481,978	158,112	120,096	401,760	2,184,457
Refunds - On Hold	<u>(10,873)</u>	<u>(343,008)</u>		<u>(65,227)</u>	-	-	<u>(120,096)</u>	<u>(401,760)</u>	<u>(573,696)</u>	-	<u>(115,776)</u>	<u>(67,944)</u>	<u>(1,698,380)</u>
Net Refunds	<u>(669,797)</u>	<u>(10,873) (137,735)</u>	<u>196,128</u>	<u>277,781</u>	-	<u>278,102</u>	<u>(120,096)</u>	<u>(401,760)</u>	<u>(91,718)</u>	<u>158,112</u>	<u>4,320</u>	<u>333,816</u>	<u>486,077 (183,720)</u>

Foregone Entrance Fees: Discounts

[illegible]

Lakewood														
New Entrants: Fees Paid in Cash	-	730,000	263,300	534,600	495,880	164,000	272,200	1,000	1,469,100	703,100	493,700	1,011,300	6,138,180	
2023 New Cottages: Fees Paid in Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	
Deferrals Collected	-	892,700	-	-	545,400	286,020	-	-	270,900	330,300	-	-	2,325,320	
Net Entry Fee Cash	-	1,622,700	263,300	534,600	1,041,280	450,020	272,200	1,000	1,740,000	1,033,400	493,700	1,011,300	8,463,500	
Deferrals Granted: New Entrants	-	198,000	146,700	347,400	322,920	-	199,800	270,900	423,900	123,300	-	518,400	2,551,320	
Deferrals Granted: 2023 New Cottages	-	-	-	-	-	-	-	-	-	-	-	-	-	
Deferrals Collected: New Entrants	-	(892,700)	-	-	(545,400)	(286,020)	-	-	(270,900)	(330,300)	-	-	(2,325,320)	
Deferrals Collected: 2023 New Cottages	-	-	-	-	-	-	-	-	-	-	-	-	-	
Deferrals W/O Bad debt/ Adjusted off	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net Deferrals/(Collections)	892,700	-	(694,700)	146,700	347,400	(222,480)	(286,020)	199,800	270,900	153,000	(207,000)	-	518,400	226,000 1,118,700
Refunds - Paid	419,904	-	59,136	-	320,084	151,258	228,960	277,402	-	-	-	339,246	1,795,990	
Refunds - On Hold	(151,258)	(155,405)	(307,623)	-	(59,674)	-	(217,728)	(307,354)	(86,247)	(71,060)	(241,920)	(251,328)	(1,849,597)	
Net Refunds	(565,056)	268,646	(155,405)	(248,487)	-	260,410	151,258	11,232	(29,952)	(86,247)	(71,060)	(241,920)	87,918	(53,607) (618,663)
Foregone Entrance Fees : Discounts	0.00	0.00	0.00	0.00	(8,200.00)	0.00	(50,000.00)	0.00	0.00	0.00	0.00	0.00	(58,200.00)	
New Residents w/ EF	-	5	3	8	4	1	4	2	12	4	3	9	55	
New Units w/ EF	-	5	3	5	3	1	3	1	9	3	2	8	43	
Internal transfer Residents w/ EF	-	-	-	-	-	-	-	-	5	-	-	-	5	
Internal transfer Units w/ EF	-	-	-	-	-	-	-	-	3	-	-	-	3	
Units w/ refunds	1	1	2	-	1	-	1	1	2	2	1	2	14	
Units w/ W/O to bad debt/adjusted off	-	-	-	-	-	-	-	-	-	-	-	1	1	

Lakewood at Home														
New Entrants: Fees Paid in Cash	126,853	36,730	5,128	10,720	259,700	-	33,271	110,121	72,003	-	117,400	122,704	894,630	
Deferrals Collected	-	-	-	-	-	-	-	-	-	-	-	42,326	42,326	
Net Entry Fee Cash	126,853	36,730	5,128	10,720	259,700	-	33,271	110,121	72,003	-	117,400	165,030	936,956	
Deferrals Granted	-	-	-	-	-	-	-	-	-	-	-	-	-	
Deferrals Collected	-	-	-	-	-	-	-	-	-	-	-	(42,326)	(42,326)	
Deferrals W/O Bad debt/ Adjusted off	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net Deferrals/(Collections)	60,551	-	-	-	-	-	-	-	-	-	-	(42,326)	(42,326)	18,225
Refunds - Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	
Refunds - On Hold	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Age Related / LTC Discount	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Flex on Membership Fees	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New Members w/ EF	3	1	1	2	4	-	1	3	2	-	2	2	21	
New Couples w/ EF	1	-	-	1	2	-	-	1	-	-	1	1	7	

The Glebe

[illegible]

The Summit

[illegible]**Totals**[illegible]

LifeSpire of Virginia Obligated Group
Interim Financial Statements
Year Ended December 31, 2024

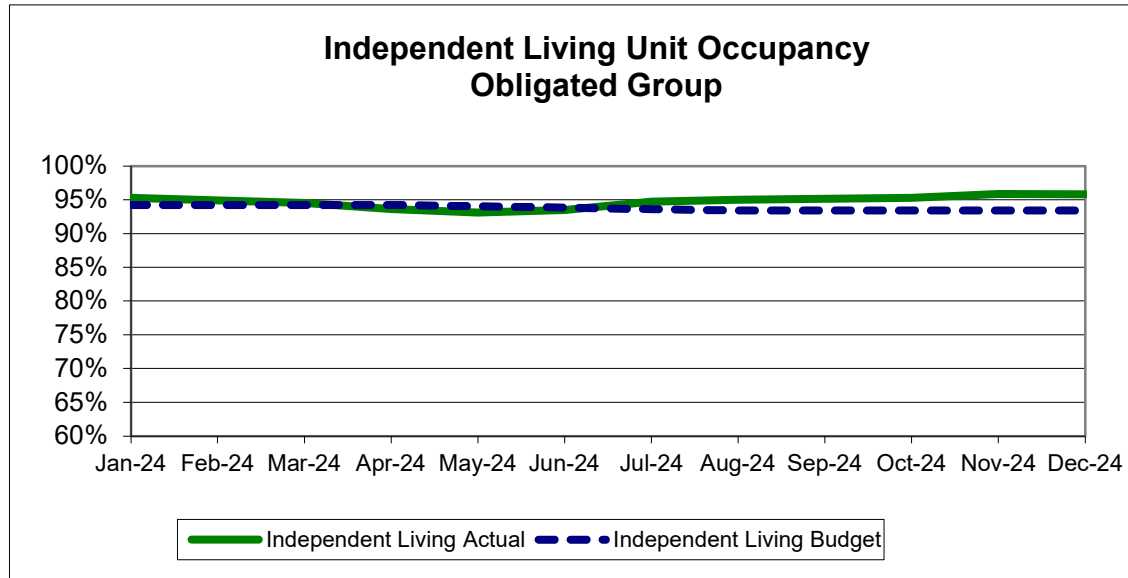
Narrative on Financial Condition

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 \$130.9M through Q4 2024 were \$3.12M above budget and \$10.5M (8.8%) more than the previous year's results. The favorable variance to budget was primarily due to \$3.4M of Investment Income recorded through Q4. The revenue variance to the previous year is primarily the result of monthly service fees which were driven primarily by the 2024 rate increases and Investment income, that exceeded the prior year by \$3.7M due to improved investment portfolio performance.

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



As reported previously, LifeSpire had unusually high bad debt expense in 2024 due to a lapse in billing partners. The Group recorded \$1.5M of bad debt expense to write off Account Receivable balances. This expense is included on the “Health care services” revenue line on the consolidated statement of operations.

Assisted Living is below budget at Lakewood as a result of lower than expected occupancy partially driven by disruption in the health service building due to its memory support expansion, which opened in April 2024. Lakewood converted 32 skilled rooms into 20 memory support suites, which will help meet the growing demand for larger, more comfortable memory support suites.

Health Care Services were \$1.8M below budget, and \$1.3M above the previous year’s results through Q4. The Group’s combined unit occupancy averaged 209 through Q4, lower than the average 2024 budget of 226 but 4 units higher than the previous year.

Operating Expenses:

Combined operating expenses for The Group of \$133.4M through Q4 2024 were \$5.4M above budget and \$8.7M 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 above budget by \$1.4k and \$4.3M (14.2%) 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. Other operating expenses were above budget by \$2.6M, as a result of moderating inflation and our operations teams’ diligent efforts to manage controllable expenses.

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>03/31/2024</u>	QE <u>06/30/2024</u>	QE <u>09/30/2024</u>	QE <u>12/31/2024</u>
Actual Avg.	50.6	60.4	61.3	67.8	65.0
Avg. Annual Budgeted	50.0	56.5	56.5	56.5	56.5

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 Q3 were \$159k less than collections of previously deferred entrance fees, increasing The Group's outstanding entrance fee deferral balance to \$2.8M as of December 31, 2024. We expect the presently outstanding deferrals to be collected over the next six months.

Net Entrance Fee Receipts:

Net cash entrance fee receipts through Q4 2024 were \$20.82M and \$5.7M below our budget of \$26.5M. 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:

- Our memory support repositioning at Lakewood was completed in the first quarter of 2024 and residents moved into the new space in April 2024. This project cost approximately \$7.3M, which was internally funded.
- The Summit Expansion Project is slated for 18 cottages, 2 Hybrids Homes, a Memory Support Unit and increased amenities. As of December 31, 2024, we had recognized \$7.9M in capital costs relating to this project.
- The Glebe Expansion Project is slated for 22 cottages. As of December 31, 2024, we have recognized \$8.3M 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 February 8, 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 | 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 12/31/2024:

Schedule of Long-Term Debt at 12/31/2024:			
Issue	Current	Non-Current	Total
Series 2016	3,190,000	61,558,575	64,748,575
OIP (net)		3,721,402	3,721,402
BIC (net)		(871,681)	(871,681)
Series 2017C	1,155,000	44,170,000	45,325,000
OIP (net)		1,578,015	1,578,015
BIC (net)		(1,157,673)	(1,157,673)
Series 2021	2,392,370	74,753,241	77,145,611
OIP (net)		9,140,543	9,140,543
BIC (net)		(1,579,549)	(1,579,549)
Series 2024	-	168,825,000	168,825,000
OIP (net)		5,028,996	5,028,996
BIC (net)		(13,820,909)	(13,820,909)
Total	6,737,370	351,345,959	358,083,329

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 December 31, 2024:

Interim Covenant Tests:	Results	Required
Days Cash on Hand (a)	259	120
Debt Service Coverage Ratio (a)	1.55	1.20
(a) Tested annually at December 31st.		

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



**AGESMART with LIFESPIRE of VIRGINIA
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**

	Year Ended 12/31/2024		Increase	Year Ended 12/31/2024		Increase
	Actual	Budget	(Decrease)	Actual	(Decrease)	
Unrestricted revenues, gains & other support:						
Earned Entrance Fees	\$ 448,139	\$ 421,083	\$ 27,056	\$ 503,413	\$ (55,274)	
Monthly Fees	740,715	711,840	28,875	669,803	70,912	
Investment income	201,709	70,800	130,909	69,132	132,577	
Other Membership Revenue	7,947	4,800	3,147	9,554	(1,607)	
	<u>1,398,510</u>	<u>1,208,523</u>	<u>189,987</u>	<u>1,251,902</u>	<u>146,608</u>	
Expenses:						
Salaries, wages and professional fees	584,932	550,683	34,249	480,985	103,947	
Provisions for depreciation and amortization	5,065	5,065	-	7,323	(2,258)	
Interest	6,874	12,214	(5,340)	9,319	(2,445)	
Administrative, Marketing and Resident Services Expenses	365,365	506,855	(141,490)	382,605	(17,240)	
	<u>962,236</u>	<u>1,074,817</u>	<u>(112,581)</u>	<u>880,232</u>	<u>82,004</u>	
Operating income (loss)	436,274	133,706	302,568	371,670	64,604	
Unrealized gains on investments	(2,749)	-	(2,749)	158,770	(161,519)	
Increase (Decrease) in net assets	433,525	133,706	299,819	530,440	(96,915)	
Net assets at beginning of year	(412,580)	(412,580)	-	(550,095)	137,515	
Net assets at end of period	\$ 20,945	\$ (278,874)	\$ 299,819	\$ (19,655)	\$ 40,600	

Below is a table showing member activity at specific year end points and the current year by quarter through September 30, 2024,

	End of Year 1 12/31/2019	End of Year 3 12/31/2021	End of Year 5 12/31/2023	End of Q1 3/31/2024	End of Q2 6/30/2024	End of Q3 9/30/2024	End of Year 6 12/31/2024
Traditional Members	56	101	123	121	127	132	136
Consultative Care Members	7	14	18	16	16	17	17
Attrition	-	(1)	(11)	-	(1)	-	-
Total Members	63	114	130	137	142	149	153