

**LifeSpire**  
of Virginia  
Faith. Wellness. Community.

The  
**SUMMIT**

THE **CULPEPER**

The **Glebe**

**LAKEWOOD**

The  
**Chesapeake**

VIRGINIA BAPTIST HOMES, INC. DBA LIFESPIRE OF VIRGINIA

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

AS OF DECEMBER 31, 2023



## Quarterly Continuing Disclosure Information

As of December 31, 2023

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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: Jonathan Cook, Chief Executive Officer/President

DATE: February 14, 2024

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

Industrial Development Authority of Botetourt County, Virginia  
Residential Care Facility Revenue Refunding Bonds  
(The Glebe, Inc.), Series 2014A

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

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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., 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, 2023.

If there are questions, please feel free to contact:

Jonathan Cook, Chief Executive Officer/President  
Phone: (804) 521-1940 Email: [jcook@lifespireliving.org](mailto:jcook@lifespireliving.org)



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

	<b>Year Ended 12/31/2023</b>		<b>Increase (Decrease)</b>	<b>2022 Prior Year</b>	<b>Increase (Decrease)</b>
	<b>Actual</b>	<b>Budget</b>			
<b>Unrestricted revenues, gains and other support:</b>					
Earned Entrance Fees	\$ 20,832,567	\$ 17,530,414	\$ 3,302,153	\$ 19,140,913	\$ 1,691,654
Independent Living	46,665,173	46,424,316	240,857	42,886,694	3,778,479
Assisted Living	13,248,058	13,331,761	(83,703)	12,136,453	1,111,605
Memory Support	5,977,477	6,034,196	(56,719)	5,261,948	715,529
Health care services	24,372,103	24,703,053	(330,950)	23,942,476	429,627
Clinic	978,218	1,002,432	(24,214)	938,426	39,792
Net assets released from restrictions used for operations	1,021,327	1,380,864	(359,537)	769,968	251,359
Unrestricted gifts and donations:					
Cooperative Program	1,500	-	1,500	-	1,500
Churches	-	-	-	-	-
Gifts and bequests	387,368	116,552	270,816	1,237,393	(850,025)
Investment income designated for current operations	1,284,746	1,696,400	(411,654)	(1,252,267)	2,537,013
Other	5,336,381	3,771,333	1,565,048	3,835,157	1,501,225
	<u>120,104,918</u>	<u>115,991,321</u>	<u>4,113,597</u>	<u>108,897,160</u>	<u>11,207,757</u>
<b>Expenses:</b>					
Salaries, wages and professional fees	60,176,270	58,691,938	1,484,332	54,925,839	5,250,431
Provisions for depreciation and amortization	17,953,099	17,133,630	819,469	17,228,776	724,323
Interest	10,542,867	10,549,327	(6,460)	10,655,628	(112,761)
Other	36,028,843	31,720,671	4,308,173	35,100,170	928,674
	<u>124,701,079</u>	<u>118,095,566</u>	<u>6,605,514</u>	<u>117,910,413</u>	<u>6,790,667</u>
<b>Operating Income</b>	<u>(4,596,161)</u>	<u>(2,104,245)</u>	<u>(2,491,917)</u>	<u>(9,013,253)</u>	<u>4,417,090</u>
Unrealized gains on investments	5,099,257	-	5,099,257	(11,767,777)	16,867,034
<b>Excess of revenues, gains and other support over expenses</b>	<u>503,096</u>	<u>(2,104,245)</u>	<u>2,607,340</u>	<u>(20,781,030)</u>	<u>21,284,124</u>
<b>Unrestricted net assets (continued):</b>					
Net assets released from restrictions for acquisition of property, plant and equipment	-	-	-	(48,674)	48,674
<b>Increase (Decrease) in unrestricted net assets</b>	<u>503,096</u>	<u>(2,104,245)</u>	<u>2,607,340</u>	<u>(20,829,704)</u>	<u>21,332,799</u>
<b>Temporarily restricted net assets:</b>					
Gifts, grants and bequests	442,166	925,000	(482,834)	484,873	(42,707)
Net assets released from restrictions	(1,021,327)	(1,414,813)	393,486	(721,290)	(300,037)
<b>Increase in temporarily restricted net assets</b>	<u>(579,161)</u>	<u>(489,813)</u>	<u>(89,348)</u>	<u>(236,417)</u>	<u>(342,744)</u>
<b>Permanently restricted net assets:</b>					
Change in present value of perpetual trust funds	(132,449)	-	(132,449)	(2,829,896)	2,697,447
<b>Increase in permanently restricted net assets</b>	<u>(132,449)</u>	<u>-</u>	<u>(132,449)</u>	<u>(2,829,896)</u>	<u>2,697,447</u>
<b>Increase (Decrease) in net assets</b>	<u>(208,514)</u>	<u>(2,594,058)</u>	<u>2,385,543</u>	<u>(23,896,017)</u>	<u>23,687,502</u>
<b>Net assets at beginning of year</b>	<u>(52,812,813)</u>	<u>(52,812,813)</u>	<u>(35,917,351)</u>	<u>(28,916,793)</u>	<u>(23,896,021)</u>
<b>Net assets at end of period</b>	<u>\$ (53,021,328)</u>	<u>\$ (55,406,871)</u>	<u>\$ (33,531,808)</u>	<u>\$ (52,812,810)</u>	<u>\$ (208,519)</u>



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

	December 2023	December 2022		December 2023	December 2022
<b>ASSETS</b>			<b>LIABILITIES AND NET ASSETS</b>		
<b>Current assets:</b>			<b>Current liabilities:</b>		
Cash and cash equivalents	\$ 25,384,753	\$ 38,394,958	Accounts payable	\$ 8,820,873	\$ 6,379,579
Short-term investments	-	-	Salaries and wages	3,022,763	3,358,727
Current portion of assets whose use is limited	11,083,422	7,550,499	Interest payable	6,029,007	1,819,527
Accounts receivable	7,656,242	4,046,677	Lease payable	1,118,346	1,507,389
Notes receivable	2,984,446	2,451,032	Deferred Revenue	-	698,679
Prepaid expenses	1,448,918	1,423,826	Deposits from prospective residents	883,400	1,392,500
Other	2,219,590	2,511,617	Current portion of long-term debt	10,677,000	12,705,000
<b>Total current assets</b>	<u>50,777,371</u>	<u>56,378,609</u>	Deferred revenue from advance fees subject to refund	107,455,830	101,361,622
<b>Investments</b>	60,985,318	54,529,955	<b>Total current liabilities</b>	<u>138,007,219</u>	<u>129,223,023</u>
<b>Beneficial Interest in Perpetual Trust</b>	8,628,817	8,761,266	<b>Advance fees:</b>		
<b>Assets whose use is limited:</b>			Deferred revenue from advance fees	80,554,677	75,276,075
Externally restricted under bond indenture agreement (held by trustee)	23,969,855	14,397,798		<u>80,554,677</u>	<u>75,276,075</u>
Less amounts available for current liabilities	11,083,422	7,550,499	<b>Other Liabilities</b>		
<b>Total assets whose use is limited</b>	<u>12,886,433</u>	<u>6,847,299</u>	Long-term debt, less current portion	238,933,496	239,369,491
Property, plant and equipment, less accumulated depreciation of \$219,374,885 and \$201,784,114 in 2022	271,196,125	264,538,647	<b>Total liabilities</b>	457,495,392	443,868,589
<b>Other assets:</b>			<b>Net assets:</b>		
Miscellaneous	-	-	Unrestricted	(66,057,108)	(66,560,202)
<b>Total other assets</b>	<u>-</u>	<u>-</u>	Temporarily restricted	2,905,509	3,484,669
			Permanently restricted	10,130,271	10,262,720
<b>TOTAL ASSETS</b>	<u>\$ 404,474,064</u>	<u>\$ 391,055,776</u>	<b>Total net assets</b>	<u>(53,021,328)</u>	<u>(52,812,813)</u>
			<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 404,474,064</u>	<u>\$ 391,055,776</u>



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

	<b>For the Year Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities</b>		
Increase/(Decrease) in net assets	\$ (208,514)	\$ (23,896,016)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Amortization of deferred revenue from advance fees	(21,335,980)	(19,553,587)
Proceeds from advance fees and deposits	41,703,031	35,885,847
Amortization of deferred financing costs	-	1
Provision for Bad Debts	(674,226)	(109,533)
Provision for depreciation	18,312,302	17,557,797
Net realized and unrealized (gains) losses on long-term investments	(11,811,836)	34,111,858
Other-than-temporary decline in value of investments	-	(34,978)
Change in present value of trust funds	132,449	2,829,896
Decrease (increase) in operating assets:		
Accounts receivable	(2,935,336)	(100,084)
Interest receivable	-	-
Prepaid expense	(25,092)	(204,569)
Notes Receivable	(533,414)	1,129,093
Other current assets	292,027	205,498
Increase (decrease) in operating liabilities:		
Accounts payable	2,441,305	(1,137,129)
Deferred Revenue	(698,678)	373,018
Salaries and wages	(335,964)	269,831
Interest payable	4,209,480	38,049
Lease payable	(389,044)	114,587
Deposits from prospective residents	(305,600)	(279,500)
<b>Net cash (used in) provided by operating activities</b>	<b>27,836,910</b>	<b>47,200,079</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(24,969,782)	(28,144,363)
Change in investments and assets whose use is limited:		
Change in cash and cash equivalents	(8,281,928)	16,288,502
Net (Purchases)/Sales of Investments	4,066,343	(17,995,541)
<b>Net cash used in investing activities</b>	<b>(29,185,367)</b>	<b>(29,851,402)</b>
<b>Cash flows from financing activities</b>		
Other financing activities:		
Refunds of advance fees and deposits	(9,197,741)	(5,850,102)
Proceeds from debt issuance	246,033	246,034
Payments on long-term debt	(2,028,000)	(6,245,000)
Increase in other liabilities	(682,037)	(682,037)
<b>Net cash provided by financing activities</b>	<b>(11,661,745)</b>	<b>(12,531,105)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(13,010,202)</b>	<b>4,817,572</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>38,394,956</b>	<b>33,577,384</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 25,384,753</b>	<b>\$ 38,394,956</b>

**STATISTICAL SUMMARY**  
**Average Year-to-Date Through 12/31/2023**

	UNITS AVAILABLE					UNITS OCCUPIED					OCCUPANCY PERCENT				
	ILU	AL	MS	HC	Total	ILU	AL	MS	HC	Total	ILU	AL	MS	HC	TOTAL
Culpeper	52	54	32	47	185	45	46	29	46	166	87.5%	85.1%	89.4%	97.1%	89.5%
Chesapeake	251	57	16	52	376	241	52	15	52	360	96.2%	90.3%	94.0%	99.1%	95.7%
Lakewood	336	32	14	96	479	321	28	13	83	446	95.5%	87.7%	96.3%	86.0%	93.1%
Summit	101	43	-	-	144	89	42	-	-	131	88.4%	97.5%	0.0%	0.0%	91.1%
Glebe	154	32	20	32	238	150	32	20	29	231	97.4%	98.6%	99.3%	91.5%	96.9%
<b>OBLIGATED GROUP</b>	<b>894</b>	<b>218</b>	<b>82</b>	<b>227</b>	<b>1,422</b>	<b>847</b>	<b>200</b>	<b>77</b>	<b>209</b>	<b>1,333</b>	<b>94.7%</b>	<b>91.5%</b>	<b>93.9%</b>	<b>92.1%</b>	<b>93.8%</b>

**Average for the Month Ending 12/31/2023**

	UNITS AVAILABLE					UNITS OCCUPIED					OCCUPANCY PERCENT				
	ILU	AL	MS	HC	Total	ILU	AL	MS	HC	Total	ILU	AL	MS	HC	TOTAL
Culpeper	52	54	32	47	185	42	45	31	46	164	81.0%	82.9%	96.5%	97.5%	88.4%
Chesapeake	251	57	16	52	376	240	57	16	48	361	95.7%	99.3%	100.0%	92.4%	96.0%
Lakewood	336	32	14	96	479	316	25	14	85	441	94.0%	78.7%	97.4%	89.0%	92.1%
Summit	101	43	-	-	144	88	42	-	-	130	87.1%	98.0%	0.0%	0.0%	90.4%
Glebe	154	32	20	32	238	149	30	20	31	230	96.9%	94.7%	100.0%	96.1%	96.7%
<b>OBLIGATED GROUP</b>	<b>894</b>	<b>218</b>	<b>82</b>	<b>227</b>	<b>1,422</b>	<b>836</b>	<b>199</b>	<b>81</b>	<b>210</b>	<b>1,326</b>	<b>93.5%</b>	<b>91.3%</b>	<b>98.2%</b>	<b>92.5%</b>	<b>93.2%</b>

**LifeSpire of Virginia – All Five CCRCs**  
**Supplemental Occupancy & Contract-Related Continuing Disclosure Information**  
**December 31, 2023**

**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 2020 through Q4/2023:

	<b>FYE 2020</b>	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>FYE 2023</b>
Life Care	63.4%	55.8%	54.1%	53.1%
CC/FFS/RE	36.6%	44.2%	45.9%	46.9%
Total	100%	100%	100%	100%

**Refund Type Mix**

The following table displays the refund type mix from fiscal year 2020 through Q4/2023:

	<b>FYE 2020</b>	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>FYE 2023</b>
Standard	86.3%	82.6%	82.7%	83.0%
Guaranteed:				
90%+	12.9%	16.5%	16.4%	16.2%
50%	0.8%	0.9%	0.9%	0.8%
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 average available units and average year to date unit occupancy through December 31, 2023, 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	Avg. Through December 31, 2023		Average Occupancy for the Fiscal Year Ended December 31,				
		# Occ.	% Occ.	2022	2021	2020	2019	2018
Independent Living								
Lakewood	336	321	95.5%	93.5%	92.3%	91.3%	88.8%	89.8%
The Chesapeake	251	241	96.2%	96.4%	97.1%	96.7%	97.2%	91.3%
The Culpeper	52	45	87.5%	75.4%	98.0%	98.6%	100.0%	84.9%
The Glebe	154	150	97.4%	97.0%	95.9%	95.7%	95.0%	94.8%
The Summit	101	89	88.4%	95.6%	95.6%	-	-	-
Assisted Living								
Lakewood	32	28	87.7%	84.0%	78.9%	82.8%	88.5%	87.0%
The Chesapeake	57	52	90.3%	91.3%	86.1%	93.1%	90.2%	93.5%
The Culpeper	54	46	85.1%	85.0%	94.5%	95.2%	114.3%	71.2%
The Glebe	32	32	98.6%	91.3%	95.1%	98.0%	92.6%	95.5%
The Summit	43	42	97.5%	96.1%	96.1%	-	-	-
Memory Support								
Lakewood	14	13	96.3%	70.7%	50.9%	79.2%	85.7%	84.8%
The Chesapeake	16	15	94.0%	90.3%	91.8%	82.2%	68.8%	94.6%
The Culpeper	32	29	89.4%	90.8%	74.0%	81.5%	42.2%	-
The Glebe	20	20	99.3%	94.9%	89.3%	85.7%	79.5%	-
The Summit	-	-	-	-	-	-	-	-
Nursing								
Lakewood	96	83	86.0%	81.0%	82.8%	87.5%	91.8%	94.2%
The Chesapeake	52	52	99.1%	94.4%	93.6%	88.4%	90.1%	89.4%
The Culpeper	47	46	97.1%	92.8%	83.3%	89.6%	93.1%	93.7%
The Glebe	32	29	91.5%	93.1%	87.2%	84.9%	89.0%	94.7%
The Summit	-	-	-	-	-	-	-	-
Total	1,422	1,333	93.8%	92.0%	91.5%	91.9%	91.5%	90.7%

Below is a table of the weighted average year to date unit occupancy through December 31, 2023, and during the five most recent fiscal years:

	# of Units Available	Avg. Through December 31, 2023		Weighted Average Occupancy for the Fiscal Year Ended December 31,				
		# Occ.	% Occ.	2022	2021	2020	2019	2018
<b>Independent Living</b>	894	847	94.7%	94.1%	94.9%	94.2%	93.2%	91.0%
<b>Assisted Living</b>	218	200	91.5%	89.0%	89.1%	91.4%	96.5%	87.0%
<b>Memory Support</b>	82	77	93.9%	88.3%	77.2%	82.3%	63.9%	89.9%
<b>Nursing</b>	227	209	92.1%	88.2%	86.0%	87.8%	91.3%	93.1%
<b>Total</b>	<b>1,422</b>	<b>1,333</b>	<b>93.8%</b>	<b>92.0%</b>	<b>91.5%</b>	<b>91.9%</b>	<b>91.5%</b>	<b>90.7%</b>

**SKILLED NURSING PAYOR MIX**

The following tables display the skilled nursing payor mix from fiscal year 2020 through Q4/2023 for each community and the Obligated Group:

**Lakewood Payor Mix**

	<b>FYE 2020</b>	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>YTD through 12/31/2023</b>
Private Pay	69.4%	60.9%	74.8%	80.6%
Medicare	27.7%	37.1%	23.8%	17.0%
Medicaid	0.0%	0.0%	0.0%	0.0%
Other	2.9%	2.0%	1.4%	2.4%
Total	100%	100%	100%	100%

**The Chesapeake Payor Mix**

	<b>FYE 2020</b>	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>YTD through 12/31/2023</b>
Private Pay	80.5%	84.7%	78.7%	74.3%
Medicare	14.0%	10.5%	16.0%	20.0%
Medicaid	3.7%	3.6%	4.0%	4.1%
Other	1.8%	1.2%	1.3%	1.6%
Total	100%	100%	100%	100%

**The Culpeper Payor Mix**

	<b>FYE 2020</b>	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>YTD through 12/31/2023</b>
Private Pay	55.4%	52.7%	52.1%	56.8%
Medicare	23.2%	24.4%	26.6%	23.5%
Medicaid	20.6%	22.0%	20.0%	18.1%
Other	0.8%	0.9%	1.3%	1.6%
Total	100%	100%	100%	100%

**The Glebe Payor Mix**

	<b>FYE 2020</b>	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>YTD through 12/31/2023</b>
Private Pay	67.3%	65.3%	69.5%	66.1%
Medicare	31.8%	33.4%	28.7%	33.1%
Medicaid	0.0%	0.0%	0.0%	0.0%
Other	0.9%	1.3%	1.8%	0.8%
Total	100%	100%	100%	100%

**Consolidated Payor Mix**

	<b>FYE 2020</b>	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>YTD through 12/31/2023</b>
Private Pay	68.7%	65.8%	70.0%	71.7%
Medicare	24.2%	27.4%	23.3%	21.6%
Medicaid	5.2%	5.3%	5.4%	4.9%
Other	1.9%	1.5%	1.3%	1.8%
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, 2023:

	<b>Culpeper</b>	<b>Chesapeake</b>	<b>Lakewood</b>	<b>Glebe</b>	<b>Combined YTD 12/31/2023</b>
Cont. Care	33.6%	90.3%	79.8%	99.3%	77.2%
Direct Admits	66.4%	9.7%	20.2%	0.7%	22.8%
Total	100%	100%	100%	100%	100%

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

*Tested annually on December 31st*

	2020	2021	2022	December 31, 2023
Change in unrestricted net assets	1,368,689	2,672,941	(20,780,036)	(208,514)
Deduct:				
Entrance fee amortization	14,900,857	17,171,960	19,140,913	20,832,567
Unrealized gains on investments	2,086,829	1,578,778	-	5,099,257
Extraordinary Gain on debt extinguishment	-	936,379	-	-
Decrease in future service obligation	-	-	-	-
Adjustment for gains/(losses) on disposal of fixed assets	-	-	-	-
	16,987,686	19,687,117	19,140,913	25,931,824
Add:				
Provision for depreciation and amortization	15,305,207	16,620,762	17,278,066	17,953,099
Interest expense	8,981,573	10,093,692	10,683,360	10,542,867
Entrance fees received, net of refunds	19,618,756	21,821,357	31,348,930	34,476,100
Unrealized losses on investments	-	-	11,766,776	-
Financing related adjustments and write-off	2,247,471	641,731	425,486	-
Increase in future service obligation	-	-	-	-
Other than temporary decline in investments	-	-	-	-
Loss on project abandonment	-	-	-	-
	46,153,007	49,177,542	71,502,618	62,972,066
Income available for debt service	\$ 30,534,010	\$ 32,163,366	\$ 31,581,669	\$ 36,831,728
Maximum annual debt service	\$ 9,041,325	\$ 15,788,677	\$ 16,861,519	\$ 16,850,831
<b>Debt service coverage ratio (excluding deferred entrance fees receivable)</b>	<b>3.38</b>	<b>2.04</b>	<b>1.87</b>	<b>2.19</b>

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

<b>For Period Ending</b>	<b>12/31/2020</b>	<b>12/31/2021</b>	<b>12/31/2022</b>	<b>12/31/2023</b>
Unrestricted Cash and Securities	93,215,145	99,797,241	98,630,326	86,370,071
Total Operating Expenses for period ended	93,625,911	103,592,332	113,766,858	124,701,079
Less: Depreciation & Amortization	15,305,207	16,620,762	17,278,066	17,953,099
	78,320,704	86,971,570	96,488,792	106,747,980
Average day's expenses	213,991	238,278	264,353	292,460
Day's Cash on Hand	436	419	<b>373</b>	<b>295</b>
Minimum Days Cash on Hand	120	120	120	120
Better or Worse than requirement	Better	Better	Better	Better

**LIFESPIRE OF VIRGINIA  
OBLIGATED GROUP  
OPERATING RATIO**

	<b>Twelve Mths Ended 12/31/2020</b>	<b>Twelve Mths Ended 12/31/2021</b>	<b>Twelve Mths Ended 12/31/2022</b>	<b>Twelve Mths Ended 12/31/2023</b>
<b><i>OPERATING RATIO</i></b>				
Total Revenues	94,602,603	107,049,482	108,897,160	120,104,918
Less: Earned Entrance Fees	(15,217,189)	(17,171,960)	(19,140,913)	(20,832,567)
Less: Contributions	(943,904)	(668,159)	(1,237,393)	(387,368)
Less: Investment Income	(2,409,002)	(3,752,188)	1,252,267	(1,284,746)
Cash Revenues Excluding Investment Income	76,032,508	85,457,175	89,771,121	97,600,237
 Total Expenses	 93,094,192	 103,592,332	 117,910,413	 124,701,079
Less: Depreciation & Amortization	(15,354,498)	(16,620,762)	(17,278,065)	(17,953,099)
Cash Expenditures	77,739,694	86,971,570	100,632,348	106,747,980
 Net Operating Ratio	 102.2%	 101.8%	 112.1%	 109.4%

Note: Calculated per the Supplemental Indenture for the Series 2016 bonds. There is no extant debt covenant related to this ratio; it is shown for informational purposes only.

**LifeSpire of Virginia**  
**Obligated Group**  
**Entry Fee Analysis**  
**Year-to-Date through 12/31/2023**

Deferral Balance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Deferral Balance	BUDGET
<b>Culpeper</b>															
New Entrants: Fees Paid in Cash	1,000	73,000	-	471,000	-	1,000	387,000	375,000	377,000	673,000	108,000	-	2,466,000		
Hillside Cottage: Fees Paid in Cash	-	-	-	-	-	-	1,500	366,000	-	-	-	-	367,500		
Deferrals Collected: New Entrants	-	-	168,000	-	175,000	178,300	411,000	-	202,000	273,000	67,000	-	1,474,300		
Deferrals Collected: Hillside Cottages	-	-	-	-	-	-	-	460,500	-	-	-	-	460,500		
Refunds - Paid	-	-	(3,000)	-	-	-	-	-	(26,496)	-	(70,388)	-	(99,884)		(387,300)
Net Entry Fee Cash	1,000	73,000	165,000	471,000	175,000	179,300	799,500	1,201,500	552,504	946,000	104,612	-	4,668,416		1,950,700
Deferrals Granted: New Entrants	168,000	411,000	-	-	-	273,000	-	202,000	243,000	-	-	-	1,297,000		
Deferrals Granted: Hillside Cottages	-	-	-	-	-	-	460,500	-	-	-	-	-	460,500		
Deferrals Collected: New Entrants	-	-	(168,000)	-	(175,000)	(178,300)	(411,000)	-	(202,000)	(273,000)	(67,000)	-	(1,474,300)		
Deferrals Collected: Hillside Cottages	-	-	-	-	-	-	-	(460,500)	-	-	-	-	(460,500)		
Deferrals W/O to Bad debt/ Adjusted off	-	-	-	-	-	-	-	-	-	-	-	-	-		
Net Deferrals/(Collections)	420,300	168,000	411,000	(168,000)	-	(175,000)	94,700	49,500	(258,500)	41,000	(273,000)	(67,000)	(177,300)	243,000	0
Refunds - Paid	-	-	3,000	-	-	-	-	-	26,496	-	70,388	-	99,884		
Refunds - On Hold	-	-	(3,000)	-	-	(26,496)	-	-	-	(70,388)	-	-	(99,884)		
Net Refunds	-	-	-	-	-	(26,496)	-	-	26,496	(70,388)	70,388	-	-	-	
<b>Foregone Entrance Fees: Discounts</b>	<b>(10,000.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>(25,000.00)</b>	<b>0.00</b>	<b>(10,000.00)</b>	<b>(10,000.00)</b>	<b>(110,000.00)</b>	<b>(90,000.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(255,000.00)</b>		
New Residents w/ EF	1	3	-	1	-	1	3	4	3	4	-	-	20		
New Units w/ EF	1	2	-	1	-	1	2	2	2	2	-	-	13		
Cottage Residents w/ EF	-	-	-	-	-	-	2	1	-	-	-	-	3		
Cottage units w/ EF	-	-	-	-	-	-	1	1	-	-	-	-	2		
Internal transfer Residents w/ EF	-	-	-	-	-	-	-	-	-	-	2	-	2		
Internal transfer Units w/ EF	-	-	-	-	-	-	-	-	-	-	2	-	2		
Units w/ refunds	-	-	1	-	-	1	-	-	-	1	-	-	3		
Units w/ W/O to bad debt/adjusted off	-	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Chesapeake</b>															
New Entrants: Fees Paid in Cash	-	124,300	396,550	399,200	577,990	615,365	-	222,300	749,650	748,000	520,090	194,040	4,547,485		
Deferrals Collected	-	-	268,400	-	627,640	117,750	229,720	592,645	397,880	243,840	-	244,400	2,722,275		
Refunds - Paid	-	(221,184)	-	-	-	(257,960)	(103,680)	(112,320)	(249,394)	(377,093)	-	(74,055)	(1,395,686)		(1,332,300)
Net Entry Fee Cash	-	(96,884)	664,950	399,200	1,205,630	475,155	126,040	702,625	898,136	614,747	520,090	364,385	5,874,074		5,863,700
Deferrals Granted	-	485,200	-	8,550	741,160	708,285	-	-	648,000	-	268,610	251,685	3,111,490		
Deferrals Collected	-	-	(268,400)	-	(627,640)	(117,750)	(229,720)	(592,645)	(397,880)	(243,840)	-	(244,400)	(2,722,275)		
Deferrals W/O Bad debt/ Adjusted off	-	-	-	-	-	-	-	-	-	-	-	-	-		
Net Deferrals/(Collections)	638,280	-	485,200	(268,400)	8,550	590,535	(229,720)	(592,645)	250,120	(243,840)	268,610	7,285	389,215	1,027,495	0
Refunds - Paid	-	221,184	-	-	-	257,960	103,680	112,320	249,394	377,093	-	74,055	1,395,686		
Refunds - On Hold	-	(403,719)	-	-	(187,745)	(326,592)	(403,575)	-	-	(74,055)	(669,797)	-	(2,065,483)		
Net Refunds	-	(182,535)	-	-	(187,745)	(68,632)	(299,895)	112,320	249,394	303,038	(669,797)	74,055	(669,797)	(669,797)	
<b>Foregone Entrance Fees: Discounts</b>	<b>0.00</b>	<b>(11,500.00)</b>	<b>(12,450.00)</b>	<b>(18,250.00)</b>	<b>(47,850.00)</b>	<b>(53,150.00)</b>	<b>0.00</b>	<b>(11,700.00)</b>	<b>(50,850.00)</b>	<b>0.00</b>	<b>(8,300.00)</b>	<b>(13,350.00)</b>	<b>(227,400.00)</b>		
New Residents w/ EF	-	4	2	3	8	8	-	1	6	2	5	3	42		
New Units w/ EF	-	2	2	2	5	6	-	1	4	2	4	3	31		
Internal transfer Residents w/ EF	-	-	-	-	1	-	-	-	2	-	-	-	3		
Internal transfer Units w/ EF	-	-	-	-	1	-	-	-	2	-	-	-	3		
Units w/ refunds	-	3	-	-	1	2	2	-	-	1	4	-	13		
Units w/ W/O to bad debt/adjusted off	-	-	-	-	-	1	-	-	-	-	-	-	1		

<b>Lakewood</b>														
New Entrants: Fees Paid in Cash	-	180,100	181,300	-	1,512,900	498,700	947,500	392,900	458,100	285,900	765,000	946,000	6,168,400	
2023 New Cottages: Fees Paid in Cash	1,630,000	-	-	-	-	1,397,700	1,469,000	650,000	1,316,000	-	-	-	6,462,700	
Deferrals Collected	473,300	-	81,900	499,000	692,100	-	-	639,000	242,100	202,500	122,400	673,200	3,625,500	
Refunds - Paid	(11,520)	(279,610)	-	-	(110,228)	(613,488)	(113,204)	(92,372)	(577,623)	-	-	-	(1,798,045)	(1,557,100)
Net Entry Fee Cash	2,091,780	(99,510)	263,200	499,000	2,094,772	1,282,912	2,303,296	1,589,528	1,438,577	488,400	887,400	1,619,200	14,458,555	14,588,900
Deferrals Granted: New Entrants	-	320,400	371,700	-	376,200	529,200	406,800	242,100	324,900	-	-	892,700	3,464,000	
Deferrals Granted: 2023 New Cottages	-	-	-	-	-	-	-	-	-	-	-	-	-	
Deferrals Collected: New Entrants	(473,300)	-	(81,900)	(499,000)	(692,100)	-	-	(639,000)	(242,100)	(202,500)	(122,400)	(673,200)	(3,625,500)	
Deferrals Collected: 2023 New Cottages	-	-	-	-	-	-	-	-	-	-	-	-	-	
Deferrals W/O Bad debt/ Adjusted off	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net Deferrals/(Collections)	1,054,200	(473,300)	320,400	289,800	(499,000)	(315,900)	529,200	406,800	(396,900)	82,800	(202,500)	(122,400)	219,500	0
Refunds - Paid	11,520	279,610	-	-	110,228	613,488	113,204	92,372	577,623	-	-	-	1,798,045	
Refunds - On Hold	(42,240)	(360,078)	(597,380)	-	(656,343)	(28,800)	-	-	(124,416)	-	(59,136)	(381,504)	(2,249,897)	
Net Refunds	(113,204)	(30,720)	(80,468)	(597,380)	-	(546,115)	584,688	113,204	92,372	453,207	-	(59,136)	(381,504)	(565,056)
Foregone Entrance Fees : Discounts	0.00	(7,500.00)	0.00	0.00	0.00	0.00	(50,000.00)	0.00	0.00	0.00	0.00	0.00	(57,500.00)	
New Residents w/ EF	5	4	3	-	11	9	12	5	5	2	6	10	72	
New Units w/ EF	3	3	3	-	8	7	8	3	4	2	4	6	51	
Internal transfer Residents w/ EF	-	-	-	-	-	-	-	-	-	-	-	-	-	
Internal transfer Units w/ EF	-	-	-	-	-	-	-	-	-	-	-	-	-	
Units w/ refunds	2	4	3	-	4	1	-	-	1	-	1	2	18	
Units w/ W/O to bad debt/adjusted off	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Lakewood at Home</b>														
New Entrants: Fees Paid in Cash	58,160	-	-	-	-	201,127	-	-	26,754	80,786	-	147,746	514,573	
Deferrals Collected	-	1,228	1,228	1,228	1,228	1,228	1,228	1,228	1,228	1,228	1,228	25,328	37,608	0
Refunds - Paid	-	-	-	(1,370)	-	-	-	-	-	-	-	(52,259)	(53,629)	960,000
Net Entry Fee Cash	58,160	1,228	1,228	(142)	1,228	202,355	1,228	1,228	27,982	82,014	1,228	120,815	498,552	
Deferrals Granted	13,507	-	-	-	-	-	-	-	-	-	-	36,450	49,957	
Deferrals Collected	-	(1,228)	(1,228)	(1,228)	(1,228)	(1,228)	(1,228)	(1,228)	(1,228)	(1,228)	(1,228)	(25,328)	(37,608)	
Deferrals W/O Bad debt/ Adjusted off	-	-	-	-	-	(42,250)	-	-	-	-	-	-	(42,250)	
Net Deferrals/(Collections)	90,452	13,507	(1,228)	(1,228)	(1,228)	(1,228)	(43,478)	(1,228)	(1,228)	(1,228)	(1,228)	11,122	(29,901)	0
Refunds - Paid	-	-	-	1,370	-	-	-	-	-	-	-	52,259	53,629	
Refunds - On Hold	-	-	(1,370)	-	-	-	-	-	-	(52,259)	-	-	(53,629)	
Net Refunds	-	-	(1,370)	1,370	-	-	-	-	-	(52,259)	-	52,259	-	
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	1	-	-	-	-	4	-	-	2	1	-	3	11	
New Couples w/ EF	-	-	-	-	-	2	-	-	1	-	-	-	3	
<b>The Glebe</b>														
New Entrants: Fees Paid in Cash	347,000	524,000	339,000	-	381,000	822,600	523,600	1,174,600	75,600	1,547,600	652,600	853,100	7,240,700	
Deferrals Collected	-	193,000	-	-	-	315,000	-	-	-	-	-	-	508,000	
Refunds - Paid	-	-	(299,808)	(1,306)	-	-	-	-	(484,704)	(154,215)	-	-	(940,033)	(390,100)
Net Entry Fee Cash	347,000	717,000	39,192	(1,306)	381,000	1,137,600	523,600	1,174,600	(409,104)	1,393,385	652,600	853,100	6,808,667	6,658,900
Deferrals Granted	193,000	-	-	-	315,000	-	-	-	-	-	-	333,500	841,500	
Deferrals Collected	-	(193,000)	-	-	-	(315,000)	-	-	-	-	-	-	(508,000)	
Deferrals W/O Bad debt/ Adjusted off	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net Deferrals/(Collections)	-	193,000	(193,000)	-	315,000	(315,000)	-	-	-	-	-	333,500	333,500	0
Refunds - Paid	-	-	299,808	1,306	-	-	-	-	484,704	154,215	-	-	940,033	
Refunds - On Hold	-	-	(299,808)	(150,298)	(277,344)	-	-	(212,583)	-	(322,272)	-	(26,765)	(1,289,070)	
Net Refunds	-	-	-	(148,992)	(277,344)	-	-	(212,583)	484,704	(168,057)	-	(26,765)	(349,037)	(349,037)
Foregone Entrance Fees Discounts	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 Residents w/ EF	4	4	2	-	4	4	2	5	2	6	3	4	40	
New Units w/ EF	2	3	1	-	3	2	1	3	2	5	2	3	27	
Internal transfer Residents w/ EF	-	-	1	-	-	-	-	-	-	1	-	-	2	
Internal transfer Units w/ EF	-	-	1	-	-	-	-	-	-	1	-	-	2	
Units w/ refunds	-	-	1	3	1	-	-	2	-	1	-	1	9	
Units w/ W/O to bad debt/adjusted off	-	-	-	-	-	-	-	-	-	-	-	-	-	

<b>The Summit</b>													
New Entrants: Fees Paid in Cash	1,000	-	273,800	238,000	58,000	-	247,000	1,000	1,000	51,000	790,700	299,800	1,961,300
Deferrals Collected	-	-	286,800	247,800	-	249,000	-	-	477,000	377,000	-	230,300	1,867,900
Refunds - Paid	(345,571)	-	-	-	-	-	(284,795)	(38,452)	-	(61,981)	(425,415)	(505,150)	(1,661,364)
Net Entry Fee Cash	(344,571)	-	560,600	485,800	58,000	249,000	(37,795)	(37,452)	478,000	366,019	365,285	24,950	2,167,836
Deferrals Granted	286,800	-	-	249,000	-	-	-	477,000	377,000	117,000	309,300	231,200	2,047,300
Deferrals Collected	-	-	(286,800)	(247,800)	-	(249,000)	-	-	(477,000)	(377,000)	-	(230,300)	(1,867,900)
Deferrals W/O Bad debt/ Adjusted off	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Deferrals/(Collections)	247,800	286,800	-	(286,800)	1,200	-	(249,000)	-	477,000	(100,000)	(260,000)	309,300	900
													179,400
													427,200
Refunds - Paid	345,571	-	-	-	-	-	284,795	38,452	-	61,981	425,415	505,150	1,661,364
Refunds - On Hold	(345,571)	(660,438)	-	(284,795)	(330,528)	-	(388,333)	(617,439)	(231,307)	-	-	(377,866)	(3,236,277)
Net Refunds	(61,981)	-	(660,438)	-	(284,795)	(330,528)	-	(103,538)	(578,987)	(231,307)	61,981	425,415	127,284
													(1,574,913)
													(1,636,894)
Foregone Entrance Fees Discounts	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
													0.00
New Residents w/ EF	2	-	2	3	-	-	2	2	2	1	8	4	26
New Units w/ EF	1	-	1	1	-	-	1	1	1	1	4	2	13
Internal transfer Residents w/ EF	-	-	-	-	1	-	-	-	-	-	-	-	1
Internal transfer Units w/ EF	-	-	-	-	1	-	-	-	-	-	-	-	1
Units w/ refunds	1	4	1	1	2	-	1	2	1	-	-	1	14
Units w/ W/O to bad debt/adjusted off	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Totals</b>													
New Entrants: Fees Paid in Cash	2,037,160	901,400	1,190,650	1,108,200	2,529,890	3,536,492	3,575,600	3,181,800	3,004,104	3,386,286	2,836,390	2,440,686	29,728,658
Deferrals Collected	473,300	194,228	806,328	748,028	1,495,968	861,278	641,948	1,232,873	1,320,208	1,097,568	190,628	1,173,228	10,696,083
Entry Fee Refunds - Paid	(357,091)	(500,794)	(302,808)	(2,676)	(110,228)	(871,448)	(501,679)	(243,144)	(1,338,217)	(593,289)	(495,803)	(631,464)	(5,948,641)
Net Entry Fees	2,153,369	594,834	1,694,170	1,853,552	3,915,630	3,526,322	3,715,869	4,632,029	2,986,095	3,890,565	2,531,215	2,982,450	34,476,100
Deferrals Granted	661,307	1,216,600	371,700	257,550	1,432,360	1,510,485	406,800	921,100	1,592,900	117,000	577,910	1,745,535	10,811,247
Deferrals Collected	(473,300)	(194,228)	(806,328)	(748,028)	(1,495,968)	(861,278)	(641,948)	(1,693,373)	(1,320,208)	(1,097,568)	(190,628)	(1,173,228)	(10,696,083)
Deferrals W/O to Bad debt/ Adjusted off	-	-	-	-	-	(42,250)	-	-	-	-	-	-	(42,250)
Net Deferrals/(Collections)	2,451,032	188,007	1,022,372	(434,628)	(490,478)	(63,608)	606,957	225,352	(772,273)	272,692	(980,568)	387,282	572,307
													533,414
													2,984,446

**LifeSpire of Virginia Obligated Group**  
**Interim Financial Statements**  
**Year Ended December 31, 2023**

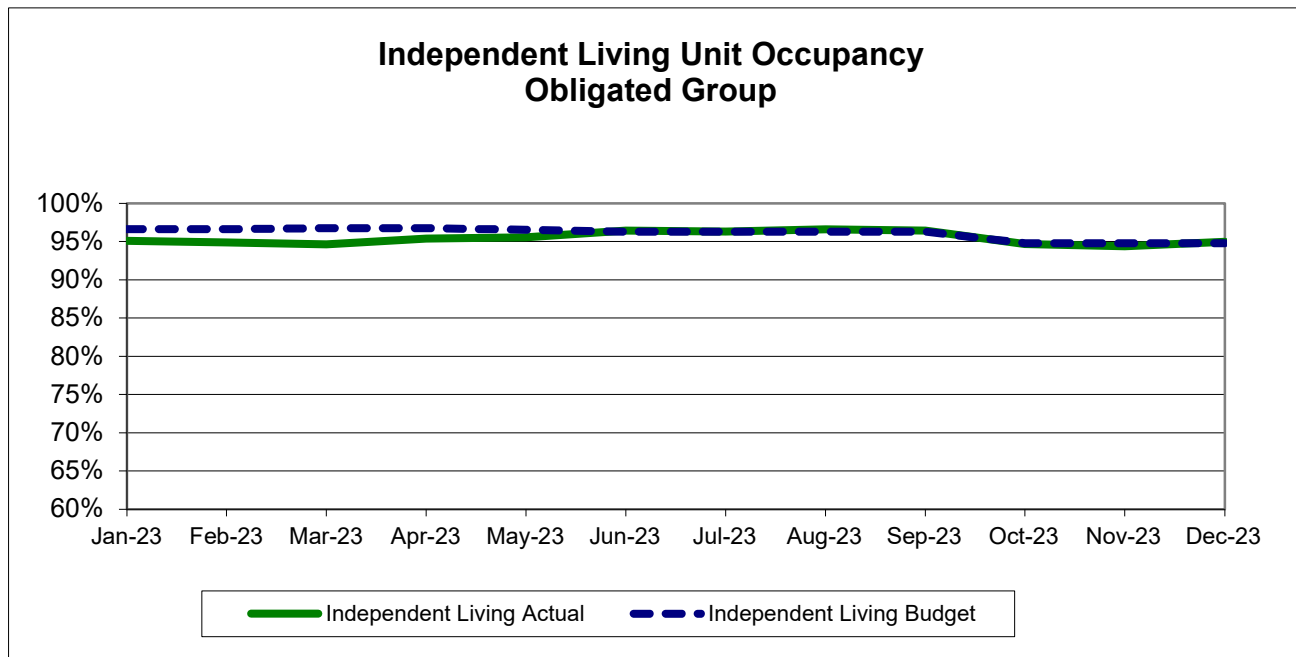
**Narrative on Financial Condition**

*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., and Lynchburg Baptist Retirement Community, LLC dba The Summit*

**Revenues:**

Combined revenue for the Obligated Group (“The Group”) of \$114.8M through Q4 2023 was \$1.1M below budget and \$5.9 more than the previous year’s results. The revenue variance from the prior year is primarily the result of \$1.7M in increased earned entry fees and \$4.8M increase in monthly service fees which were driven by the 2023 rate increases. Investment income is up over the prior year by \$2.5M and “Other Revenue” increased from the prior year by \$1.5M and was the result of current year recognition of HHS Funds which are not recurring.

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



Compared to the budget, IL revenue is running above budget by \$241K. Average annual IL unit occupancy for The Group averaged 847 units or 94.7% through Q4. IL revenue is above the same period in 2022 by \$3.8M. We continue to have high demand for IL and our wait lists continue to grow. This is driving our plans to build additional cottages at The Glebe and The Summit beginning in 2024.

Memory support, AL, and health care are below budget due to lower than budgeted occupancy. Memory support at The Culpeper dropped significantly in the first quarter and accounts for the negative variance. The Culpeper's memory support has rebounded during the remainder of 2023. The other communities are helping to make up for this and are above budget. AL and health care are most significantly below budget at Lakewood as a result lower than expected occupancy partially driven by disruption in the health service building due to our memory support expansion. We are converting 32 skilled rooms to 20 memory support suites. This project will help meet the growing demand for larger, more comfortable memory support suites.

Combined Health Care Center (HCC) and Clinic revenues were \$355k below budget, and \$470k more than the previous year's results through Q4. This is due primarily to The Group's Medicare caseload which is rehabilitative in nature and a shorter length of stay, which tends to be variable. The Group's combined HCC unit occupancy averaged 209 through Q4, lower than the average 2023 budget of 227. The lower than budgeted volume in HCC continues to be affected by the staffing shortages that are currently facing our industry.

### **Operating Expenses:**

Combined operating expenses for The Group of \$124.7M through Q4 2023 were \$6.6M above budget and \$6.8M more than the previous year. Turnover in healthcare remains high and our communities continue to struggle with staff retention. We continue to balance our team with the use of overtime and agency staff which come at a high cost. "Salaries, wages and professional fees" are over budget by \$1.5 which is predominately driven by agency staff. Depreciation expense was over budget by \$819K. Other operating expenses were over budget by \$4.3M. Food and utility expenses continue to be increasing faster than normal inflation; however, overall inflationary pressure appears to be easing. Inflation is running in the range of 4% to 5% which is an improvement over the 2022 inflation that was as much as 15% depending on the goods and services purchased.

### **Medicare Case Load:**

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

	QE <u>12/31/2022</u>	QE <u>3/31/2023</u>	QE <u>6/30/2023</u>	QE <u>9/30/2023</u>	QE <u>12/31/2023</u>
Actual Avg.	42.4	41.2	46.7	49.6	50.6
Avg. Annual Budgeted	60.6	50.0	50.0	50.0	50.0

Medicare occupancy tends to be variable, because of its rehabilitative nature and resultant short length of stay. Our Medicare average stays have been improving and for Q3 we were 0.4 stays per day below our budget expectation. We are currently using 16 of our skilled beds at Lakewood to support AL residents while we complete a memory support expansion.

#### **Entrance Fee Deferrals:**

New entrance fee deferrals granted for the quarter were \$73K less than collections of previously deferred entrance fees, increasing The Group's outstanding entrance fee deferral balance to \$3.0M on December 31, 2023. 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 2023 were \$34.5M and \$3.3M above our budget of \$31.1M.

#### **Strategic Repositioning & Financing:**

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

- During Q2 2021, we broke ground on 19 new cottages at Lakewood. The anticipated cost of construction was estimated at \$15.1M. As of September 30, 2023, we had recognized \$15.0M in capital cost relating to this project. All 19 cottages have been completed and are occupied.
- Our memory support repositioning at Lakewood is well underway and we expect construction to be completed in the first quarter of 2024.

During Q1/2024, presales for new cottages to be constructed on the campuses of The Summit and The Glebe were begun. Presently, market acceptance is strong, and we expect to commence construction during Q2/2024. Our current strategic plans call for 18 cottages at The Summit, costing an estimated \$18.2M, and 22 cottages at The Glebe, costing an estimated \$18.3M. These projects, which are in the early stages of development, are expected to be financed in conjunction with a bond issuance presently being considered for 2024.

#### **Leadership Change:**

Christopher M. Markwith, The Group's Chief Financial Officer and Treasurer ("CFO") for more than four years, has left LifeSpire of Virginia to pursue other career interests; we thank him for his past service, and wish him well in his future endeavors. A search for our new financial leader is underway, and our previous CFO has been retained on a consulting basis to help maintain stability and continuity. We do not anticipate any adverse consequences as a result of this development.

### 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 11, 2024, 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 (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 12/31/2023:

Schedule of Long-Term Debt at 12/31/2023:			
<u>Issue</u>	<u>Current</u>	<u>Non-Current</u>	<u>Total</u>
Series 2014A	820,000	31,855,308	32,675,308
OID (net)		(830,989)	(830,989)
BIC (net)		(730,942)	(730,942)
Series 2016	3,190,000	66,978,595	70,168,595
OIP (net)		3,992,050	3,992,050
BIC (net)		(935,076)	(935,076)
Series 2017C	1,155,000	45,325,000	46,480,000
OIP (net)		1,646,624	1,646,624
BIC (net)		(1,208,007)	(1,208,007)
Series 2021	1,540,000	88,967,097	90,507,097
OIP (net)		9,483,313	9,483,313
BIC (net)		(1,637,476)	(1,637,476)
Total	6,705,000	242,905,497	249,610,497
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 above the requirements as of December 31, 2023.

Interim Covenant Tests:	Results	Required
Days Cash on Hand (a)	295	120
Debt Service Coverage Ratio (a)	2.19	1.20
(a) Tested annually at December 31st.		

**NOTE:** The following information for each of our four communities has been published separately on EMMA. Please refer to our "LifeSpire of Virginia – 2023 Units and Rates Disclosure":

- Fee List and Unit Counts
- Published Rates