

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

The  
**SUMMIT**

THE **CULPEPER**

The **Glebe**

**LAKESWOOD**

The  
**Chesapeake**

VIRGINIA BAPTIST HOMES, INC. DBA LIFESPIRE OF VIRGINIA

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

AS OF MARCH 31, 2024



Faith. Wellness. Community.

## Quarterly Continuing Disclosure Information As of March 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: Jonathan Cook, Chief Executive Officer/President

DATE: May 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. 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, 2024.

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**

	Quarter Ended 3/31/2024		Increase (Decrease)	2023 Prior Year	Increase (Decrease)
	Actual	Budget			
<b>Unrestricted revenues, gains and other support:</b>					
Earned Entrance Fees	\$ 4,177,882	\$ 4,828,071	\$ (650,189)	\$ 4,154,198	\$ 23,684
Independent Living	12,454,324	12,460,931	(6,607)	11,594,133	860,191
Assisted Living	3,552,332	3,634,761	(82,429)	3,324,441	227,891
Memory Support	1,591,677	1,569,390	22,287	1,397,047	194,630
Health care services	6,082,714	6,684,059	(601,345)	5,870,873	211,841
Clinic	254,307	244,827	9,480	285,549	(31,242)
Net assets released from restrictions used for operations	301,360	347,453	(46,093)	69,352	232,008
Unrestricted gifts and donations:					
Gifts and bequests	90,101	17,775	72,326	450,853	(360,752)
Investment income designated for current operations	1,505,964	485,574	1,020,390	(61,215)	1,567,179
Other	928,445	1,010,762	(82,317)	1,285,631	(357,186)
	<u>30,939,106</u>	<u>31,283,603</u>	<u>(344,497)</u>	<u>28,370,862</u>	<u>2,568,244</u>
<b>Expenses:</b>					
Salaries, wages and professional fees	16,005,356	16,775,802	(770,444)	14,856,691	1,148,667
Provisions for depreciation and amortization	4,500,225	4,500,470	(245)	4,419,641	80,584
Interest	2,661,795	2,644,389	17,406	2,713,562	(51,767)
Other	7,647,349	7,939,596	(292,247)	7,325,740	321,610
	<u>30,814,725</u>	<u>31,860,257</u>	<u>(1,045,530)</u>	<u>29,315,634</u>	<u>1,499,094</u>
<b>Operating Income</b>	124,381	(576,654)	701,033	(944,772)	1,069,151
Unrealized gains on investments	2,373,053	-	2,373,053	3,401,409	(1,028,356)
<b>Excess of revenues, gains and other support over expenses</b>	2,497,434	(576,654)	3,074,086	2,456,637	40,795
<b>Temporarily restricted net assets:</b>					
Gifts, grants and bequests	7,050	259,950	(252,900)	5,151	1,899
Investment Income (Loss)	-	-	-	-	-
Change in value of annuity obligations	-	-	-	-	-
Reclassification of net assets	-	-	-	-	-
Net assets released from restrictions	(301,360)	(357,050)	55,690	(69,353)	(232,007)
<b>Increase in temporarily restricted net assets</b>	(294,310)	(97,100)	(197,210)	(64,202)	(230,108)
<b>Permanently restricted net assets:</b>					
Gifts, grants and bequests	-	-	-	600	(600)
Change in present value of perpetual trust funds	-	-	-	-	-
Reclassification of net assets	-	-	-	-	-
<b>Increase in permanently restricted net assets</b>	-	-	-	600	(600)
<b>Increase (Decrease) in net assets</b>	2,203,124	(673,754)	2,876,876	2,393,035	(189,913)
<b>Net assets at beginning of year</b>	(51,851,142)	(51,608,044)	(243,098)	(38,234,741)	(13,616,401)
<b>Net assets at end of period</b>	<u>\$ (49,648,018)</u>	<u>\$ (52,281,798)</u>	<u>\$ 2,633,778</u>	<u>\$ (35,841,706)</u>	<u>\$ (13,806,314)</u>



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

	March 2024	March 2023		March 2024	March 2023
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 19,594,006	\$ 35,153,455		6,079,318	5,733,798
Current portion of assets whose use is limited	9,303,031	9,161,402		4,149,553	4,280,187
Accounts receivable	7,791,827	3,301,002		4,355,918	3,429,481
Notes receivable	1,941,711	3,226,783		1,027,985	1,404,515
Prepaid expenses	1,136,704	1,149,833		-	698,679
Other	3,165,785	2,511,617		2,233,500	1,406,500
<b>Total current assets</b>	42,933,064	54,504,092		10,853,000	12,705,000
<b>Investments</b>	65,796,081	58,202,952		104,738,145	97,705,840
<b>Beneficial Interest in Perpetual Trust</b>	8,628,817	8,761,266		133,437,419	127,364,000
<b>Assets whose use is limited:</b>					
Externally restricted under bond indenture agreement (held by trustee)	19,102,679	17,846,674			
Less amounts available for current liabilities	9,303,031	9,161,402			
<b>Total assets whose use is limited</b>	9,799,648	8,685,272			
Property, plant and equipment, less accumulated depreciation of \$219,374,885 and \$201,784,114 in 2022	270,087,744	263,295,988			
<b>Other assets:</b>					
Miscellaneous	-	-			
<b>Total other assets</b>	-	-			
<b>TOTAL ASSETS</b>	\$ 397,245,354	\$ 393,449,570			
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current liabilities:</b>					
Accounts payable				82,368,093	77,906,466
Salaries and wages					
Interest payable					
Lease payable					
Deferred Revenue					
Deposits from prospective residents					
Current portion of long-term debt					
Deferred revenue from advance fees subject to refund					
<b>Total current liabilities</b>				231,087,860	239,260,492
<b>Advance fees:</b>					
Deferred revenue from advance fees				446,893,372	444,530,958
<b>Other Liabilities</b>					
Long-term debt, less current portion					
<b>Total liabilities</b>				446,893,372	444,530,958
<b>Net assets:</b>					
Unrestricted				(62,257,039)	(64,763,340)
Temporarily restricted				2,194,898	3,419,232
Permanently restricted				10,414,123	10,262,720
<b>Total net assets</b>				(49,648,018)	(51,081,388)
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 397,245,354	\$ 393,449,570			



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

	<b>For the Quarter Ended March, 31</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>		
Increase/(Decrease) in net assets	\$ 2,203,124	\$ 1,731,422
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Amortization of deferred revenue from advance fees	(4,275,287)	(4,317,960)
Proceeds from advance fees and deposits	6,059,584	6,378,817
Provision for Bad Debts	(639,753)	(109,280)
Provision for depreciation	4,590,577	4,493,135
Net realized and unrealized (gains) losses on long-term investments	(9,960,005)	(6,917,280)
Decrease (increase) in operating assets:		
Accounts receivable	504,171	854,957
Prepaid expense	312,214	273,993
Notes Receivable	1,042,735	(775,751)
Other current assets	(1,463,118)	-
Increase (decrease) in operating liabilities:		
Accounts payable	(2,741,548)	(645,775)
Deferred Revenue	-	-
Salaries and wages	1,126,790	921,461
Interest payable	2,536,390	1,609,955
Lease payable	(90,361)	(102,874)
Deposits from prospective residents	1,433,600	65,000
	639,113	3,459,820
<b>Net cash (used in) provided by operating activities</b>		
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(3,482,197)	(3,250,475)
Change in investments and assets whose use is limited:		
Change in cash and cash equivalents	(5,239,341)	(2,048,723)
Net (Purchases)/Sales of Investments	6,369,321	1,844,132
<b>Net cash used in investing activities</b>	(2,352,217)	(3,455,066)
<b>Cash flows from financing activities</b>		
Other financing activities:		
Refunds of advance fees and deposits	(2,772,066)	(3,137,248)
Proceeds from debt issuance	57,871	61,508
Payments on long-term debt	(1,872,000)	-
Increase in other liabilities	(170,517)	(170,517)
<b>Net cash provided by financing activities</b>	(4,756,712)	(3,246,256)
<b>Net increase (decrease) in cash and cash equivalents</b>	(6,469,816)	(3,241,502)
<b>Cash and cash equivalents at beginning of year</b>	26,306,923	38,394,958
<b>Cash and cash equivalents at end of period</b>	\$ 19,594,006	\$ 35,153,456

**STATISTICAL SUMMARY**  
Average Year-to-Date Through 3/31/2024

	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	49	46	30	44	169	95.1%	86.0%	94.7%	93.7%	92.0%
Chesapeake	251	57	16	52	376	242	57	15	47	363	96.6%	100.0%	95.9%	91.0%	96.4%
Lakewood	337	41	20	95	493	326	26	13	91	456	96.8%	62.6%	66.7%	95.4%	92.4%
Summit	101	43	-	-	144	91	43	-	-	134	90.2%	99.9%	0.0%	0.0%	93.1%
Glebe	154	32	20	32	238	153	33	20	29	235	99.6%	100.0%	98.0%	89.4%	98.5%
<b>OBLIGATED GROUP</b>	<b>894</b>	<b>227</b>	<b>88</b>	<b>226</b>	<b>1,435</b>	<b>862</b>	<b>206</b>	<b>79</b>	<b>211</b>	<b>1,356</b>	<b>96.4%</b>	<b>90.5%</b>	<b>89.3%</b>	<b>93.2%</b>	<b>94.5%</b>

**Average for the Month Ending 3/31/2024**

	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	44	32	44	168	94.1%	82.3%	98.5%	93.5%	91.3%
Chesapeake	251	57	16	52	376	243	58	16	48	365	97.0%	100.0%	100.0%	92.7%	97.2%
Lakewood	337	41	20	95	493	328	27	12	91	458	97.2%	65.3%	60.0%	96.1%	92.8%
Summit	101	43	-	-	144	91	43	-	-	134	90.0%	99.3%	0.0%	0.0%	92.8%
Glebe	154	32	20	32	238	153	33	19	29	235	99.3%	100.0%	96.9%	91.4%	98.7%
<b>OBLIGATED GROUP</b>	<b>894</b>	<b>227</b>	<b>88</b>	<b>226</b>	<b>1,435</b>	<b>863</b>	<b>205</b>	<b>79</b>	<b>213</b>	<b>1,359</b>	<b>96.5%</b>	<b>90.3%</b>	<b>89.7%</b>	<b>94.1%</b>	<b>94.7%</b>

**LifeSpire of Virginia – All Five CCRCs**  
**Supplemental Occupancy & Contract-Related Continuing Disclosure Information**  
**March 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 Q1/2024:

	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Life Care	55.8%	54.1%	53.1%	52.7%
CC/FFS/RE	44.2%	45.9%	46.9%	47.3%
Total	100%	100%	100%	100%

**Refund Type Mix**

The following table displays the refund type mix from fiscal year 2021 through Q1/2024:

	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Standard	82.6%	82.7%	83.0%	83.1%
Guaranteed:				
90%+	16.5%	16.4%	16.2%	16.3%
50%	0.9%	0.9%	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 average available units and average year to date unit occupancy through March 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	Avg. Through March 31, 2024		Average Occupancy for the Fiscal Year Ended December 31,				
		# Occ.	% Occ.	2023	2021	2020	2019	2018
<b>Independent Living</b>								
Lakewood	337	326	96.8%	95.5%	93.5%	92.3%	91.3%	88.8%
The Chesapeake	251	242	96.6%	96.2%	96.4%	97.1%	96.7%	97.2%
The Culpeper	51	49	95.1%	87.5%	75.4%	98.0%	98.6%	100.0%
The Glebe	154	153	99.6%	97.4%	97.0%	95.9%	95.7%	95.0%
The Summit	101	91	90.2%	88.4%	95.6%	95.6%	-	-
<b>Assisted Living</b>								
Lakewood	41	26	62.6%	87.7%	84.0%	78.9%	82.8%	88.5%
The Chesapeake	57	41	72.0%	90.3%	91.3%	86.1%	93.1%	90.2%
The Culpeper	54	46	86.0%	85.1%	85.0%	94.5%	95.2%	114.3%
The Glebe	32	33	99.9%	98.6%	91.3%	95.1%	98.0%	92.6%
The Summit	43	43	100.0%	97.5%	96.1%	96.1%	-	-
<b>Memory Support</b>								
Lakewood	20	13	66.7%	96.3%	70.7%	50.9%	79.2%	85.7%
The Chesapeake	16	15	95.9%	94.0%	90.3%	91.8%	82.2%	68.8%
The Culpeper	32	30	94.7%	89.4%	90.8%	74.0%	81.5%	42.2%
The Glebe	20	20	98.0%	99.3%	94.9%	89.3%	85.7%	79.5%
The Summit	-	-	-	-	-	-	-	-
<b>Nursing</b>								
Lakewood	95	91	94.5%	86.0%	81.0%	82.8%	87.5%	91.8%
The Chesapeake	52	48	91.0%	99.1%	94.4%	93.6%	88.4%	90.1%
The Culpeper	47	44	93.7%	97.1%	92.8%	83.3%	89.6%	93.1%
The Glebe	32	29	89.4%	91.5%	93.1%	87.2%	84.9%	89.0%
The Summit	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,435</b>	<b>1,340</b>	<b>93.4%</b>	<b>93.8%</b>	<b>92.0%</b>	<b>91.5%</b>	<b>91.9%</b>	<b>91.5%</b>

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

	# of Units Available	Avg. Through March 31, 2024		Weighted Average Occupancy for the Fiscal Year Ended December 31,				
		# Occ.	% Occ.	2023	2022	2021	2020	2019
<b>Independent Living</b>	894	862	96.4%	94.7%	94.1%	94.9%	94.2%	93.2%
<b>Assisted Living</b>	227	190	83.5%	91.5%	89.0%	89.1%	91.4%	96.5%
<b>Memory Support</b>	88	79	89.3%	93.9%	88.3%	77.2%	82.3%	63.9%
<b>Nursing</b>	226	211	93.2%	92.1%	88.2%	86.0%	87.8%	91.3%
<b>Total</b>	<b>1,435</b>	<b>1,340</b>	<b>93.4%</b>	<b>93.8%</b>	<b>92.0%</b>	<b>91.5%</b>	<b>91.9%</b>	<b>91.5%</b>

**SKILLED NURSING PAYOR MIX**

The following tables display the skilled nursing payor mix from fiscal year 2021 through Q1/2024 for each community and the Obligated Group:

**Lakewood Payor Mix**

	<b><u>FYE 2021</u></b>	<b><u>FYE 2022</u></b>	<b><u>FYE 2023</u></b>	<b><u>YTD through 03/31/2024</u></b>
Private Pay	60.9%	74.8%	80.6%	78.0%
Medicare	37.1%	23.8%	17.0%	18.3%
Medicaid	0.0%	0.0%	0.0%	0.0%
Other	2.0%	1.4%	2.4%	3.7%
Total	100%	100%	100%	100%

**The Chesapeake Payor Mix**

	<b><u>FYE 2021</u></b>	<b><u>FYE 2022</u></b>	<b><u>FYE 2023</u></b>	<b><u>YTD through 03/31/2024</u></b>
Private Pay	84.7%	78.7%	74.3%	67.0%
Medicare	10.5%	16.0%	20.0%	28.4%
Medicaid	3.6%	4.0%	4.1%	4.1%
Other	1.2%	1.3%	1.6%	0.5%
Total	100%	100%	100%	100%

**The Culpeper Payor Mix**

	<b><u>FYE 2021</u></b>	<b><u>FYE 2022</u></b>	<b><u>FYE 2023</u></b>	<b><u>YTD through 03/31/2024</u></b>
Private Pay	52.7%	52.1%	56.8%	51.7%
Medicare	24.4%	26.6%	23.5%	31.3%
Medicaid	22.0%	20.0%	18.1%	15.8%
Other	0.9%	1.3%	1.6%	1.2%
Total	100%	100%	100%	100%

**The Glebe Payor Mix**

	<b><u>FYE 2021</u></b>	<b><u>FYE 2022</u></b>	<b><u>FYE 2023</u></b>	<b><u>YTD through 03/31/2024</u></b>
Private Pay	65.3%	69.5%	66.1%	53.8%
Medicare	33.4%	28.7%	33.1%	44.6%
Medicaid	0.0%	0.0%	0.0%	0.0%
Other	1.3%	1.8%	0.8%	016%
Total	100%	100%	100%	100%

**Consolidated Payor Mix**

	<b><u>FYE 2021</u></b>	<b><u>FYE 2022</u></b>	<b><u>FYE 2023</u></b>	<b><u>YTD through 03/31/2024</u></b>
Private Pay	65.8%	70.0%	71.7%	66.7%
Medicare	27.4%	23.3%	21.6%	26.9%
Medicaid	5.3%	5.4%	4.9%	4.2%
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 March 31, 2024:

	<b><u>Culpeper</u></b>	<b><u>Chesapeake</u></b>	<b><u>Lakewood</u></b>	<b><u>Glebe</u></b>	<b><u>Combined YTD 03/31/2024</u></b>
Cont. Care	44.0%	91.4%	85.0%	99.4%	81.2%
Direct Admits	56.0%	8.6%	15.0%	0.6%	18.8%
Total	100%	100%	100%	100%	100%

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

*Tested annually on December 31st*

	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>March 31, 2024</b>
Change in unrestricted net assets	2,672,941	(20,780,036)	1,646,830	2,497,434
Deduct:				
Entrance fee amortization	17,171,960	19,140,913	20,832,567	4,177,882
Unrealized gains on investments	1,578,778	-	6,210,368	2,373,053
Extraordinary Gain on debt extinguishment	936,379	-	-	-
Decrease in future service obligation	-	-	-	-
Adjustment for gains/(losses) on disposal of fixed assets	-	-	-	-
	<u>19,687,117</u>	<u>19,140,913</u>	<u>27,042,935</u>	<u>6,550,935</u>
Add:				
Provision for depreciation and amortization	16,620,762	17,278,066	18,002,389	4,500,225
Interest expense	10,093,692	10,683,360	10,565,332	2,661,795
Entrance fees received, net of refunds	21,821,357	31,348,930	34,476,100	4,671,756
Unrealized losses on investments	-	11,766,776	-	-
Financing related adjustments and write-off	641,731	425,486	516,923	-
Increase in future service obligation	-	-	-	-
Other than temporary decline in investments	-	-	-	-
Loss on project abandonment	-	-	-	-
	<u>49,177,542</u>	<u>71,502,618</u>	<u>63,560,744</u>	<u>11,833,776</u>
Income available for debt service	<u>\$ 32,163,366</u>	<u>\$ 31,581,669</u>	<u>\$ 38,164,639</u>	<u>\$ 7,780,275</u>
Maximum annual debt service	<u>\$ 15,788,677</u>	<u>\$ 16,861,519</u>	<u>\$ 16,850,831</u>	<u>\$ 4,212,708</u>
<b>Debt service coverage ratio (excluding deferred entrance fees receivable)</b>	<b><u>2.04</u></b>	<b><u>1.87</u></b>	<b><u>2.26</u></b>	<b><u>1.85</u></b>

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

<b>For Period Ending</b>	<b>12/31/2021</b>	<b>12/31/2022</b>	<b>12/31/2023</b>	<b>3/31/2024</b>
Unrestricted Cash and Securities	99,797,241	98,630,326	99,302,918	85,390,087
Total Operating Expenses for period ended	103,592,332	113,766,858	120,275,803	30,814,725
Less: Depreciation & Amortization	16,620,762	17,278,066	18,002,389	4,500,225
	<u>86,971,570</u>	<u>96,488,792</u>	<u>102,273,414</u>	<u>26,314,500</u>
Average day's expenses	238,278	264,353	280,201	289,170
Day's Cash on Hand	419	373	<b>354</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 12/31/2021</b>	<b>Twelve Mths Ended 12/31/2022</b>	<b>Twelve Mths Ended 12/31/2023</b>	<b>Three Mths Ended 3/31/2024</b>
<b><i>OPERATING RATIO</i></b>				
Total Revenues	107,049,482	108,897,160	120,634,698	30,939,106
Less: Earned Entrance Fees	(17,171,960)	(19,140,913)	(20,832,567)	(4,177,882)
Less: Contributions	(668,159)	(1,237,393)	(387,368)	(90,101)
Less: Investment Income	(3,752,188)	1,252,267	(1,584,915)	(1,505,964)
Cash Revenues Excluding Investment Income	<u>85,457,175</u>	<u>89,771,121</u>	<u>97,829,848</u>	<u>25,165,159</u>
Total Expenses	103,592,332	117,910,413	120,275,803	30,814,725
Less: Depreciation & Amortization	(16,620,762)	(17,278,065)	(18,002,389)	(4,500,225)
Cash Expenditures	<u>86,971,570</u>	<u>100,632,348</u>	<u>102,273,414</u>	<u>26,314,500</u>
Net Operating Ratio	101.8%	112.1%	104.5%	104.6%

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 12/31/2024**

Deferral Balance	Month												Total	Deferral Balance	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
<b>Culpeper</b>															
New Entrants: Fees Paid in Cash	-	-	95,000												95,000
Hillside Cottage: Fees Paid in Cash	-	-	-												-
Deferrals Collected: New Entrants	243,000	-	-	-	-	-	-	-	-	-	-	-	-	-	243,000
Deferrals Collected: Hillside Cottages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Refunds - Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Entry Fee Cash	243,000	-	95,000	-	-	-	-	-	-	-	-	-	-	-	338,000
Deferrals Granted: New Entrants	-	-	-												-
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)	-	-	-	-	-	-	-	-	-	-	-	-	(243,000)
Refunds - Paid	-	-	-												-
Refunds - On Hold	-	(55,949)	-												(55,949)
Net Refunds	-	(55,949)	-	-	-	-	-	-	-	-	-	-	-	-	(55,949)
<b>Foregone Entrance Fees: Discounts</b>			<b>(10,000.00)</b>												<b>(10,000.00)</b>
New Residents w/ EF	-	-	1												1
New Units w/ EF	-	-	1												1
Cottage Residents w/ EF	-	-	-												-
Cottage units w/ EF	-	-	-												-
Internal transfer Residents w/ EF	-	-	-												-
Internal transfer Units w/ EF	-	-	-												-
Units w/ refunds	-	1	-												1
Units w/ W/O to bad debt/adjusted off	-	-	-												-
<b>Chesapeake</b>															
New Entrants: Fees Paid in Cash	-	540,200	611,700												1,151,900
Deferrals Collected	650,450	125,360	126,325	-	-	-	-	-	-	-	-	-	-	-	902,135
Refunds - Paid	-	(205,273)	(196,128)	-	-	-	-	-	-	-	-	-	-	-	(401,401)
Net Entry Fee Cash	650,450	460,287	541,897	-	-	-	-	-	-	-	-	-	-	-	1,652,634
Deferrals Granted	-	220,400	180,400												400,800
Deferrals Collected	(650,450)	(125,360)	(126,325)												(902,135)
Deferrals W/O Bad debt/ Adjusted off	-	-	-												-
Net Deferrals/(Collections)	1,027,495	(650,450)	95,040	54,075	-	-	-	-	-	-	-	-	-	-	(501,335)
Refunds - Paid	-	205,273	196,128												401,401
Refunds - On Hold	(10,873)	(343,008)	-												(353,881)
Net Refunds	(669,797)	(10,873)	(137,735)	196,128	-	-	-	-	-	-	-	-	-	-	47,520
<b>Foregone Entrance Fees: Discounts</b>			<b>(39,300.00)</b>												<b>(39,300.00)</b>
New Residents w/ EF	-	5	5												10
New Units w/ EF	-	4	4												8
Internal transfer Residents w/ EF	-	-	-												-
Internal transfer Units w/ EF	-	-	-												-
Units w/ refunds	1	1	-												2
Units w/ W/O to bad debt/adjusted off	-	-	-												-

BUDGET
(533,707)
3,078,737
0
0
(1,805,640)
6,318,235
0





<b>The Glebe</b>													
New Entrants: Fees Paid in Cash	96,600	430,373	584,600	-	-	-	-	-	-	-	-	-	1,111,573
Deferrals Collected	333,500	-	-	-	-	-	-	-	-	-	-	-	333,500
Refunds - Paid	-	(322,272)	(316,224)	-	-	-	-	-	-	-	-	-	(638,496)
Net Entry Fee Cash	430,100	108,101	268,376	-	-	-	-	-	-	-	-	-	806,577
Deferrals Granted	-	197,100	-	-	-	-	-	-	-	-	-	-	197,100
Deferrals Collected	(333,500)	-	-	-	-	-	-	-	-	-	-	-	(333,500)
Deferrals W/O Bad debt/ Adjusted off	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Deferrals/(Collections)	333,500	(333,500)	197,100	-	-	-	-	-	-	-	-	-	(136,400)
Refunds - Paid	-	322,272	316,224	-	-	-	-	-	-	-	-	-	638,496
Refunds - On Hold	-	(342,624)	(316,224)	(44,160)	-	-	-	-	-	-	-	-	(703,008)
Net Refunds	(349,037)	(342,624)	6,048	272,064	-	-	-	-	-	-	-	-	(64,512)
<b>Foregone Entrance Fees Discounts</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
New Residents w/ EF	2	4	1	-	-	-	-	-	-	-	-	-	7
New Units w/ EF	2	3	1	-	-	-	-	-	-	-	-	-	6
Internal transfer Residents w/ EF	-	1	-	-	-	-	-	-	-	-	-	-	1
Internal transfer Units w/ EF	-	-	-	-	-	-	-	-	-	-	-	-	-
Units w/ refunds	2	1	1	-	-	-	-	-	-	-	-	-	4
Units w/ W/O to bad debt/adjusted off	-	-	-	-	-	-	-	-	-	-	-	-	-

(1,978,204)  
5,286,932

0

<b>The Summit</b>													
New Entrants: Fees Paid in Cash	259,200	413,600	-	-	-	-	-	-	-	-	-	-	672,800
Deferrals Collected	-	310,200	117,000	-	-	-	-	-	-	-	-	-	427,200
Refunds - Paid	(248,709)	(552,417)	-	-	-	-	-	-	-	-	-	-	(801,126)
Net Entry Fee Cash	10,491	171,383	117,000	-	-	-	-	-	-	-	-	-	298,874
Deferrals Granted	207,800	605,400	-	-	-	-	-	-	-	-	-	-	813,200
Deferrals Collected	-	(310,200)	(117,000)	-	-	-	-	-	-	-	-	-	(427,200)
Deferrals W/O Bad debt/ Adjusted off	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Deferrals/(Collections)	427,200	207,800	295,200	(117,000)	-	-	-	-	-	-	-	-	386,000
Refunds - Paid	248,709	552,417	-	-	-	-	-	-	-	-	-	-	801,126
Refunds - On Hold	(276,109)	-	(616,815)	-	-	-	-	-	-	-	-	-	(892,924)
Net Refunds	(1,636,894)	(27,400)	552,417	(616,815)	-	-	-	-	-	-	-	-	(91,798)
<b>Foregone Entrance Fees Discounts</b>	<b>0.00</b>	<b>(46,000.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(46,000.00)</b>
New Residents w/ EF	3	4	-	-	-	-	-	-	-	-	-	-	7
New Units w/ EF	2	3	-	-	-	-	-	-	-	-	-	-	5
Internal transfer Residents w/ EF	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal transfer Units w/ EF	-	-	-	-	-	-	-	-	-	-	-	-	-
Units w/ refunds	-	-	2	-	-	-	-	-	-	-	-	-	2
Units w/ W/O to bad debt/adjusted off	-	-	-	-	-	-	-	-	-	-	-	-	-

(1,814,559)  
1,458,770

0

<b>Totals</b>													
New Entrants: Fees Paid in Cash	482,653	2,150,903	1,559,728	-	-	-	-	-	-	-	-	-	4,193,284
Deferrals Collected	1,226,950	1,328,260	243,325	-	-	-	-	-	-	-	-	-	2,798,535
Entry Fee Refunds - Paid	(668,613)	(1,079,962)	(571,488)	-	-	-	-	-	-	-	-	-	(2,320,063)
Net Entry Fees	1,040,990	2,399,201	1,231,565	-	-	-	-	-	-	-	-	-	4,671,756
Deferrals Granted	207,800	1,220,900	327,100	-	-	-	-	-	-	-	-	-	1,755,800
Deferrals Collected	(1,226,950)	(1,328,260)	(243,325)	-	-	-	-	-	-	-	-	-	(2,798,535)
Deferrals W/O to Bad debt/ Adjusted off	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Deferrals/(Collections)	2,984,446	(1,019,150)	(107,360)	83,775	-	-	-	-	-	-	-	-	(1,042,735)
Refunds - Paid	668,613	1,079,962	571,488	-	-	-	-	-	-	-	-	-	2,320,063
Refunds - On Hold	(780,864)	(870,586)	(968,598)	-	-	-	-	-	-	-	-	-	(2,620,048)
Net Refunds	(3,220,784)	(112,251)	209,376	(397,110)	-	-	-	-	-	-	-	-	(299,985)
													(3,520,769)

(7,829,553.83)  
26,557,664

0

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

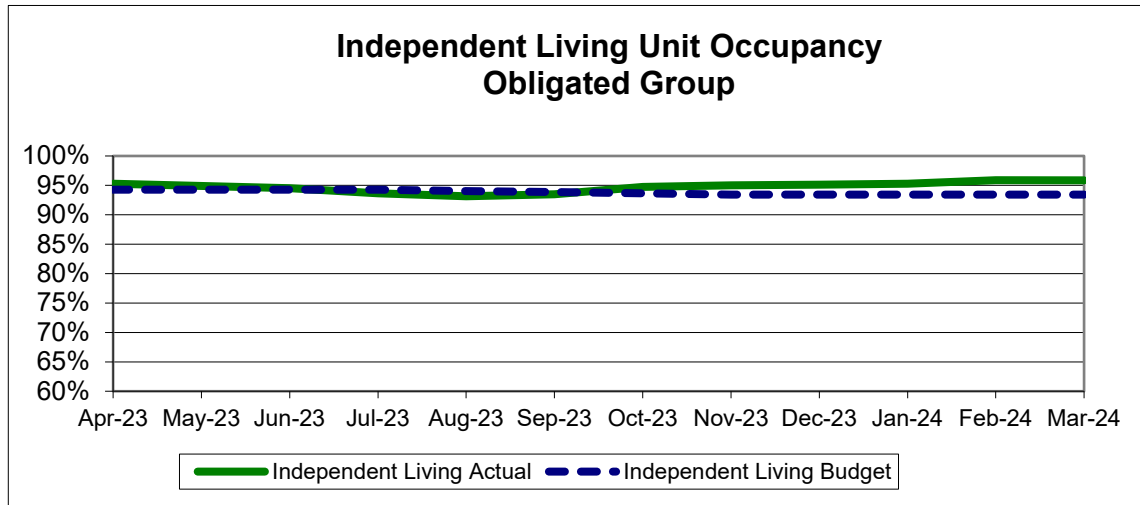
**Narrative on Financial Condition**

*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 \$30.9M through Q1 2024 were \$345k below budget and \$2.6M (9.0%) more than the previous year’s results. The unfavorable variance to budget was primarily due to \$707k of bad debt expense recorded in Q1, as further explained below. The revenue variance to the previous year is primarily the result of i) \$1.5M in increased earned entry fees, due to increased Independent Living (“IL”) occupancy and normal unit turnover, and ii) monthly service fees which were driven primarily by the 2024 rate increases. Investment income exceeded the prior year by \$1.5M due to improved investment portfolio performance, and “Other Revenue” decreased from the prior year by \$357k.

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



During the second half of 2023, LifeSpire outsourced its Medicare billing function in response to internal staff turnover. After several months of effort by the new billing vendor as well as LifeSpire’s finance and operational teams, LifeSpire recently concluded that a change in billing vendor was necessary, and that change is presently underway. As a result of these transitions, The Group’s

Medicare A, Medicare B and associated supplemental insurance accounts receivable balances have significantly increased, and cash receipts from these sources have consequentially decreased. During Q1 2024, in accordance with its normal accounting procedures, The Group recorded \$707k of bad debt expense to increase its Allowance for Doubtful Accounts to reflect the current unusually high level of its accounts receivable balances. This expense is included on the "Health care services" revenue line on the consolidated statement of operations. As the affected claims are still within timely filing guidelines, LifeSpire believes i) it is adequately reserved in response to this situation, and ii) this situation is temporary and will reverse itself during the second half of 2024 with minimal actual write-offs being necessary.

IL revenue is running below budget by just \$7k. Average annual IL unit occupancy for The Group averaged 862 units or 96.4% through Q1; this is 13 average occupied units higher than the previous year. IL revenue exceeded the same period in 2023 by \$860k (7.4%), due to increased occupancy and the 2024 rate increase. The Group continues to experience high demand for IL and our wait lists continue to grow; this is driving The Group's strategic plans to build additional cottages at The Glebe and The Summit beginning later this year.

Memory Support and Assisted Living, combined, are below budget due to lower-than-expected occupancy. Assisted Living is primarily below budget at Lakewood as a result 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.

Combined Health Care Center (HCC) and Clinic revenues were \$652k below budget, and \$603k more than the previous year's results through Q1. The variance to budget is due to the bad debt expense adjustment discussed above. The Group's combined HCC unit occupancy averaged 211 through Q1, lower than the average 2024 budget of 227 but 13 units higher than the previous year. The lower-than-budget occupancy in HCC continues to be affected by the staffing challenges that are currently facing our industry.

### **Operating Expenses:**

Combined operating expenses for The Group of \$30.8M through Q1 2024 were \$1.0M below budget and \$1.5M more than the previous year. Staff turnover in healthcare remains high and our communities continue to struggle with staff retention. We continue to balance our teams using overtime and agency staff which come at an elevated cost. "Salaries, wages and professional fees" are below budget by \$770k which is predominately because of the continued necessity of using outside agency staff, but \$1.1M (7.7%) higher than the previous year reflecting overtime cost as well as wage increases required to staff higher levels of care in today's market. Depreciation expense was right on budget. Other operating expenses were under budget by \$292k, as a result of moderating inflation and our operations teams' diligent efforts to manage controllable expenses. Food and utility expenses are continuing to increase faster than normal historical inflation; however, overall inflationary pressure appears to be easing from their recent peaks.

### **Medicare Case Load:**

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

	QE <u>3/31/2023</u>	QE <u>6/30/2023</u>	QE <u>9/30/2023</u>	QE <u>12/31/2023</u>	QE <u>3/31/2024</u>
Actual Avg.	41.2	46.7	49.6	50.6	60.4
Avg. Annual Budgeted	50.0	50.0	50.0	50.0	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 improving over the last twelve months.

### **Entrance Fee Deferrals:**

New entrance fee deferrals granted for the quarter were \$1.0M less than collections of previously deferred entrance fees, decreasing The Group's outstanding entrance fee deferral balance to \$31.9M on March 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 Q1 2024 were \$4.7M and \$2.0M below our budget of \$7.0M. This is primarily due to the shortage of available IL unit inventory caused by The Group's high IL occupancy rate.

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

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.

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:**

As previously disclosed, LifeSpire's Chief Financial Officer & Treasurer ("CFO") position has been vacant since February 2024, and our previous CFO has been assisting our financial team on an interim basis. After an extensive search for its next financial leader, LifeSpire recently announced that Mr. Erik Mauritsen will be joining its senior leadership team as its new CFO in late May 2024. Mr. Mauritsen has almost twenty years of CCRC experience, most recently serving as CFO of Covenant Woods in Mechanicsville,

Virginia. In addition to his experience managing senior living accounting, finance and IT functions, he has experience with expansion projects, bond financing, strategic & master planning, healthcare compliance, and associated ancillary lines of business.

**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 9, 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 3 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 3/31/2024:

Schedule of Long-Term Debt at 03/31/2024:			
Issue	Current	Non-Current	Total
Series 2014A	820,000	31,860,630	32,680,630
OID (net)		(821,096)	(821,096)
BIC (net)		(722,240)	(722,240)
Series 2016	3,190,000	63,565,782	66,755,782
OIP (net)		3,924,388	3,924,388
BIC (net)		(919,227)	(919,227)
Series 2017C	1,155,000	44,170,000	45,325,000
OIP (net)		1,629,472	1,629,472
BIC (net)		(1,199,062)	(1,199,062)
Series 2021	1,540,000	85,972,589	87,512,589
OIP (net)		9,397,620	9,397,620
BIC (net)		(1,622,994)	(1,622,994)
Total	6,705,000	235,235,860	241,940,860

**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, 2024:

<b>Interim Covenant Tests:</b>	<b>Results</b>	<b>Required</b>
Days Cash on Hand (a)	295	120
Debt Service Coverage Ratio (a)	1.85	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