FILED
Commonwealth of Virginia
State Corporation Commission
Bureau of Insurance
May 24, 2024
Commissioner of Insurance
BY: Younga Jones

Disclosure Statement

Of

AgeSmart
with LifeSpire of Virginia

LifeSpire of Virginia's

Community Based Continuing Care Program

The filing of this disclosure with the State Corporation Commission does not constitute approval, recommendation, or endorsement of the facility by the State Corporation Commission.

04/29/2024

COMMUNITY-BASED CONTINUING CARE PROVIDER:

VIRGINIA BAPTIST HOMES INC., DBA LIFESPIRE OF VIRGINIA is offering a community based continuing care (“CBCC”) program (“The Program”) through its continuing care retirement communities (“CCRC”).

BUSINESS ADDRESS OF PROVIDER:

3961 STILLMAN PARKWAY
GLEN ALLEN, VA 23060

OWNERSHIP OF CBCC PROVIDER:

Virginia Baptist Homes, Inc., dba LifeSpire of Virginia (“LifeSpire” or “LSV”) was incorporated on March 25, 1946, as a not-for-profit, non-stock corporation. Its subsidiary CCRCs, Culpeper Baptist Retirement Community, Inc., dba The Culpeper (“The Culpeper”); Newport News Baptist Retirement Community, Inc., dba The Chesapeake (“The Chesapeake”); Lakewood Manor Baptist Retirement Community, Inc., dba Lakewood (“Lakewood”); The Glebe, Inc. (“The Glebe”); and Lynchburg Baptist Retirement Community, LLC, dba The Summit (“The Summit”) were incorporated or organized on January 24, 1984; January 23, 1984; January 23, 1984; October 14, 1998 and June 30, 2021, respectively. All subsidiary CCRCs were incorporated or organized in the Commonwealth of Virginia and are currently certified by the State Corporation Commission Clerk’s Office to be in good standing.

LISTING OF CCRC FACILITIES (“SPONSORING COMMUNITIES”) OWNED BY PROVIDER:

CULPEPER BAPTIST RETIREMENT COMMUNITY, INC.,
DBA THE CULPEPER
12425 Village Loop
Culpeper, VA 22701
Independent Living Occupancy - 94 percent
Total Liquid Assets - $9,708,410

NEWPORT NEWS BAPTIST RETIREMENT COMMUNITY, INC.,
DBA THE CHESAPEAKE
955 Harpersville Road
Newport News, VA 23601
Independent Living Occupancy - 98 percent
Total Liquid Assets - $7,132,171

LAKEWOOD MANOR BAPTIST RETIREMENT COMMUNITY, INC.,
DBA LAKEWOOD
1900 Lauderdale Drive
Richmond, VA 23238

Independent Living Occupancy – 97 percent
Total Liquid Assets - $21,242,153

THE GLEBE, INC.
200 The Glebe Boulevard
Daleville, VA 24083
Independent Living Occupancy - 98 percent
Total Liquid Assets - $ 44,418,252

LYNCHBURG BAPTIST RETIREMENT COMMUNITY, LLC;
DBA THE SUMMIT
1400 Enterprise Drive
Lynchburg, VA 24502
Independent Living Occupancy - 89 percent
Total Liquid Assets - $ 24,517,017

OFFICERS OF THE PROVIDER

The Officers of The Provider as of December 31, 2023 were:

Mr. Jonathan R. Cook LifeSpire 3961 Stillman Parkway Glen Allen, VA 23060	President & Chief Executive Officer
Mrs. Tracey Jennings LifeSpire 3961 Stillman Parkway Glen Allen, VA 23060	Chief Operating Officer
Mr. Christopher M. Markwith LifeSpire 3961 Stillman Parkway Glen Allen, VA 23060	Senior Vice President, Chief Financial Officer & Treasurer
Ms. Lisa H. Legeer LifeSpire 3961 Stillman Parkway Glen Allen, VA 23060	Chief Strategy and Integration Officer
Mr. J. Peter Robinson LifeSpire 3961 Stillman Parkway Glen Allen, VA 23060	Chief Marketing Officer & Public Relations, Assistant Secretary
Mr. Matthew Scott 3961 Stillman Parkway Glen Allen, VA 23060	Secretary
Mrs. Christine Moran LifeSpire 3961 Stillman Parkway Glen Allen, VA 23060	Assistant Treasurer

OFFICERS OF THE BOARD OF TRUSTEES

The Officers of the Board of Trustees of LifeSpire also serve as Officers of the Board of Trustees of Lakewood; The Culpeper; The Chesapeake; The Glebe; and The Summit. The Officers as of December 31, 2023 were:

Rev. Nelson Harris 3961 Stillman Parkway Glen Allen, VA 23060	Chair Minister, Heights Community Church
Mrs. Sara Marchello 3961 Stillman Parkway Glen Allen, VA 23060	Vice Chair Associate Provost & Registrar College of William and Mary

MEMBERS OF THE BOARD OF TRUSTEES

The Members of the Board of Trustees of LifeSpire as of December 31, 2023 were:

BUSINESS EXPERIENCE OF THE PROVIDER, TRUSTEES, CORPORATE OFFICERS AND MANAGEMENT OF FACILITY:

The Provider

LifeSpire has been operating continuing care retirement communities since August 2, 1948. Since the beginning, LifeSpire has responded to continuing growth demands for its services and today consists of five continuing care retirement communities: The Culpeper has a capacity of 184 residences. The Chesapeake opened in 1969 and has a capacity of 376 residences. Lakewood (located in Henrico County) opened in 1977 and has a capacity of 494 residences. The Glebe in Daleville, Virginia, which opened in 2005, currently has a capacity of 238 residences. The Summit in Lynchburg, Virginia has 144 residences.

LifeSpire provides management services to its communities including operational, human resources, accounting, IT, purchasing, project management, and other services. LifeSpire will, from time to time, utilize third-party services and consulting from various industry professionals to complement their internal management capabilities. Fitch Ratings most recently affirmed its BBB issuer default rating of LifeSpire of Virginia in June of 2023 for bonds issued on behalf of LifeSpire.

Trustees

The Trustees of LifeSpire and its subsidiary corporations represent a cross section of business experience. Their selection to the Board is based primarily on their contribution potential to the total organization. This may be for their ability to elicit support from denominational leadership or for their technical expertise in some facet of the business community. Listed above is information relating to the specific occupation and business experience of each Trustee. The Trustees are the governing body of the entire organization and the subsidiaries.

Corporate Officers

Listed below are the credentials of the corporate officers of LifeSpire and its subsidiary corporations, as of December 31, 2023:

President: Mr. Jonathan R. Cook

Mr. Cook has over 29 years of experience within the senior living/elder care field. He assumed the position of President and CEO of LifeSpire in December 2014. In this position, he serves as the Chief Executive Officer of LifeSpire and all its subsidiaries. He oversees five LSV communities in Virginia, the Virginia Baptist Homes Foundation and the corporate office.

Prior to his employment with LifeSpire, Mr. Cook served with Lutheran Homes of South Carolina as well as Life Care Services, LLC. Within these organizations he served in capacities including Administrator, Executive Director, and Regional Director of Operations overseeing a portfolio of 12 communities.

Additionally, Mr. Cook has always attempted to advocate and advance the industry through mentoring numerous Administrators-in-training, serving on the Alzheimer’s Association Board and exchange club, as well as assuming leadership roles in LeadingAge of Indiana and South Carolina. Mr. Cook has presented at numerous industry conferences on topics including hospitality, campus repositioning, operations and professional development programs.

Mr. Cook is a graduate of The Richard Stockton College of New Jersey, and in the past held a Nursing Home Administrator license in North Carolina, South Carolina and Virginia.

Chief Operating Officer: Mrs. Tracey Jennings

Mrs. Jennings brings over 20 years of leadership experience in the senior living and health care arena. Mrs. Jennings joined LifeSpire as Chief Operating Officer in December 2021. Prior to joining the LSV family she was with Centra Health. Mrs. Jennings held numerous positions including managing director of senior care where she oversaw Centra Health's long-term care communities; COO of Bedford Memorial Hospital; and vice president of care coordination, where she led care coordination and case management processes and systems. Prior to joining Centra, Mrs. Jennings worked as a nursing home administrator in the Lynchburg region.

Mrs. Jennings has a bachelor's degree from Ferrum College and is a licensed nursing home administrator and preceptor in Virginia. Additionally, she serves on LeadingAge Virginia's Board of Directors, the Governor's Long-Term Care task force and Centra Specialty Hospital's Board of Directors.

Chief Financial Officer & Treasurer: Mr. Christopher M. Markwith

Mr. Markwith is Chief Financial Officer for LifeSpire of Virginia. He began his career at LifeSpire of Virginia in January 2018, bringing more than 26 years in progressive leadership roles. As a Certified Public Accountant and Certified Information Systems Auditor, Chris has served in financial roles at a number of health-care related organizations, including director of finance and controller at MCV Physicians, director of finance and human resources at Virginia Health Quality Center, chief financial officer at Patient Services, Inc., and chief financial officer and operations director at Health Savings Administrators, LLC. Chris holds a Bachelor of Science degree in business administration from the University of Mary Washington and a master's degree in business administration from Virginia Commonwealth University.

Mr. Markwith left LifeSpire in February 2024 to pursue other career interests. This position is presently in the process of being permanently refilled.

In June 2024, Mr. Erik Mauritsen will join LifeSpire of Virginia as the Chief Financial Officer.

Mauritsen has more than 20 years' experience in progressive leadership roles in auditing, finance, corporate compliance programs and regulatory laws for a number of organizations including Weinstein Management, Winston-Salem Industries For The Blind and most recently, Covenant Woods. Mauritsen, a cum laude graduate of Virginia Commonwealth University, earned a bachelor's degree in business, majoring in accounting.

Chief Strategy and Integration Officer: Ms. Lisa H. Legeer

Ms. Legeer joined the LifeSpire team as Chief Strategy and Integration officer in June 2021. In this role, she is responsible for growing top-line revenues, as well as adding other complementary business lines to the organization. She assists in leading strategic planning efforts and is responsible for the cultivation of acquisition, merger and affiliation opportunities for the organization.

Ms. Legeer has more than 26 years of experience serving senior living and healthcare organizations with strategic and development planning, performance improvement and marketing. Prior to joining the LifeSpire team, she served as senior vice president of strategic partnerships for GlynnDevins—a data, analytics and marketing technology company. She also worked for the accounting firm Dixon Hughes Goodman LLP for 14 years. She holds a bachelor's degree in rhetoric and communication studies from the University of Virginia.

Chief Marketing Officer and Assistant Secretary: Mr. J. Peter Robinson

Mr. Robinson joined LifeSpire in January 2009. Mr. Robinson oversees marketing, sales, public relations and brand strategy for LifeSpire. Prior to joining LifeSpire, Mr. Robinson worked for Sunnyside Retirement Community from 1993 to 1999. In 2000, Mr. Robinson began working for Sunrise Senior Living where he held a variety of positions including regional manager for the Virginia portfolio of assisted living communities and regional manager for a portfolio of CCRCs in the Mid-Atlantic region.

Mr. Robinson is a graduate of James Madison University with a Bachelor of Arts in History and is also a graduate of George Mason University with a Master of Science in Health Systems Management.

Secretary: Mr. Matthew Scott

Mr. Matthew Scott was elected as a member of the Board of Trustees in 2017 and was subsequently elected as Secretary in December 2023.Mr. Scott serves as Head of Health Care Consultants in Richmond, Virginia.

Assistant Treasurer: Mrs. Christine Moran

Mrs. Moran leads LifeSpire's accounting team and is responsible for all aspects of accounting information, production, compliance and management pertaining to LifeSpire and its affiliates. As a Certified Public Accountant, she monitors and manages the company's cash position and its nonprofit foundation's business affairs. She also serves as a valued accounting and financial consultant to LifeSpire's senior leadership and communities. Mrs. Moran has more than 26 years' experience in progressive leadership roles in accounting and finance with a concentration in nonprofit organizations. She holds a Bachelor of Science in accounting from the State University of New York, College at Brockport.

Executive Director of The Program: Mrs. Tamara E. Huffman

Tamara Huffman began her career at LifeSpire of Virginia in July 2016 and was appointed executive director of Lakewood at Home in August 2018. Prior to LifeSpire, Mrs. Huffman served 19 years overseas with the International Mission Board, a global missions agency with personnel living in countries around the world. From 2012-2016, she was based in Asia and served as the IMB's logistics coordinator for personnel serving there. She also worked as a therapist at CPC OakBend Hospital in Fort Worth, Texas, and taught and coached at La Mesa Community School in New Mexico.

Mrs. Huffman holds a Bachelor of Behavioral Science degree from Hardin-Simmons University in Abilene, Texas, a master's degree of marriage and family counseling and a master's degree in religious education from Southwestern Baptist Theological Seminary in Fort Worth, Texas.

ACQUISITION OF GOODS AND SERVICES

LifeSpire will be providing or arranging for and overseeing the provision of the actual services contracted for under the Membership Agreement through its own organization and staff. The Provider has no subsidiary companies, agencies, and/or arrangements with vendors and suppliers of service from which it will be purchasing supplies or services. The procurement of supplies and services will be made with established vendors and qualified professionals and will be based, among other things, on professional credentials, availability, proximity, reputation, quality of merchandise and/or service, continuity of supply and/or service, competitive prices, etc. Negotiation for best rates will be made when deemed appropriate. Bids may be called for in specific situations, but the decision will not be governed exclusively by the lowest bidder.

BENEFICIAL AND/OR EQUITY INTERESTS OF TRUSTEES, CORPORATE OFFICERS AND MANAGEMENT

No Officer or Member of the Board of Trustees, or member of the management of LifeSpire or its subsidiary corporations has any beneficial or equity interest in LifeSpire or its subsidiary corporations. The following six Corporate Officers are employed by LifeSpire and serve in their respective positions by Board appointment:

Mr. Jonathan R. Cook	President & Chief Executive Officer
Mrs. Tracey Jennings	Chief Operating Officer
Open Position	Senior Vice President for Finance, Chief Financial Officer & Treasurer
Ms. Lisa H. Legeer	Chief Strategy & Integration Officer
Mr. J. Peter Robinson	Chief Marketing Officer, Assistant Secretary
Mrs. Christine Moran	Assistant Treasurer

Members of the Board of Trustees of LifeSpire receive no compensation. They serve voluntarily on a rotating basis for a period of four years. Each member of the Board of Trustees completes a disclosure statement attesting to any potential areas of conflict of interest and to the extent of any business dealings they may have with the corporation. These disclosure statements are kept on file in the Corporate Office of LifeSpire and are updated periodically, as needed.

CRIMINAL, CIVIL, AND REGULATORY PROCEEDINGS AGAINST PROVIDER, TRUSTEES, CORPORATE OFFICERS, AND MANAGEMENT

Neither LifeSpire nor its corporate subsidiaries or its Officers, Trustees, or Management:

1. Have been convicted of a felony or pleaded nolo contendere to a criminal charge, or been held liable or enjoined in a civil action by final judgment, if the crime or civil action involved fraud, embezzlement, fraudulent conversion, misappropriation of property or moral turpitude; or

2. Are subject to an injunctive or restrictive order of a court of record, or within the past five years had any state or federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department, arising out of or related to business activity or health care, including without limitation actions affecting a license to operate a foster care facility, nursing home, retirement home, home for the aged or facility registered under this chapter or similar laws in another state; or

3. Are currently the subject of any state or federal prosecution, or administrative investigation involving allegations of fraud, embezzlement, fraudulent conversion, or misappropriation of property.

AFFILIATIONS WITH RELIGIOUS, CHARITABLE, OR OTHER NON-PROFIT ORGANIZATIONS

Baptist General Association of Virginia

LifeSpire is a cooperative partner of the Baptist General Association of Virginia (BGAV). This affiliation stems from the Baptist General Association of Virginia's original concern that there be facilities in Virginia to provide benevolent care for the aged in a Christian environment.

LeadingAge

LifeSpire and its subsidiaries are members of LeadingAge and LeadingAge Virginia. These organizations are composed of similar continuing care communities that have joined together for the purpose of continuing education, facility management, the professional exchange of ideas, to affect stronger purchasing power, etc. This affiliation is voluntary and is limited to the continued payment of annual dues.

Virginia Health Care Association-Virginia Center for Assisted Living

LifeSpire is a member of the Virginia Health Care Association, which is Virginia's largest association advocating for long-term care providers representing nursing centers and assisted living communities. VHCA-VCAL conducts legislative and regulatory advocacy on behalf of its members on reimbursement and compliance issues and provides accredited continuing education for long-term care administrators.

TAX STATUS OF PROVIDER

LifeSpire and its subsidiaries are nonprofit and were determined to be exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code beginning in 1948.

SERVICES PROVIDED UNDER THE COMMUNITY-BASED CONTINUING CARE CONTRACTS

Services under the Program are provided under the concept of continuing care, which recognizes the needs of members as varying along a continuum from active, independent living at home to increasing health care needs at which time services may be needed in the home or a move to an assisted living or nursing home facility may be necessitated. The Membership

Services Agreement, including a List of Service Providers for In-Home Services, is included in this Disclosure Statement.

General descriptions of the services provided under the Program are listed below. Other than care coordination, which will only be provided by staff of the Program, all services listed below will be provided either through a contractual agreement with a LifeSpire sponsoring community or by a credentialed provider vetted for quality by LifeSpire.

Care Coordination

A Care Coordinator will be assigned to the Member. Under the direction of the assigned Care Coordinator, the Care Coordination Team, in consultation with Member and/or Member's Designated Representative, shall prepare a Care Plan to meet Member's particular needs on an annual basis and as needed from time to time during the term of this Agreement. All decisions involving Member's participation in various care services or permanent transfer from the Member's place of residence (the "Home Site") to Facility-Based Services will be made by the Care Coordination Team following consultation with Member or Member's Designated Representative.

Member Home Evaluation

During the first year of membership and as deemed necessary by Care Coordinator thereafter due to circumstances of a Member's health condition, Provider will provide a functional inspection of the Home Site for the purpose of ascertaining any functional and safety problems, and will make recommendations to Member based on the inspection. Provider does not, however, represent that it will undertake steps necessary to effectuate any of such recommendations. Any recommended changes or corrections are Member's sole responsibility. It is Member's choice to make such recommended changes or corrections to his/her Home Site. To aid Member in securing necessary goods or services, Provider will make available a list of possible vendors of such goods and services. Member is solely responsible for the full cost of any of the improvements to his/her Home Site as a result of Member's home inspection. If Member refuses any reasonable recommendation of the Care Coordination Team, Provider shall have no responsibility or liability for the consequences of such refusal.

Home Site Services

Home Care -- non-Medicare covered Home Care Services such as bathing, dressing, grooming and other ADL functions to the extent provided for in the plan selected by Member.

Homemaker Services – including light housekeeping and chore services to the extent indicated in the plan selected by Member.

Companion Services – including visiting and supervision of activities of daily living and other to the extent indicated in the plan selected by Member.

Emergency Response System – an Emergency Response System with 24-hour coverage.

Transportation Services – transportation to and from medically necessary outpatient surgery or short procedures which may include, but are not limited to, cataract removal, chemotherapy treatments, and surgical biopsies. This does not include transportation for regular physician office visits, dialysis, and routine specialist appointments.

Facility-Based Services

As determined to be appropriate by the Care Coordination Team and prescribed by a physician, Provider will provide or cause to be provided, Facility-Based Services, including assisted living, assisted living memory support and nursing home services.

Assisted Living and Nursing Home Services – as determined to be appropriate by the Care Coordination Team, assisted living and nursing home services will be provided at an Assisted Living Facility or Nursing Home Facility at a LifeSpire community, or at similar Program Participating Facility, approved by Provider in accommodations as identified in Section II. E. of the Membership Services Agreement. Provider will not be responsible for any ancillary charges including, but not limited to, laundry, prescription drugs, medical supplies, telephone, internet or television. Such charges will be Member’s sole responsibility.

Adult Day Services – in a congregate setting at a facility for a scheduled number of hours per week. Elements of an adult day services program usually include transportation, meals and activities (both health related and social).

Sponsoring Community Facilities

Member shall have limited access to facilities and programs at the Sponsoring Community as scheduled by the Program and defined in the Member Handbook.

Lifestyle and Wellness Programs

Lifestyle and wellness programs will be offered from time to time, free of charge or with an applicable fee for service, including but not limited to, exercise classes, arts and crafts, wellness seminars, speakers and day excursions. Members will be advised of the schedules and the cost of these programs on an as-offered basis.

Activities and Leisure Events

The Program will provide planned and scheduled social, recreational, spiritual, educational and cultural activities and leisure events, exercise and health programs, and other special activities designed to meet the needs of the members of the Program.

Other Services Available for Extra Charge

Other Program services and programs will be available to Member at Member’s expense. For a list of services currently available and the current charges for each service see Attachment B of the Membership Services Agreement.

LIST OF SERVICE PROVIDERS FOR IN-HOME SERVICES

Home Care Services

The Program will contract with home care providers to offer home site services that include, but are not limited to, light home cleaning, laundry, meal preparation, transportation, grocery shopping, companionship, medication reminders, assistance with bathing, dressing, toileting, incontinence, transferring and lifting. The Program will continually assess the quality and service provided by Home Care agencies to ensure high quality standards of service.

The Program will cover the cost of services up to the maximum daily reimbursement amount for Members under the Platinum, Gold and Gold^{Plus} Plans, and will bill any difference to the member at the end of the month. All other members will cover the cost of services, and the Program will reimburse members for up to the maximum daily reimbursement amount in effect at the time services are required.

The home care providers contracted with the Program to provide services include:

Affirmation Home Health
5101 Cox Rd Ste 225
Glen Allen, VA 23060

Always Best Care
10810 Hasty Lane, Suite 103
Midlothian, VA 23112

Amada Senior Care
6800 Paragon Place
Richmond, VA 23230

Assisting Hands Richmond
1606 Santa Rosa Rd., Suite 125
Henrico, VA 23229

AT Home Care
4100 Brook Road
Richmond, VA 23227

At Home Harmony
1504 Santa Rosa Rd., Suite 114
Henrico, VA 23229

Comfort Keepers
10883 Ridgefield Parkway
Richmond, VA 23238

Commonwise Home Care
1602 Rolling Hills Drive, #211
Richmond, VA 23229

Interim Healthcare
720 Moorefield Drive, Suite 301
Richmond, VA 23236

NaborForce
2308 Main Street
Richmond, VA 23220

Rehab Care
2600 Compass Rd.
Glenview, IL 60026

Right at Home
3825 W. Hundred Rd.
Chester, VA 23831

Synergy HomeCare
11159 Air Park Rd., Suite 4
Ashland, VA 23005

The Program will contract with additional providers in the expanded service area upon approval of this disclosure statement.

Nutritional Support

Members may receive help with meal preparation in the home through one of the contracted home care providers listed above. The Care Coordinator can assist with arranging a meal service for members requesting such service for convenience. The cost of the meals and any delivery charge will be the responsibility of the Member.

Transportation

AngelRide
2711 Buford Rd., Suite 326
Bon Air, VA 23225

The Program will contract with additional providers in the expanded service area upon approval of this disclosure statement.

Emergency Response System

The Program contracts with Connect America to provide an Emergency Response System in the home for all members as requested.

Memory Support

Spring Arbor Cottage
10601 Barbara Ln.
Richmond, VA 23233

The Program will contract with additional providers in the expanded service area upon approval of this disclosure statement.

Facility-Based Services

The Care Coordinator will coordinate a bed at the Sponsoring Community as available at the time a member requires assisted living, memory support or a nursing care bed. If another location is preferred by Member, or there is no available space for a member at the Sponsoring Community, the Care Coordinator will work to find another suitable facility based on the Members' preferences and care needs.

Health and Wellness Services

The Program will work with Members to provide wellness and fitness activities and educational programming. Some access to wellness and fitness amenities at the Sponsoring Community may be available to Members. As desired and feasible, other partnerships and programs for wellness activities may be available to Members including online wellness, fitness and educational programming.

FEES REQUIRED OF PARTICIPANTS

If not already enrolled, prospective Member must apply for and secure, before execution of the Agreement, coverage under Medicare, parts A and B, and/or any other public hospital or medical insurance benefit programs which may be enacted as successor or supplement to Medicare. In addition, Member shall also carry acceptable supplemental medical insurance coverage from a private carrier.

Member shall provide the Program with evidence of such coverage, or of acceptable substitute insurance plan(s) and shall pay all premiums for same.

Application Fees

Applicants for membership pay a $250 per person, or $300 for a couple applying at the same time, nonrefundable Application Fee to cover related expenses.

Maximum Daily Reimbursement and Maximum Reimbursement Amount

Plan	Maximum Daily Reimbursement Amount	Maximum Lifetime Cap
Gold*	$409	$1,000,000
Sterling	$327	$1,000,000
Bronze	$205	$1,000,000

*Platinum and Gold^{Plus} Plans have the same maximum amounts as the Gold Plan

Membership Fees

Each Member pays the Program a one-time Membership Fee, paid at the time the Membership Agreement is signed, based upon the plan chosen and the person's age. There are several plans for a prospective Member to choose from, and there is a discount if two people in one home join the program at the same time. Listed below are the Membership Fees for each plan effective January 1, 2024.

LifeSpire Community Based Continuing Care
Standard Pricing

	50% Refund - Platinum		All Inclusive - Gold		20% Co-Pay - Sterling		50% Co-Pay Bronze	
Age	Membership Fee		Membership Fee		Membership Fee		Membership Fee	
	Single	Couple	Single	Couple	Single	Couple	Single	Couple
55	$89,700	$88,100	$70,200	$68,300	$57,500	$54,900	$39,900	$36,800
56	$91,200	$89,400	$70,900	$68,800	$58,100	$55,400	$40,300	$37,000
57	$92,600	$90,700	$71,600	$69,500	$58,600	$55,900	$40,600	$37,200
58	$94,100	$91,900	$72,300	$70,100	$59,100	$56,400	$40,900	$37,400
59	$95,400	$93,200	$73,000	$70,700	$59,700	$56,800	$41,200	$37,600
60	$96,900	$94,500	$73,700	$71,300	$60,200	$57,300	$41,500	$37,800
61	$98,500	$95,800	$74,300	$71,800	$60,600	$57,700	$41,800	$38,100
62	$100,100	$97,200	$75,000	$72,300	$61,000	$58,100	$42,200	$38,300
63	$101,600	$98,600	$75,600	$72,800	$61,500	$58,400	$42,500	$38,500
64	$103,200	$100,000	$76,200	$73,300	$61,900	$58,800	$42,800	$38,700
65	$104,800	$101,300	$76,900	$73,800	$62,300	$59,100	$43,100	$38,900
66	$106,100	$102,400	$77,100	$73,900	$62,500	$59,200	$43,300	$39,100
67	$107,400	$103,400	$77,400	$74,000	$62,700	$59,300	$43,500	$39,300
68	$108,700	$104,500	$77,600	$74,000	$62,900	$59,400	$43,700	$39,500
69	$110,100	$105,500	$77,900	$74,100	$63,100	$59,600	$43,900	$39,700
70	$111,400	$106,600	$78,100	$74,200	$63,300	$59,700	$44,100	$39,900
71	$113,800	$108,500	$79,000	$74,600	$63,900	$60,000	$44,500	$40,200
72	$116,200	$110,300	$79,700	$75,100	$64,400	$60,300	$44,800	$40,400
73	$118,600	$112,200	$80,500	$75,600	$64,900	$60,600	$45,100	$40,600
74	$121,100	$114,000	$81,300	$76,000	$65,500	$60,900	$45,400	$40,800
75	$123,500	$115,900	$82,100	$76,400	$66,000	$61,200	$45,700	$41,000
76	$126,400	$117,600	$83,100	$76,700	$66,800	$61,500	$46,200	$41,200
77	$129,400	$119,400	$84,100	$77,100	$67,700	$61,700	$46,700	$41,400
78	$132,300	$121,100	$85,100	$77,400	$68,500	$61,900	$47,200	$41,600
79	$135,300	$122,900	$86,100	$77,700	$69,400	$62,100	$47,600	$41,800
80	$138,300	$124,500	$87,100	$78,000	$70,200	$62,300	$48,100	$42,000
81	$140,500	$125,200	$87,600	$78,000	$70,500	$62,300	$48,500	$42,000
82	$142,600	$125,800	$88,100	$78,000	$70,800	$62,300	$48,900	$42,000
83	$144,800	$126,400	$88,700	$78,000	$71,200	$62,300	$49,200	$42,000
84	$146,900	$127,100	$89,200	$78,000	$71,500	$62,300	$49,600	$42,000

85	$149,100	$127,700	$89,700	$78,000	$71,800	$62,300	$49,900	$42,000
86	$151,200	$128,200	$90,300	$78,000	$72,200	$62,300	$50,200	$42,000
87	$153,400	$128,800	$90,700	$78,000	$72,600	$62,300	$50,600	$42,000
88	$155,600	$129,300	$91,200	$78,000	$73,100	$62,300	$50,900	$42,000
89	$157,800	$129,800	$91,600	$78,000	$73,500	$62,300	$51,200	$42,000
90	$159,900	$130,300	$92,200	$78,000	$73,900	$62,300	$51,500	$42,000
Monthly	$685	$622	$685	$622	$655	$591	$609	$555

Monthly Fees

The monthly fees are also dependent on the plan selected and are listed at the bottom of the above chart. Monthly fees are due the 10th day of the month to which the payment applies. Members are billed monthly for any applicable co-payments or for services rendered. The Program may charge interest at a rate of one and one-half percent (1.5%) per month on any unpaid balance.

Adjustment of Monthly Charges

The monthly fee is made to provide the programs and services described in the Membership Services Agreement and is intended to meet the cost of administration, staffing and other expenses associated with the operation and management of the Program. LifeSpire shall have the authority to adjust the monthly fee periodically based on the financial needs of the Program. LifeSpire will endeavor to make such adjustments on a once a year basis during the term of this Agreement. LifeSpire, upon thirty (30) days' written notice to Member, may make any such adjustments in the monthly fee.

Listed below are the last five years of rate increases experienced by The Program and its Sponsoring Communities.

	2024	2023	2022	2021	2020
The Program	5.50%	5.00%	4.00%	2.45%	0.00%
Independent Living	4.45%	8.00%	5.00%	2.45%	3.95%
2nd Person	4.45%	8.00%	5.00%	2.45%	3.95%
Assisted Living	5.45%	8.50%	5.00%	2.45%	3.95%
Memory Care	5.45%	8.50%	5.00%	2.45%	3.95%
Skilled Nursing Facility	5.45%	10.00%	5.00%	2.45%	3.95%

Refund of Membership Fees

In the case of termination within the Adjustment Period, Member, or his or her estate, shall be entitled to a full refund of the Membership Fee less any actual cost to the Provider to maintain the Member at their Home Site, Assisted Living or Nursing Home. In the case of termination after the Adjustment Period, Member is entitled to a refund of the Membership Fee less a principal amount of the Membership Fee for each calendar month from the Membership Date up to and including the month in which the refund is payable and a four percent (4%) administration fee. The principal amount will be less two percent of the Membership Fee for each month since the effective date of the Agreement; three percent for any time Member spent in Assisted Living in excess of one month and four percent for any time spent in Nursing Home in excess of one month. When a Member becomes a permanent resident of an Assisted Living or Nursing Home Facility as provided in Section VII. D. of the Agreement, no refund of the Membership Fee will be paid.

Proposed Uses of Funds

All Membership Fees are the property of the Program upon receipt. They are recorded as deferred revenues to reflect future commitments to Members. The deferred revenues are amortized to income based on the estimated life expectancy of the Member. The period of amortization is adjusted annually based on the estimated remaining life expectancy of each member.

RESERVE FUNDING

Historical Perspective

LifeSpire was established originally as a benevolent ministry to the aged Baptists of Virginia. As a benevolent ministry, the original residents were generally persons with limited financial resources. The procedure, in early years, was to transfer what limited resources the resident possessed, along with what income he/she was receiving, to the corporation in exchange for life care. These funds were not escrowed on behalf of specific residents, but were used as needed to cover current expenses, to expand the then existing facilities, and to construct new facilities. The total concern in that day was to provide, as funds were available, care for the largest number of residents in need of benevolence as possible. Baptist churches throughout Virginia viewed this as a ministry and were generous in the raising of funds for specific financial needs as they occurred. Funds not needed on an immediate basis were invested in the manner deemed best by management of the corporation. Any indebtedness was kept as low as possible.

As residents with greater resources entered the communities, their funds were used to a great extent for construction costs and to retire capital improvement debts.

In July 2014, The Glebe issued two series of bonds totaling $41,155,000, The Glebe Series 2014A and 2014B bonds. These bonds were used to refund the outstanding Series 2012A bonds and, along with a partial forgiveness in accordance with their provisions, the 2012B bonds in full. At that time, The Glebe Series 2012A and 2012B bonds were cancelled and extinguished. In conjunction with this transaction, The Glebe recognized a net gain on extinguishment of $18,468,511. The Series 2014A and 2014B bonds are collateralized by a deed of trust of certain facilities of The Obligated Group as well as a security interest in certain other assets and property.

In October 2016, the Obligated Group issued a series of bonds totaling $85,505,000, the LifeSpire Series 2016 bonds. These bonds were used to refund all remaining outstanding Series 2003 and 2006 bonds, as well as a bank line of credit that was obtained in 2015 in order to fund capital expenditures. The Series 2016 bonds are collateralized by a deed of trust of the Obligated Group’s facilities as well as a security interest in certain other assets and property.

In July 2017, the Obligated Group issued notes to two banks, related to EDA of Culpeper County, Virginia, Series 2017A and 2017B bonds, for $30,000,000 and $18,112,000, respectively, to fund the project costs of replacing the Assisted Living and Health Care buildings at The Culpeper, which were more than sixty years old. While these bonds carry variable interest rates, concurrent interest rate swap transactions were executed to hedge the associated interest rate risk. The Series 2017A & B bonds are collateralized by a deed of trust of the Obligated Group's facilities as well as a security interest in certain other assets.

In December 2017, the Obligated Group issued two series of bonds in the amounts of $49,750,000 (Series C) and $23,250,000 (Series D) to the public and a bank, respectively. Series 2017C are fixed rate bonds with up to a thirty-year maturity, while Series 2017D is a variable rate bond with a maturity of five years, intended to be retired using entrance fee receipts from new independent living units (Series 2017D was paid off in December 2020). These bonds were intended to i) fund strategic improvements at Lakewood, ii) fund a memory support neighborhood at The Glebe, and iii) pay off The Glebe's Series 2014B bonds. The Series 2017C & D bonds are collateralized by a deed of trust of the Obligated Group's facilities as well as a security interest in certain other assets.

In conjunction with the Series 2017C & D transactions discussed above, The Glebe became a member of the Obligated Group and The Glebe's existing debt became equally and ratably secured under the Obligated Group's master trust indenture. The primary objective of this restructuring was to help align and integrate the operations of all LifeSpire communities to promote their mutual goals and better fulfill their collective mission.

In August 2021, the Obligated Group issued Series 2021 fixed rate bonds with up to a thirty-year maturity in the amount of $77,875,00 and a 2021 Taxable Loan of $15,494,000 with up to a five-year maturity. Funds were used to refund the Series 2017A and 2017B, terminate the swap agreement, and to finance construction of cottages at The Culpeper and Lakewood and the purchase of The Summit in Lynchburg, VA. The 2021 Taxable loan is to be repaid with entrance fees from the new cottages at The Culpeper and Lakewood.

Equity, Position on Property, Plant, and Equipment

The 2023 Audited Financial Statements for LifeSpire list Property, Plant, and Equipment, less accumulated depreciation, at $271,089,770 with a total of $243,925,496 in outstanding debt.

Agreement Provision for Escrowing of Entrance Fees

Since there is no requirement by the Bureau of Insurance to escrow deposits of $1,000 or less received by the Community prior to the date the resident is permitted to occupy a residence in the Community, there is no provision in the Fee for Service Residency Agreement that Entrance Fees be escrowed.

Position Relating to Future Funding of Entrance Fees

LifeSpire annually calculates the present value of the net cost of future services and use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from advance fees. If the present value of the net cost of future services and use of facilities exceeds the deferred revenue from advance fees, a liability is recorded (obligation to provide future services). The obligation is discounted at5.5% in both 2023 and

2022, based on the expected long-term rate of return on investments. Increases or decreases in the obligation are charged or credited to operations, respectively. As of December 31, 2023 and 2022, LifeSpire had no future service obligation.

RESTRICTED FUNDS INFORMATION

Net Assets with Donor Restrictions

These include net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource has been fulfilled, or both.

Contributed Support

LifeSpire's policy is to provide care to residents regardless of their ability to pay, or the amount of assistance they receive from governmental programs or from outside donations. LifeSpire funded from contributed support approximately $1,394,000 and $1,402,000 benevolent assistance and contractual adjustments for its residents in 2023 and 2022, respectively.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets are accrued at estimated fair market value at the date each promise is received. Management reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as an increase in net assets without donor restrictions. Income earned on net assets with donor restrictions, including capital appreciation, is recognized in the period earned.

Depreciation Funding

Annual depreciation costs are not currently being funded in a separate restricted fund at any of the communities. While LSV does not presently have a funded depreciation policy or restricted-purpose funded depreciation accounts, beginning in 2015 they began segregating a portion (the present consolidated target is 25%) of net entrance fee cash receipts into Entrance Fee Reserve accounts that were established for each community. While these accounts are not restricted, their intended purpose is to support cash requirements for capital expenditures and entrance fee refunds.

Refunding and Amortization of Entrance Fees

For financial reporting purposes, LifeSpire complies with Generally Accepted Accounting Principles, which require the amortization of Entrance Fees over the actuarially estimated life expectancy of each resident, adjusted annually.

For refund purposes, Entrance Fees are amortized over their contractually stipulated timeframe (generally 50 months). Residents who elect to withdraw or who expire before their Entrance Fee is fully amortized will be refunded any unamortized portion thereof, less a predetermined administration fee. Funds needed for this purpose based on historical trends for 2023 would be about $5,948,641 for all communities. These funds can be drawn out of the General Fund without adverse effect on the cash flow of the corporation.

Investment Position of LifeSpire

It is the position of LifeSpire to invest all funds as judiciously as possible. Investments are made in quality investment instruments to reduce the risk factor to safe levels. Investments are managed by the Finance & Investment Committee of the Board of Trustees of LifeSpire.

Our strong financial position allowed us to become Fitch rated in 2020 and this rating was most recently reaffirmed in 2023. Our current rating is BBB with a stable outlook.

Allocation of Home Office Expenses

In managing AgeSmart, as well as its comprehensive enterprise, LifeSpire incurs expenses which it allocates to its subsidiaries (“Communities” or “Community”, as appropriate) as follows:

Direct Allocations: The cost of services procured by LifeSpire, on a centralized basis, on behalf of its communities, is directly allocated to each impacted Community based on a reasonable and pertinent allocation factor (for example, Workers’ Compensation insurance premiums are allocated based on each Community’s budgeted full-time equivalent positions). Presently, these costs include various types of insurance.

Corporate Office Expenses: General corporate office expenses are allocated to each Community based on its total revenues in relation to the aggregate Communities’ total revenues. These expenses are shown on each Community’s income statement as “Corporate Office Expenses”.

Please note that i) LifeSpire does not charge its communities any management fee in addition to these expense allocations, and ii) LifeSpire does not mark up these expenses beyond the expense actually incurred. LifeSpire may adjust the expenses allocated, their allocation methodologies or their allocation bases from time to time, as it reasonably determines is appropriate.

AUDITED FINANCIAL STATEMENTS

Included are the audited financial statements of Virginia Baptist Homes, Incorporated and Subsidiaries for the years ended December 31, 2023 and 2022, with supplemental information and the opinion of independent accountants. Under generally accepted accounting principles, the financial statements of the Program are consolidated with those of Virginia Baptist Homes, Incorporated, d/b/a LifeSpire of Virginia ("LSV") and five other entities under common control (collectively the "LSV Family"). Though balance sheet and income statement accounts for each individual corporation are consolidated in the financial statements, no LSV entity is liable for any indebtedness of any other LSV entity other than the limited cross liability of the LSV Obligated Group for the LSV Long-Term Debt. The LSV Obligated Group consists of LSV, The Culpeper, Lakewood, The Chesapeake, and The Glebe and The Summit. Each of these entities is a legally separate corporation but each is legally obligated for payment of certain indebtedness (the "Obligated Group Debt") incurred under a Master Trust Indenture dated as of October 1, 2016, as amended and revised. The Obligated Group Debt consists of the outstanding bonds that are described in the Historical Perspective section.

Virginia Baptist Homes Foundation, Inc. is not a member of the LSV Obligated Group. Also excluded from the LSV Obligated Group are certain defined parcels of land located in Culpeper, Virginia and Daleville, Virginia.

VIRGINIA BAPTIST HOMES, INCORPORATED DBA: LIFESPIRE OF VIRGINIA AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS (DEFICIT) YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
REVENUES, GAINS, AND OTHER SUPPORT		
Residential Services, Including Amortization of Deferred Revenue from Advance Fees of $20,832,567 and $19,140,913 in 2023 and 2022, Respectively	$ 86,723,272	$ 79,426,007
Health Care Services	25,343,972	24,879,841
Continuing Care At Home Services, Including Amortization of Deferred Revenue from Advance Fees of $503,413 and $412,674 in 2023 and 2022, Respectively	1,218,761	1,052,812
Net Assets Released from Restrictions Used for Operations	752,770	769,968
Gifts and Donations	1,541,229	1,710,986
Investment Income (Loss)	2,485,136	(769,850)
Other	4,390,323	3,114,310
Total Revenue, Gains, and Other Support	122,455,463	110,184,074
OPERATING EXPENSES		
Salaries, Wages and Professional Fees	60,800,176	55,498,762

Provisions for Depreciation and Amortization	18,005,719	17,281,396
Interest	10,565,332	10,683,360
Other	31,850,491	31,131,002
Total Operating Expenses	121,221,718	114,594,520
OPERATING INCOME (LOSS)	1,233,745	(4,410,446)
NONOPERATING INCOME (LOSS)		
Change in Unrealized Gains (Losses) on Investments	7,108,952	(13,691,022)
Other Loss	(516,923)	(425,486)
Total Nonoperating Income (Loss)	6,592,029	(14,116,508)
EXCESS (DEFICIT) OF REVENUES, GAINS AND OTHER SUPPORT OVER (UNDER) EXPENSES AND INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	7,825,774	(18,526,954)

VIRGINIA BAPTIST HOMES, INCORPORATED DBA: LIFESPIRE OF VIRGINIA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS (DEFICIT) (CONTINUED)
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Excess (Deficit) of Revenues, Gains, and Other Support Over (Under) Expenses	$ 7,825,774	$ (18,526,954)
Increase (Decrease) in Net Assets without Donor Restrictions	7,825,774	(18,526,954)
NET ASSETS WITH DONOR RESTRICTIONS		
Gifts, Grants, and Bequests	472,714	624,637
Change in Value of Annuity Obligations	260,806	163,899
Change in Present Value of Perpetual Trust Funds	(132,449)	(2,829,896)
Net Assets Released from Restrictions	(752,770)	(769,968)
Decrease in Net Assets with Donor Restrictions	(151,699)	(2,811,328)
INCREASE (DECREASE) IN NET ASSETS	7,674,075	(21,338,282)
Net Deficit - Beginning of Year	(38,233,747)	(16,895,465)
NET DEFICIT - END OF YEAR	$ (30,559,672)	$ (38,233,747)

Occupancy Summary:

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%
OBLIGATED GROUP	**894**	**218**	**82**	**227**	**1,422**	**847**	**200**	**77**	**209**	**1,333**	**94.7%**	**91.5%**	**93.9%**	**92.1%**	**93.8%**

Lakewood at Home 132 Members as of 12/31/2023 all in the greater Richmond area. Projected membership at the end of four years was 78, so the program continues to be ahead of initial actuarial projections for the first four years of operation.

Revenues:

Combined revenues of $122.5M through Q4 2023 exceeded the previous year's results by $12.3M. The favorable increase over the prior year was due to a $7.3M increase in monthly residential service income caused by rate increases and improved occupancy, and a $3.3M increase in investment income, due to improved investment portfolio performance Health Care Service revenue increased by $.5M to $25.3M.

Combined Independent Living ("IL") unit occupancy for The Group averaged 847 through Q4 or 94.7%, 12 units more than the Q4/2022 average.

Operating Expenses:

Combined operating expenses of $121.2M through Q4 2023 were $6.6M more than the previous year. 'Salaries, wages and professional fees' exceeded the previous year by $5.3M; this variance was primarily due to i) continued wage growth due to staffing shortages in the industry, ii) overtime and agency staffing to offset the staffing shortage, and iii) average merit increases for staff of 3.0%.

Depreciation and Amortization expenses exceeded the prior year by $724K due to reinvestment in and improvement of our communities. Other (non-staffing related) operating expenses were $719K more than the previous year. This represents about a 2.3% increase which was driven by strategic initiatives to offset rising inflation.

Entrance Fee Deferrals:

New entrance fee deferrals granted were $73K less than collections of previously deferred entrance fees through Q4, 2023, increasing the outstanding entrance fee deferral balance to $3.0M on December 31, 2023. We expect that most of the presently outstanding deferrals will be collected over the next six months.

Net Entrance Fee Receipts:

Net entrance fee receipts through Q4, 2023 were $34.5M, versus $31.3M through Q4, 2022. This increase in entrance fee receipts was driven primarily by increased Independent Living occupancy and expected unit turnover.

Financial Ratios and Covenant Compliance:

Interim calculations indicate that, as shown below, The Group's financial ratio covenants, calculated in accordance with the definitions in the applicable bond documents, continue to have been exceeded as of December 31, 2023. Please note that deferred entrance fees are not included in the Debt Service Coverage Ratio calculation.

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.		

AgeSmart with LifeSpire of Virginia Statement of Operations Twelve Months Ended December 31, 2023					
	Year Ended 12/31/2023 Actual	Budget	Increase (Decrease)	2022 Prior Year	Increase (Decrease)
Unrestricted revenues, gains and other support:	-	-	-	-	-
Clinic	1,633	-	1,633	(4,525)	6,158
Net assets released from restrictions used for operations	-	-	-	-	-
Unrestricted gifts and donations:					
Gifts and bequests	-	-	-	-	-
Investment income designated for current operations	69,133	44,400	24,733	17,509	51,624
Continuing Care at Home Services	1,217,127	1,096,020	121,107	1,057,637	159,490
	1,287,893	1,140,420	147,473	1,070,621	217,272
Expenses:					
Salaries, wages and professional fees	506,972	534,617	(27,645)	503,415	3,557
Provisions for depreciation and amortization	7,323	7,400	(77)	11,391	(4,068)
Interest	125	400	(275)	350	(225)
Other	401,804	500,983	(99,179)	440,080	(38,276)
	916,224	1,043,399	(127,175)	955,236	(39,012)
Operating Income	371,669	97,021	274,648	115,386	256,283
Unrealized gains on investments	158,770	-	158,770	(370,791)	529,561
Increase (Decrease) in net assets	530,439	97,021	433,418	(255,405)	785,844

Revenues:

Total Operating Revenues for 2023 exceeded budget by $147K (13.0%), and exceeded the previous year by $217K (20.2%), due to i) increased membership, ii) the 2023 annual rate increase, and iii) improved investment portfolio performance. Membership grew during the year from 115 at 12/31/2022 to 132 at 12/31/2023, a net gain of 17 (or 14.8%) members. Non-Operating Income, comprised of unrealized gains on investments, increased by $530K over the previous year, and was the primary contributor to 2023's increase in net assets over the previous year.

Operating Expenses:

Total Operating Expenses were less than both budget and the previous year, by $127K and $39K, respectively, primarily due to a decreased level of care costs that needed to be arranged for and delivered to members.

PRO FORMA INCOME STATEMENT FOR LIFESPIRE

A summary copy of the 2024 operating budget (pro forma income statement) is included. The detailed budget was developed by both the management of the retirement communities and LifeSpire, reviewed by the Finance Committee of the Board of Trustees, with final approval by the full Board of Trustees. In the preparation of this budget, the following major assumptions were used:

1. We are projecting the membership to increase by a net of +2 per month during 2024:

2. Revenue increases were driven by monthly fee increases of 5.00% to 5.50% in 2024 versus 5.0% in 2023.

3. Annual merit wage rate increases are assumed to average 3.5%, which is 0.5% more than 2023. Some position-specific market driven changes may vary from this average, and some compensation related elements, such as benefits, may be adjusted to reflect historical usage.

4. Budgeted “controllable” (i.e., non-salary related) operating expenses for 2024 are estimated to generally increase by 3.0%to 4.0% over 2023 forecasted results due to the need to offset anticipated inflation. There are minor specific variations to reflect known circumstances and to improve market comparability, resident care, or regulatory compliance.

Proforma Income Statement

Continuing Care at Home (2024 Budget)

	Budget 2023	Budget 2024	Variance Percentage	Variance Dollar
OPERATING REVENUES				
At Home Fee revenue	1,096,020	1,137,723	3.8%	41,703
Investment Income	44,400	70,800	59.5%	26,400
TOTAL REVENUES	**1,140,420**	**1,208,523**	**6.0%**	**68,103**
COMPENSATION EXPENSES				
Resident and Member Services - Salaries and Wages	136,985	143,340	4.6%	6,355
Benefits	33,139	25,983	-21.6%	(7,156)
Administrative and General - Salaries and Wages	283,770	313,999	10.7%	30,229
Benefits	66,802	67,360	0.8%	558
TOTAL COMPENSATION EXPENSES	**520,696**	**550,683**	**5.8%**	**29,986**
OTHER EXPENSE				
Administrative and General	199,954	205,647	2.8%	5,694
TOTAL OTHER EXPENSE	**199,954**	**205,647**	**2.8%**	**5,694**
GENERAL EXPENSES				
Resident and Member Services	161,520	161,600	0.0%	80
Administrative and General	148,040	144,673	-2.3%	(3,367)
TOTAL GENERAL EXPENSES	**309,560**	**306,273**	**-1.1%**	**(3,287)**
NON-OPERATING EXPENSES				
Non-Operating Expenses	13,189	12,214	-7.4%	(975)
TOTAL NON-OPERATING EXPENSES	**13,189**	**12,214**	**-7.4%**	**(975)**
TOTAL EXPENSES	**1,043,399**	**1,074,816**	**3.0%**	**31,417**
Excess of revenues, gains and other support over expenses	**97,021**	**133,707**	**37.8%**	**36,686**

Summary of Financial Information			
AgeSmart with LifeSpire of Virginia			
As of and for the Years Ending December 31, 2023 and 2022			
	Current Year		**Prior Year**
Total Assets	4,273,789		3,671,706
Total Liabilities	4,686,367		4,614,723
Total Net Assets	(412,578)		(943,017)
Total Revenue	1,287,893		1,070,321
Total Expenses	916,224		954,933
Operating Income (Loss)	371,669		115,388
Net Income (Loss)	530,439		(255,403)

The deficit for Total Net Assets improved $530K from the previous year, primarily due to a $256K improvement in Operating Income, and improved investment portfolio performance compared to the previous year. Total Revenue increased 20.3% due to the annual membership rate increase, increased year-over-year membership enrollment and improved investment income. Total Expenses declined from the previous year, due to decreased care needs of members as compared to the previous year. Total Net Income improved $785K from the previous year as a result of the current year's favorable operating results described above in addition to unrealized investment portfolio results, which improved $530K from the previous year.

AgeSmart with LifeSpire of Virginia		
Aggregate Members as of December 31		
Current Year		**Prior Year**
132		115

ENROLLMENT OF PARTICIPANTS

The following criteria must be met for an applicant to be eligible for consideration to join the Program as determined by an in-home assessment, application, financial review and medical review:

- Able to independently perform all activities of daily living to ensure personal health, safety and welfare.
- Does not have a diagnosis of a neurological disease such as memory issues, Mild Cognitive Impairment, Alzheimer's, Parkinson's, ALS, MS, etc.
- Is living independently, not needing any supportive services at the time of application or in the foreseeable future.
- Confirms that health condition has not changed at the time of signing from the time of application.
- Lives in a home that can be modified, if necessary, to allow Member to remain in the home if Member becomes disabled in the future.
- Demonstrates adequate financial resources to meet all financial requirements of membership while also maintaining the home.

LifeSpire considers all age-eligible applicants for the Program without regard to race, color, religion, gender, genetic information, military status, national origin, marital status, sexual orientation, disability, or any other status protected by law.

Applicants must submit all application forms including general application, medical records, insurance review and confidential financial information. The Care Coordination Team will review all submitted documents to determine eligibility for the Program.

PROVISION OF SERVICES TO NON-MEMBERS

LifeSpire reserves the right to provide services to non-members who live with a Program Member.

PROCEDURE FOR MEMBER TO FILE A COMPLAINT OR DISCLOSE CONCERN

In the event that a Member is not satisfied with a decision regarding his/her care, each Member has the right to appeal decisions in connection with the following sections of the Membership Services Agreement: Section II Facilities and Services Provided by the Provider, Section III Right of Subrogation and Section IV Decisions Involving Permanent Transfer from Living Accommodation of the Member Agreement.

Member and Provider agree that, absent unusual circumstances, "promptly" means no more than seven (7) days from the date member or Provider is informed in writing of the decision related to an appeal.

Member or Member's Designated Representative has the right to appeal. The family of a Member may advocate for or may encourage Member to appeal, but cannot appeal themselves, except in the case where the family member has been appointed Member's Designated Representative. The Care Coordinator may act as an advocate for Member or facilitate the appeal, but cannot appeal him/herself.

Appeal Process – Level I

- Care Coordinator shall record all requests for an appeal.
- Member shall promptly initiate appeal procedures by:
  - Telephoning Member's Care Coordinator; or
  - Informing Provider, in writing, of his or her desire to appeal.
- The Manager of Care Coordination shall perform a prompt, independent review of the case, and shall promptly notify Member of review decision.

Appeal Process – Level II

- If Member promptly notifies Provider in writing of desire to appeal to the next level, the Care Coordination team will review the case promptly. The Manager of Care Coordination shall notify Member of review decision promptly thereafter.

Appeal Process – Level III

- If Member promptly notifies Provider, in writing, of desire to appeal to the next level, the case will be reviewed promptly by the Appeals Committee, consisting of the Medical Director, Chief Executive Officer, Director of Clinical Services, a representative of the Board of Trustees of LifeSpire and a representative designated by the Member.

- The Manager of Care Coordination shall notify Member of review decision promptly thereafter.

Summary of Financial Information			
Virginia Baptist Homes, Inc., d/b/a LifeSpire of Virginia			
As of and for the Years Ending December 31, 2023 and 2022			
	Current Year		**Prior Year**
Total Assets	417,715,227		406,201,429
Total Liabilities	448,274,899		444,435,176
Total Net Assets	(30,559,672)		(38,233,747)
Total Revenue	122,455,463		110,184,074
Total Expenses	121,221,718		114,594,520
Operating Income (Loss)	1,233,745		(4,410,446)
Net Income (Loss)	7,674,075		(21,338,282)

Narrative on Financial Condition:

Total Assets increased $11.5M from the previous year, primarily due to improved investment returns over the previous year, and continued investment in LifeSpire's communities in accordance with its strategic plans and objectives. Total Liabilities increased $3.8M due to increases in the refundable liability and deferred revenue associated with new entry fees. Total Revenues increased 11.1% over the previous year, driven by a residential rate increases of between 8 and 10% and increased occupancy. Total Expenses increased 5.8% from the previous year, primarily due to inflation and ongoing staffing challenges, which are impacting the entire senior living industry. Total Expenses include $18.0M and $17.3M of depreciation and amortization expense for 2023 and 2022, respectively. Please see the attached audited financial statements for further detailed information.

AgeSmart
with LifeSpire of Virginia

LifeSpire of Virginia at Home Membership Services Agreement

LifeSpire of Virginia at Home
Membership Services Agreement

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LIFESPIRE OF VIRGINIA AT HOME
MEMBERSHIP SERVICES AGREEMENT

This Membership Services Agreement (the "Agreement"), made this _____ day of ________________, 20_____, is between Virginia Baptist Homes, Inc. dba LifeSpire of Virginia ("the Provider) a non-stock, non-profit corporation organized under the laws of the Commonwealth of Virginia and _________________________________ (the "Member").

LifeSpire of Virginia (LSV), a trade name for Virginia Baptist Homes, Inc., is a faith-based provider of senior living services. LSV is located at 3961 Stillman Parkway in Glen Allen, Virginia. LifeSpire of Virginia operates five continuing care retirement communities in Virginia which provide residential living, community areas and programs, and a continuum of wellness, assisted living and healthcare services, except at The Summit. The assisted living areas are licensed by the Virginia Department of Social Services and the healthcare/nursing areas are licensed by the Virginia Department of Health and as continuing care retirement communities, they are further regulated by the State Corporation Commission ("SCC").

WHEREAS, Provider has established and is offering a program known as LifeSpire of Virginia at Home (the "Program") which allows for members to remain in their private residences while enjoying many of the benefits and services offered at a continuing care retirement community.

WHEREAS, Member desires to become a member of the Program and to use and enjoy the facilities, programs and services provided by Provider subject to the terms and conditions of this Agreement;

NOW, THEREFORE, Member and Provider agree as follows:

I. DEFINITIONS

All terms not defined under this Section I shall have the meanings ascribed to them elsewhere in this Agreement, or their common meaning.

ADL Deficiencies means deficiencies, as determined by the Care Coordination Team, in activities of daily living ("ADL"), such as bathing, dressing, eating, transferring, walking, mobility, grooming and continence. Those persons deemed to have ADL Deficiencies may include, but are not limited to those who need personal assistance, those with any type of dementia disorder, those who are bed bound or homebound, or those who need special equipment to ambulate (i.e., wheelchair, walker).

Adjustment Period means the ninety (90) day period immediately following the Effective Date during which either party can terminate this Agreement for any reason.

Adult Day Services means a facility that offers a program of services for adults in a congregate setting for a scheduled number of hours per week. Elements of an adult day services program usually include transportation, meals and activities (both health related and social).

Agreement means this Member Agreement.

Assisted Living Facility means a residential facility for persons in need of assistance with activities of daily living. This is an area of care licensed by the Virginia Department of Social Services.

Care Coordination Team means the persons appointed by Provider for Member, comprised of the Manager of Care Coordination (or his/her designee), a representative of Provider, and, in the case of medical and health care services, the Medical Advisor (or his/her designee) and other clinical professionals as deemed appropriate by Provider, in consultation with the Member and/or Member's Designated Representative. The Care Coordination Team may, at Provider's sole discretion, change titles and personnel from time to time.

Care Coordinator means the person appointed by Provider to be responsible for handling the needs of the Member for services; for conducting specific needs assessments; and for making recommendations for services subject to review and final determination of Member's eligibility for services by the Care Coordination Team.

Care Plan means the written plan for long-term care services, including type of service, start date, quantity, frequency, duration of service, Program Approved Provider or Plan Participating Facility and any special considerations, which is developed and approved by the Care Coordination Team for Member based on a comprehensive needs assessment. The Care Plan shall be agreed to in writing by Member and/or Member's Designated Representative.

Community-Based Continuing Care ("CBCC") means a program providing or committing to provide a range of services, including long-term care services, to an individual, other than an individual related by blood or marriage, (i) pursuant to an Agreement, including mutually terminable contracts, effective for the life of the individual or for a period in excess of one year; and (ii) in consideration of the payment of an entrance fee. CBCC also means the provision of the enumerated services in the individual's private residence as long as medically feasible, and the provision of facility-based long-term care services when required, either directly or indirectly through affiliated services or through contractual arrangements.

Companion means a person designated by Provider to provide Companion Services to Member at the Home Site.

Companion Services means those services provided by a Companion, which may include supervision of activities of daily living and medication reminders.

Designated Representative means the person authorized by the Member to make decisions on his or her behalf.

Designated Service Area means Provider's area of coverage for Services. The Designated Service Area may be altered from time to time at the sole discretion of Provider. No change in the Designated Service Area by Provider will adversely affect this Agreement.

Determined To Be Appropriate means the Care Coordination Team, utilizing industry standards and accepted standards of healthcare practice, has assessed a Member's medical and functional status and concluded that services are necessary and will be provided by Provider.

Effective Date means the date this Agreement is executed by both parties.

Emergency Response System means an in-home 24-hour electronic alarm system activated by a signal to local emergency service responders. This system allows Members to secure immediate help in the event of a medical, physical, emotional or environmental emergency. The Member, who participates in the utilization of the Emergency Response System, agrees to allow designated responders to have access to the Member's home in the event of an emergency.

Facility means an Adult Day Facility, an Assisted Living Facility or a Skilled Nursing Facility.

Facility-Based Services means services provided in a Facility other than the Home Site, including adult day services, assisted living, dementia care and long-term care. Facility-Based Services will be provided at the supportive living facilities at a LifeSpire sponsoring facility or other Program Participating Facilities.

Financial Statement means a financial statement of Member in a form acceptable to Provider.

Home Care Aide means a qualified person trained to provide assistance with personal care and designated by Provider to provide Home Care Services to Member at the Home Site.

Home Care Services may include assistance with bathing and dressing and an established activity regimen, such as range of motion exercises, and nutritional needs, such as feeding assistance.

Home Health Services include the services of Registered or Licensed nurses and certified home health aides provided by an agency licensed by the state and certified by Medicare to provide acute, intermittent, medically related, home health services. The provision of Home Health Services is a Medicare Benefit.

Homemaker is a person designated by Provider to provide Homemaker Services to Member at the Home Site.

Homemaker Services are services provided by a Homemaker and may include assistance with day-to-day chore activities at the Home Site, such as cooking, dishwashing, laundry, light housekeeping and errands.

Home Site means Member's place of residence as indicated in Section II.A. of this Agreement.

Home Site Services means services provided by the Program at Member's Home Site.

Hospice means a provider, licensed by the Commonwealth of Virginia, primarily engaged in providing end-of-life care to individuals. Hospice is a Medicare benefit.

LifeSpire of Virginia at Home means the program of community-based continuing care services provided as outlined in this agreement.

Medical Advisor means a physician appointed by Provider to complete reviews of medical records and participate as a member of the Care Coordination Team as deemed appropriate.

Medical Director means a physician appointed from time to time by Provider to oversee the provision of medical and health care services provided to Members.

Medical Record means all records relating to Member's medical history and condition, which may be maintained by the Program or by a Program Participating Facility or a Program Approved Provider.

Medicare means the Health Insurance for the Aging Act, Title XVIII of the Social Security Amendment of 1965, as amended and the regulations promulgated thereunder in effect from time to time.

Medicare Covered Services means all hospital, skilled nursing, home care and medical services covered and paid for by Medicare Parts A and B and Member's MediGap or secondary insurance.

Medicare Supplemental Coverage means a private health insurance plan, which is certified by the Secretary of Health and Human Services as meeting federal requirements for Medicare supplemental policies. In general, Medicare Supplemental Coverage, also referred to as MediGap insurance or secondary insurance, pays some of the balance of the costs of care covered by Medicare Parts A and B when full costs are not paid by Medicare, and pays for certain deductibles and copayments.

Member's Designated Representative means any person appointed by Member to represent Member's interests, or granted a Power of Attorney by Member or appointed Member's guardian by a court.

Membership Fee means the fee paid by Member to Provider as set forth in Section VI.A. of this Agreement.

Monthly Fee means the monthly fee described in Section VI.B. of this Agreement.

Nursing Home Facility means a residential facility licensed by the State of Virginia to provide various levels of skilled nursing or long-term care.

Permanent Resident means when Member has resided in a Facility for one hundred (100) consecutive days and has been determined to be a Permanent Resident with respect to the Facility by the Care Coordination Team.

Plan means the pricing option that a Member selects upon enrollment.

Program means the LifeSpire of Virginia at Home program which the Member is joining by signing this agreement.

Program Participating Provider means a health, home or personal care services firm having an agreement with Provider to supply services to members.

Program Participating Facility means an Adult Day Facility, an Assisted Living Facility or a Nursing Home Facility having an agreement with Provider to supply Facility-Based Services to members.

Provider means that the Provider will directly or through a Program Participating Provider or Facility make services available at Provider cost, subject to applicable co-payments, deductibles, and limitations.

Provider means LifeSpire of Virginia and its sponsoring communities, the provider of community-based continuing care services under this Agreement. The Provider will directly or through a Program Participating Provider or Facility make services available at Provider cost, subject to applicable co-payments, deductibles, and limitations.

Published Cost of Care means the published rate charged at the Sponsoring Community the level of facility-based service being provided.

Services means any assistance, including care coordination, Member home inspection, Home Site Services (including home health care, Homemaker services, Companion services and Emergency Response System), Facility-Based Services (including Adult Day, Assisted Living and Nursing Home), transportation services and lifestyle and wellness programs, that are provided to Member in the Program, subject to applicable co-payments and deductibles.

Sponsoring Community means the LSV continuing care retirement community sponsoring the LSV community-based continuing care (CBCC) program.

Transportation means the provision of transportation services by the Provider to a Member as defined in Section II. F.

II. ACCOMMODATIONS AND SERVICES

Provider will provide to Member the services described in this Agreement and in Attachment A for the lifetime of Member subject to the terms and conditions hereinafter set forth, in a manner consistent with the objective of enabling Member to maintain his or her own living arrangement at the Home Site for as long as is practical and to provide Facility-Based services, if needed. Any services that Provider is required to provide under this Agreement will be provided by Provider directly or through a Program Participating Provider or Program Participating Facility at Provider's cost, subject to any applicable copayments and deductibles.

Member agrees to accept and pay for the services in the manner set forth in this Agreement and to abide by the rules and regulations of Provider with respect to the services.

A. **Residence.** Member shall remain in their existing home (or subsequent residence of their choice) and shall not occupy a specific apartment or unit on the campus of a LifeSpire Sponsoring Community at this time. Member shall have the ability to make application for an independent living unit at a LifeSpire Sponsoring Community in the future when available under such terms and conditions noted in the Residency Agreement for the independent living unit and upon payment of Entrance Fee and Monthly Service Fee for that unit then in effect. If a member wishes to move into Independent Living campus of a LifeSpire Sponsoring Community, there are bridge options available.

Member currently lives at ____ ("Home Site") and shall remain within the Designated Service Area to remain eligible for all services, products and programs of the Program as described hereunder.

B. **Care Coordination**. A Care Coordinator will be assigned to Member. Under the direction of the assigned Care Coordinator, the Care Coordination Team, in consultation with Member and/or Member's Designated Representative, shall prepare a Care Plan to meet Member's particular needs on an annual basis and as needed from time to time during the term of this Agreement. All decisions involving Member's participation in various medical and health care services or permanent transfer from the Home Site to Facility-Based Services will be made by the Care Coordination Team following consultation with Member or Member's Designated Representative.

C. **Member Home Evaluation**. During the first year of membership and as deemed appropriate by the Care Coordinator thereafter due to circumstances of a Member's health condition, Provider will conduct a functional inspection of the Home Site for the purpose of ascertaining any functional and safety problems, and will make recommendations to Member based on the inspection. Provider may require, based on circumstances of previous inspections or Member's health condition, that Member permit Provider to conduct a functional inspection of the Home Site. Provider does not, however, represent that it will undertake steps necessary to effectuate any of such recommendations. Any recommended changes or corrections are Member's sole responsibility. It is Member's choice to make such recommended changes or corrections to his/her Home Site. To aid Member in securing necessary goods or services, Provider will make available a list of possible vendors of such goods and services. Member is solely responsible for the full cost of any of the improvements to his/her Home Site as a result of Member's home inspection. Provider shall have no responsibility or liability for Member's decision or the timeliness of, or a delay in, the implementation of the recommendations.

D. **Home Site Services**. Home Site Services will be provided as Determined To Be Appropriate by the Care Coordination Team. Member must exhibit at least one or more ADL Deficiencies to be eligible for the following Home Site Services.

1. **Home Care.** Provider will provide non-Medicare covered Home Care Services, including assisted living provided by a Home Care Aide as Determined To Be Appropriate by the Care Coordination Team and to the extent provided for in the plan selected by Member.

2. **Homemaker Services.** Provider will provide Homemaker Services, including light housekeeping and chore services as Determined To Be Appropriate by the Care Coordination Team and to the extent indicated in the plan selected by Member.

3. **Companion Services.** Provider will provide Companion Services as Determined To Be Appropriate by the Care Coordination Team and to the extent indicated in the plan selected by Member.

4. **Emergency Response System**. Provider will provide an Emergency Response System designed for 24-hour coverage to all members. Members must sign a release form to indicate that they have refused the provided Emergency Response System, if they do not wish to utilize the provided system.

E. **Facility-Based Services.** When Determined To Be Appropriate by the Care Coordination Team and prescribed by a physician, Provider will provide or cause to be provided, Facility-Based Services, including assisted living in a private accommodation (subject to availability), assisted living memory support in semi-private accommodation, and nursing home services in a semi-private accommodation.

1. **Assisted Living and Nursing Home Services.** As Determined To Be Appropriate by the Care Coordination Team, assisted living and nursing home services will be provided at an Assisted Living Facility or Nursing Home Facility at the LifeSpire sponsoring facility or at similar Program Participating Facilities approved by Provider in accommodations as identified in Section II. E. Provider will not be responsible for any ancillary charges included, but not limited to laundry, prescription drugs, medical supplies, telephone, internet or television. Such charges shall be Member's sole responsibility.

2. **Adult Day Services**. Provider will provide Adult Day Services as Determined To Be Appropriate by the Care Coordination Team supplied by a Program Approved Provider to the extent provided for in the plan selected by Member.

F. **Transportation Services**. If Member is unable to drive or instructed by his/her physician not to drive to and from medically necessary outpatient surgery or short procedures which may include, but are not limited to, cataract removal, chemotherapy treatments, and surgical biopsies, Provider will provide transportation. This does not include transportation for regular physician office visits, dialysis and routine specialist appointments.

G. **LifeSpire Sponsoring Community Facilities.** Member may have limited access to facilities and programs at LifeSpire sponsoring communities as scheduled by the Program.

H. **Lifestyle and Wellness Programs**. Lifestyle and wellness programs will be offered from time to time, free of charge or with an applicable fee for service, including but not limited to, exercise classes, arts and crafts, wellness seminars, speakers and day excursions. Members will be advised of the schedules and the cost of these programs on an as-offered basis.

I. **Activities and Leisure Events**. Provider will provide planned and scheduled social, recreational, spiritual, educational and cultural activities and leisure events, exercise and health programs, and other special activities designed to meet the needs of the Members of the Program.

J. **Other Services and Programs Available for Extra Charge.** Other Provider services and programs will be available to Member at Member's expense. For a list of services currently available and the current charges for each service see Attachment B of this Agreement. Provider will give at least thirty (30) days' notice of a change in the scope of services offered.

III. AGREEMENT REQUIREMENTS AND PROCEDURES

A. **Condition of Membership in the Program.** The Program is available to persons who are 55 years of age or older and who meet all eligibility requirements established by Provider. Through the application process, Member submitted the Application as well as other information required by Provider, participated in one or more interviews with Provider and arranged for Member's physician to furnish a physical examination report to Provider. As a condition of membership in the Program, Member must continue to meet all eligibility requirements established by Provider, including but not limited to qualifications to ensure that Provider can accommodate Member's health needs through the Program. Member agrees to provide such additional information that Provider may require from time to time to supplement the Application and the other information provided by Member in connection with the Application.

B. **Representations.** Member affirms that the representations made in the Application are true and correct and may be relied upon by Provider as a basis for entering into this Agreement.

C. **Medical Insurance.** Member agrees to procure and maintain in force at Member's own expense, maximum coverage available to member under Medicare Part A, Medicare Part B and one supplemental health insurance policy or equivalent insurance coverage acceptable to Provider, and shall furnish Provider with evidence of coverage as Provider may from time to time request. If Member is not eligible for Medicare A and B, Member will be required to obtain a health insurance policy satisfactory to Provider that is equivalent to both Medicare (A and B) and Medicare Supplemental Coverage. If Member fails or neglects to arrange for such medical insurance coverage, Provider may, in Provider's sole discretion, terminate this Membership

Agreement. Alternatively, Provider may, in Provider's sole discretion, make application on Member's behalf, pay Member's premium for this insurance and bill the costs to Member on the Monthly Fee statement. Member is responsible for procuring as well as maintaining such medical insurance coverage and Provider, while authorized to do so, shall have no obligation to do so. Should Member incur a medical expense during a period of time for which such medical insurance was required by Provider but was not procured and/or maintained either by Member or by Provider, Member shall be responsible for any portion of such expense which would have been covered had such a medical insurance policy been procured and maintained. All changes in information regarding Member's insurance coverage whether adding or canceling a policy, must be submitted in writing to Provider within ten (10) calendar days after such change.

D. **Limitation of Liability in Case of Refusal to Leave Home Site.** If the Care Coordination Team reasonably determines that it would be injurious to the health or safety of Member to remain in his/her Home Site and that therefore Member should become a resident in a Program Participating Facility, and Member refuses to make such move, or if Member refuses any other reasonable recommendation of the Care Coordination Team, Provider shall have no responsibility or liability for the consequences of such refusal.

E. **Illness or Accident While Traveling.** If an illness or accident occurs while Member is traveling or visiting away from home, Member shall make every reasonable effort to notify Provider as soon as possible. If continued medical care is required, Member shall arrange, as soon as reasonably possible, to return to Home Site or, if approved by the Care Coordination Team, to a Program Participating Facility. Provider will be responsible for the costs of nursing care services covered under this Agreement that are incurred by Member in a Nursing Home Facility as a result of such accident or illness for up to a forty-five (45) day period of time after Member is admitted. Provider's responsibility for Nursing Home Facility charges will be limited to the then current private pay daily rate for a semi-private bed for the same level of care at Lakewood. Provider shall be limited in its responsibility for Nursing Home Facility charges to a total of up to forty-five (45) days per occurrence and limited to a maximum of three occurrences. Member will be responsible for other costs such as hospital costs, physician fees, and transport, as well as any other costs not specifically stated in this Agreement, which shall be paid by Member or Member's personal insurance.

F. **Subrogation.** In case of accident or injury to Member caused by third parties, Member agrees to begin suit for damages within three months following written notice by Provider to Member, of Provider's interest in such suit. If Member fails to begin suit, Member hereby grants power of attorney to the Provider, which power shall not be affected by the disability of Member, at its election to bring any claims or initiate legal action, if necessary, against the person who has caused injury to Member for compensation for the injury or expenses thereby caused. Member agrees to execute such further authorizations as shall be desirable to prosecute such claims or causes of action. The Provider, at its election, may sue on and enforce any cause of action for Member, for injury or damages so resulting, in the name of the Member or in its own name.

After all costs and damages incurred by the Provider (including reasonable costs of care furnished to Member by the Provider because of such accident or injury) shall have been paid for and reimbursed to the Provider by such subrogation, the balance of any collection made will be refunded or credited to Member’s account, or in the event of the death of Member, will be paid to Member’s estate. The Provider may limit its election as provided above to claims for recovery of the costs incurred by it, and in such event, the Provider shall not be obligated to assert any claim of Member arising out of such accident or injury beyond the costs incurred by the Provider.

G. **Right of Entry.** Member recognizes and accepts the responsibility of the Provider to enter Member’s living accommodation in order to carry out the purpose and intent of this Agreement. The purposes for which such entry may be made include but are not limited to (1) response to the medical alert system and, (2) entry by authorized personnel if Member is reported missing or as not having responded to calls. The Provider recognizes Member’s right to privacy and its responsibility to limit entry to the living accommodation to legitimate emergencies and scheduled work as set forth in the Agreement.

H. **Annual Physical Examination**. Provider encourages Member to undergo an annual physical examination performed by Member's personal physician or by one of the physicians or nurse practitioners of Provider. Provider encourages that a medical report be submitted by Member's personal physician to his/her Care Coordinator.

I. **Required Notice Of Relocation From Home Site Within Designated Service Area.** Member shall notify Provider in writing within a minimum of sixty (60) days prior to relocation. Provider has the right to conduct a Functional Home Inspection of the new Home Site to determine compliance with the program. Member understands that Provider has the right to terminate the Agreement upon Member’s relocation to a new Home Site or to a Continuing Care Retirement Community (CCRC) if it is determined not be compliant with program requirements.

J. **Limitation Of Provider Payment For Home Site Services Or Facility-Based Services Provided Within The Designated Service Area.** Provider may limit payment for Home Site Services, skilled home health care, homemaker, companion, emergency response system, meals, adult day services and facility-based services. If the aggregate published cost of such services for any thirty (30) day period exceeds the Published Cost of Care in the Nursing Home Facility at the Sponsoring Community, Provider shall limit payment of such services to the equivalent of the Published Cost of Care in such a Nursing Home Facility for all days following the thirty (30) day period, in accordance with member payment plan selection and co-payment requirements. The average cost of care for Home Site Services and the negotiated Facility-Based Service rates will be determined and published by Provider from time to time, normally on an annual basis. The Member may transfer to the Sponsoring Community or pay the difference between the cost of Home Site Services or Facility-Based Services and the published negotiated cost of care at the Sponsoring Community. Provider shall limit payment of such services to the equivalent of the published negotiated cost of care in such a Nursing Home Facility for all days following the thirty (30) day period, in accordance with member payment plan selection and co-payment requirements. The Provider will provide for at least thirty (30) days’ advance notice to the participant before any change in fees, charges, or the scope of care or services may be effective, except for changes required by state or federal assistance programs.

K. **Limitation of Provider Payment For Services Provided Outside The Designated Service Area.** Provider may limit payment for Home Site Services, skilled home health care, homemaker, companion, Emergency Response System, meals, adult day services, and Facility-Based Services, for all Member Payment Plans when services are provided outside the designated service area. If the aggregate published cost of such services for any thirty (30) day period exceeds the Published Cost of Care in the Nursing Home Facility at the Sponsoring Community, Provider shall limit payment of such services to the equivalent of the Published Cost of Care in such a Nursing Home Facility for all days following the thirty (30) day period, in accordance with member payment plan selection and co-payment requirements. The average cost of care for Home Site Services and the negotiated Facility-Based Service rates will be determined and published by Provider from time to time, normally on an annual basis. The Member may transfer to the Sponsoring Community or pay the difference between the cost of Home Site Services or Facility-Based Services and the published negotiated cost of care at Lakewood.

IV. TRANSFERS OR CHANGES IN LEVELS OF CARE

A. **Decisions Involving Permanent Transfer From Living Accommodation.** All decisions involving permanent transfer from Member's current living accommodation (including Home Site, Assisted Living Facility, Nursing Home Facility or hospital) to another accommodation will be made by the Care Coordination Team. Such decisions shall be made in consultation with Member, or in case of incompetency, with Member's Designated Representative. If a determination is made by Provider that any transfer is unlikely to be temporary in nature all services provided for under this Agreement pertaining to such private residence will terminate unless separate arrangements are made between the parties.

B. **Transfer to Hospital or Other Facility.** Neither the facilities at the Sponsoring Community nor at any other Program Participating Facility are designed to care for persons who are diagnosed to be psychotic or mentally ill or as having a highly contagious or dangerous disease. When the above occurs, Member agrees to have a professional assessment to determine appropriate treatment. The staff of the facility where Member resides, in consultation with the Care Coordination Team, Member's physician and the Medical Director, will determine, at its sole discretion, if the continued presence of Member in the facilities at the Sponsoring Community or in the other Program Participating Facility is either dangerous or detrimental to the health or peace of Member or the staff or the residents of the facility. Provider shall have the authority to transfer Member to an appropriate facility for such care. Provider shall not be obligated to pay for such care. Such transfer of Member will be made only after consultation to the extent possible with Member, or a representative of Member's family and Member's attending physician.

V. EXCLUSIONS

A. **Private Accommodations.** Private accommodations in a Nursing Home Facility, Assisted Living Facility, or a memory support bed in an Assisted Living Facility are not guaranteed as part of this Agreement, but may be available to Member for an additional fee.

B. **Excluded Services.** Member will be responsible for the costs of all services and supplies, other than the services specifically to be provided by Provider as set forth in this Agreement, either by direct payment or insurance reimbursement. Such services and supplies for which Member is responsible include, but are not limited to, the cost of all prescription medicines, physician services, private duty nursing services, outpatient services, physical therapy, occupational therapy, speech therapy, IV therapy, respiratory therapy, oxygen, hospitals, eye glasses, hearing aids, dentistry, orthopedic appliances, therapy for psychiatric disorders, treatment for mental illness, incontinent supplies, personal laundry, non-medical supplies, hair care, routine or emergency transportation, or any services not specifically provided for by this Agreement. Any specialized or personalized equipment (such as wheelchairs, walkers, kidney machine or respiratory equipment) that Provider would have to rent for Member will be charged to Member.

VI. FEES, TERMS AND CONDITIONS

A. **Membership Fee.** Member agrees to pay Provider a one-time, nontransferable, non-interest bearing Membership Fee of $___________________________ as a condition of becoming a member in the Program. This Membership Fee is in payment for the __________________ Plan, the payments and benefits of which are described in Attachment A.

B. **Monthly Fee**. In addition to the Membership Fee, Member agrees to pay a Monthly Fee for the term of this Agreement, which shall be payable in advance by the 10th day of each month. After paying the Membership Fee, Member will commence paying the Monthly Fee. As of the date of this Agreement, the Monthly Fee associated with the __________________ Plan will be $________________ per month. Provider may adjust the Monthly Fee during the term of this Agreement as described in Section VI. C. below.

C. **Adjustments in the Monthly Fee**. The Monthly Fee is made to provide the programs and services described in this Agreement and is intended to meet the cost of administration, staffing and other expenses associated with the operation and management of the Program. Provider shall have the authority to adjust the Monthly Fee periodically based on the financial needs of Provider. Provider will endeavor to make such adjustments on a once a year basis during the term of this Agreement. Provider, upon thirty (30) days' written notice to Member, may make any such adjustments in the Monthly Fee.

D. **Additional Service Fees.** Provider may charge additional service fees to cover costs of programs and services that are not included in the Monthly Fee, as approved or requested by Member. For a list of services currently available and the current charges for each service see Attachment B attached to this Agreement. The extra services available and the prices for these services may be changed periodically, upon thirty (30) days' notice.

E. **Monthly Statements**. Provider will furnish Member with monthly statements showing the Monthly Fee and additional service fees owed by Member that shall be payable by the 10th day of the month. Provider may charge interest at a rate of one and one half percent (1.5%) per month on any unpaid balance. In the event Member does not make payment on a timely basis, Member agrees to pay attorney's fees, if any, incurred by Provider in the collection of such fees. Member may not withhold monthly fees for any reason. In the event of non-payment of the Monthly Fee, Provider reserves the right to terminate this Agreement.

F. **Care in Other Assisted Living Facility or Nursing Care Facility**. Should Member be transferred to another Assisted Living Facility or Nursing Care Facility due to the unavailability of such facilities at a LifeSpire Sponsoring Community or Member's desire to receive assisted living or nursing care in a Program Participating Facility closer to the Home Site, Member will continue to pay the Monthly Fee, and the charges incurred at the other facility for the level of services defined within this Agreement will be the responsibility of Provider up to the current private pay daily rate for an accommodation in a LifeSpire Sponsoring Community's Assisted Living Facility or semi-private bed in Lakewood's Nursing Home.

G. **Limitation of Provider Payment for Non-Institutional Health Care Services**. Provider may limit payment for Home Site Services (Home Care Services, Homemaker Services, Companion Services, Emergency Response System and Adult Day Care) if the cost of such services for any day exceeds the then current private pay daily rate for a semi-private room in the Nursing Home Facility at a LifeSpire Sponsoring Community. Member may either transfer to a Program Participating Facility or pay the difference between the cost of Home Site Services and the then current private pay daily rate for a semi-private bed in the Nursing Home Facility at Lakewood.

H. **Assignment of Reimbursements.** In order to assist in controlling Provider's operating costs, Member agrees to cooperate with staff in securing reimbursement should governmental programs or Member's insurance cover any portion of the supplies or services (including drugs) provided by Provider. Any reimbursements for supplies or services (including drugs) provided by Provider will be assigned to or paid to Provider. Member is responsible for all fees and charges incurred while this Agreement remains in force and Member will pay any disputed or denied claims within ninety (90) days of the date of service.

I. **Excess Costs.** Except as specifically provided by this Agreement, Member shall be solely responsible for services not covered by Medicare Parts A and B and Medicare Supplemental Coverage, or other insurance, and for payments exceeding Member's coverage limits including but not limited to: audiological tests and hearing aids; eye glasses and refractions; dentistry; dentures; dental inlays; drugs; organ transplants; orthopedic appliances; occupational, physical and speech therapy; podiatry; hospitalization and professional care for psychiatric disorders; treatment for alcohol or drug abuse medications; chiropractors; renal dialysis; extraordinary treatments; and experimental treatments. Provider reserves the right to bill Medicare and other third-party payers, such as insurance and long-term care insurance companies. Member is responsible for all fees and charges incurred while this Agreement remains in force and Member will pay any disputed or denied claims within ninety (90) days of the date of service.

J. **Non-Payment**. If Member fails to make any of the Monthly Fee payments at the required time, or to pay any other amounts due to Provider on the monthly statement provided to Member by Provider within thirty (30) days after it is billed to Member, Provider may give written notice to Member to pay all such amounts. If Member fails to comply with such notice within fifteen (15) days, Provider may terminate this Agreement, and shall provide Member with any applicable refund set forth in Section VII. D.

K. **Financial Difficulty.** Without in any way limiting its right to terminate this Agreement for non-payment, Provider shall not dismiss Member nor terminate this Agreement if the sole reason for non-payment is because of Member's financial inability to continue to pay all or part of the Monthly Fee. However, Member's acceptance into the Program has been based on facts reported by Member in the Application. If, in Provider's sole discretion, Member has weakened this position or ability to pay the Monthly Fee because Member has made gifts to others or dissipated personal wealth after submitting such Financial Statement, Provider reserves the right to terminate this Agreement.

If Member is unable to pay all or part of the Monthly Fee, Provider may request a current Financial Statement of Member and, if Member does not provide such statement within thirty (30) days, Provider reserves the right to terminate this Agreement. Member agrees to allow Provider to confirm Member's assets as shown on Member's Financial Statement.

Should Member find current income insufficient to meet the current Monthly Fee, Member shall take necessary steps to liquidate assets in order to keep Member's account on a current basis. Member further agrees that should assets and income be insufficient to pay the present obligations, Member shall apply for any assistance which may be available to Member. If Member dies or this Agreement is otherwise terminated, any unpaid Monthly Fees or additional service fees or parts thereof, plus interest on the unpaid balance, will be charged against the refund, if any, due to Member or Member's estate as provided in Section VII.D. below. If any balance of Monthly Fees or additional service fees remains due, Member or Member's estate shall be liable to Provider for the full amount of such Monthly Fees and additional service fees. This Agreement shall operate as a lifetime assignment, transfer and conveyance to the Provider of so much of such Member's property as is necessary to cover such liability.

VII. TERMINATION AND REFUND PROVISIONS

A. Member's Voluntary Termination.

1. **During Rescission Period**. Notwithstanding anything herein to the contrary, this Agreement may be rescinded by Member giving written notice of such rescission to Provider within seven (7) business days following the date of the execution of this Agreement. In the event of such rescission, Member shall receive a refund in an amount equal to the Membership Fee. Notwithstanding anything to the contrary in this Agreement, any such refund shall be paid by Provider within thirty (30) days following receipt of written notice of rescission pursuant to this paragraph.

2. **After the Rescission Period.** Member may terminate this Agreement for any reason by giving Provider at least thirty (30) days written notice of such termination. If a refund is due to Member, Provider will make the refund in accordance with subsection D. below.

3. **Before Initiating the Program.** If a Member is precluded through illness, injury or incapacity from becoming a participant under the terms of the community-based continuing care contract, the contract is automatically rescinded and participant or his legal representative shall receive a full refund of all money paid to the CBCC provider, except those costs specifically incurred by the CBCC provider at the request of the participant and set forth in writing in a separate addendum, signed by both parties, to the contract.

B. **Termination Upon Member's Death**. In the event that Member dies, this Agreement shall terminate automatically and any refund due consistent with subsection D. below, shall be payable to Member's estate.

C. **Termination by Provider**. Provider may terminate this Agreement at any time for good cause. Good cause shall be limited to (i) proof that the Member is a danger to himself or others; (ii) nonpayment by the Member of a monthly or periodic fee; (iii) repeated conduct by the Member that interferes with other Members' or Residents' quiet enjoyment of a facility or service; (iv) persistent refusal to comply with reasonable written rules and regulations of the program and facility; (v) a material misrepresentation made intentionally or recklessly by the Member in his application for participation in the program, or related materials, regarding information which, if accurately provided, would have resulted in either a failure of the Member to qualify for participation or a material increase in the cost of providing to the participant the care and services provided under this Agreement; or (vi) material breach by the Member of the terms and conditions of this Agreement. If Provider terminates the Agreement, Provider shall give Member written notice of, and a reasonable opportunity to cure within thirty (30) days, the conduct Provider indicates warrants the termination of this Agreement. If a refund is due to Member following such termination, Provider will make the refund in accordance with Section VII.D. below.

D. **Refund**.

1. **During Adjustment Period**

In the case of termination within the Adjustment Period, Member, or his or her estate, shall be entitled to a full refund of the Membership Fee less any actual cost to the Provider to maintain the Member at Home Site, Assisted Living or Nursing Home.

2. **After Adjustment Period Other Than by Death**

In the case of termination after the Adjustment Period, Member is entitled to a refund of the Membership Fee less a percentage of the principal amount of the Membership Fee for each calendar month from the Membership Date up to and including the month in which the refund is payable less a four percent (4%) administrative charge.

The percentage of the Membership Fee shall be reduced at a rate based on the following table:

Home Site Services..2% per month

Any time spent in assisted living or Home Site Services of equal cost in excess of thirty (30) days ....….3% per month

Any time spent in a nursing home or Home Site Services of equal cost in excess of thirty (30) days………………………… 4% per month

3. **When a Permanent Resident in Assisted Living or Nursing Home Facility**

When a Member becomes a permanent resident of an Assisted Living or Skilled Nursing Facility as provided in Section IV. A., no refund of the Membership Fee will be paid.

4. Upon Death After Adjustment Period

After the Adjustment Period the Provider will make no refund of any portion of the Membership Fee upon the death of the Member except for Platinum Payment Plan members whose estate will be refunded 50% of the Membership Fee paid less any outstanding charges or subsidies.

5. Payment of Refunds

Any refund of the Membership Fee shall be paid to Member or Member's estate within sixty (60) days provided that all outstanding charges have been paid. All refunds shall be without interest.

E. **Right of Set-Off; Other Rights**. Provider will have the right to set-off against any refund payable to Member under Section VII. D., any accrued Monthly Fees that may have been deferred, any additional service fees or amounts payable to Provider under this Agreement and under any other agreement between Member and Provider or any affiliate of Provider and any costs or expenses that might be due, payable or incurred by Member due to Member's violation of this Agreement.

VIII. GENERAL

A. **Tax Considerations**. Member should consult with his/her tax advisor regarding the tax considerations associated with this Agreement.

B. **Management of the Program**. The absolute rights of management of the Program are reserved by Provider. Provider reserves the right to make final decisions relating to admission, level of care transfer or terminations relating to any Member or Membership Services Agreement. Members do not have the right to determine admission or terms of admission of any other member. Provider reserves the right to amend, implement or terminate policies and/or guidelines related to the operation of the Program or of Provider in its sole discretion.

C. **Right to Delegate.** Member acknowledges the right of Provider to contract for the various services as provided by this Agreement, including, but not limited to, management services for the Program.

D. **Assignment**. Member's rights and privileges under this Agreement with respect to services and medical care are personal to Member and cannot be transferred or assigned by act of Member, or by any proceeding of law, or otherwise.

E. **Confidentiality**. Provider has the responsibility to keep all of the personal, medical and financial information Member has supplied to it confidential. Member agrees that Provider can disclose such information to those who have a need, in its judgment, or right to know (e.g., to provide information for transfer to a Program Participating Facility or a hospital).

F. **Release of Medical Information.** The privacy of all Members will be protected as provided for by the Health Insurance Portability and Accountability Act (HIPAA) and other applicable regulations. Member hereby authorizes Provider to release any medical information relating to Member to any doctor, hospital or other facility or individuals when it is deemed necessary or helpful in providing for Member's ongoing care or treatment or for the purpose of submitting claims for benefits payable for health care services. Member further authorizes the release of any information to Provider from any health care provider when deemed necessary or beneficial for providing for Member's on-going care or treatment. This authorization will remain in effect until Member gives written notification to Provider of Member's desire to rescind this authorization.

G. **Right of Self-Determination.** Provider acknowledges Member's right to self-determination regarding medical care and treatment in accordance with applicable laws and regulations. Members are encouraged to file advance directives with Provider.

H. **Indemnity**. Member agrees to indemnify, defend and hold Provider harmless from claims, damages or expenses, including attorneys' fees and court costs, resulting from any injury or death to persons and any damages to property caused by, resulting from, attributable to or in any way connected with Member's negligent or intentional act or omission or those of Member's guests, including private duty nurses.

I. **Member Contracted Services**. If Member wishes to privately employ outside assistance for services that are covered under this Agreement, including Provider-employed associates, for whatever reason, all Provider policies must be upheld, and prior written approval by Provider management must be obtained. Member agrees to hold Provider harmless in all situations related to the provisions of such outside services. Provider has the right to require termination of such a service at any time.

J. **Acts of God.** In the event of war, national emergency, floods, earthquakes or other acts of God beyond the control of Provider, the performance by Provider under this Agreement will be excused or may be modified to the extent such acts of God interfere with performance by Provider.

K. **Amendments and Partial Invalidation**. This Agreement can be changed only by mutual written consent. However, Provider can make changes without Member's consent to keep the Agreement in compliance with applicable laws and regulations provided that the changes Provider makes do not substantially reduce Member's benefits under this Agreement. If any provision in this Agreement is invalidated, all other provisions will remain in force.

L. **Survival**. Those rights and obligations that have accrued as a result of the operation of this Agreement shall survive its termination, as shall those rights and obligations that by their terms survive termination and any provisions that must survive to give effect to their terms, as shall any obligation of Member to pay costs or expenses of his or her membership in the LifeSpire of Virginia at Home program that remain unpaid as of such termination.

M. **Notices**. Member is responsible for notifying Provider of any changes in address and/or telephone number. Any notice, demand, or request which may be or is required to be given under this Agreement shall be in writing and delivered in person or shall be mailed by U.S. Certified or Registered Mail, postage prepaid, addressed as follows:

Provider:
Executive Director
AgeSmart with LifeSpire of VA
3960 Stillman Parkway, Ste. 119
Glen Allen, VA 23060

Member:

____

____

____

Either party may designate such other address as may be appropriate by written notice.

N. **Annual Disclosure Statement**. An annual disclosure statement will be made available to Member within thirty (30) days of SCC approval.

O. **Severability**. The invalidity of any restriction, condition or other provision of this Agreement, or any part of the same, shall not impair or affect in any way the validity or enforceability of the rest of this Agreement.

P. **Entire Agreement**. This Agreement sets forth all of the promises, agreements, conditions and understandings between Provider and Member and supersedes all prior agreements between the parties. No oral alteration, amendment, change or addition shall be binding unless reduced to writing and signed by the parties. Provider shall not be liable or bound in any manner by any statements, representations or promises made by any person representing or assuming to represent Provider, unless such statements, representations or promises are set forth in this Agreement or in an amendment to this Agreement signed by Provider and by Member.

Q. **Successors and Assigns**. Except as set forth herein, this Agreement shall bind and inure to the benefit of the successors and assigns of Provider and the heirs, executors, responsible parties, powers of attorney, administrators and assigns of Member.

R. **Governing Law and Venue.** This Agreement shall be governed by the laws of the Commonwealth of Virginia without regard to Virginia's conflicts of law provisions. The Parties agree, should there be any suit or action related to this Agreement, venue shall be in the Circuit Court of the County or City in Virginia where the Community is located.

S. **Waiver of One Breach Not a Waiver of Any Other.** Our failure to insist upon your strict performance and observance of compliance with any of the provisions of this Agreement in any one or more instances shall not be construed to be a waiver of relinquishment by us of our right to insist upon your future strict compliance.

T. **Capacity**. This Agreement has been executed on Provider's behalf by Provider's duly authorized agent, and no officer, trustee, agent, or employee of Provider shall have any personal liability hereunder to Member under any circumstances.

Provider will stand behind all of the statements, promises and representations in this Agreement, but no others. **If you feel something has been promised to you, but it is not specifically mentioned in this Agreement, now is the time to discuss it – before you sign this Agreement.**

I understand this matter involves a financial commitment and associated risk, as well as a legally binding contract. I was encouraged to consult with an attorney and/or financial advisor who could advise me concerning this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate, as of the day and year first above written, one duplicate copy of this Agreement being retained by each party.

Your signature below certifies that you have read, understand and accept this Agreement as of this _____ day, of ________________, 20_____.

_____________________________________ _______________________________

Member Signature Witness

____

Member Printed Name

LifeSpire of Virginia at Home

By: ____

Authorized Representative

I acknowledge receipt of a Disclosure Statement dated _______________________________
and a copy of Attachment A and Attachment B. _____ (Please initial.)

NOTICE OF RIGHT TO RESCIND

Date rescission period begins: ____________________________________

You may rescind and terminate your Member Agreement, without penalty or forfeiture, within seven (7) business days of the above date. No other agreement or statement you sign shall constitute a waiver of your right to rescind your agreement within the seven (7) day period.

To rescind your Member Agreement, mail or deliver a signed and dated copy of this notice, or any other dated written notice, letter or telegram, stating your desire to rescind to:

Executive Director
AgeSmart with LifeSpire of Virginia
3960 Stillman Parkway, Suite 119
Glen Allen, VA 23060

No later than midnight on ________________________________.

Pursuant to this notice, I hereby cancel my Member Agreement.

____
Date

____
Member's Signature

____
Member's Printed Name

Attachment A

MEMBERSHIP PLANS

Each plan pays the following percentage of costs associated with the services being provided:

AgeSmart
with LifeSpire of Virginia

AGESMART PAYMENT PLANS

Type of Service	**Gold***	**Sterling***	**Bronze***
Care Coordinator	100%	100%	100%
Personal Wellness Plan Development	100%	100%	100%
Home Inspection	100%	100%	100%
Activities (Social and Educational)	100%	100%	100%
Health Support Services			
Home Care Aides	100%	80%	50%
Companion / Homemaker	100%	80%	50%
Adult Day Care	100%	80%	50%
Emergency Response System	100%	100%	100%
Annual Physical Exam	100%	100%	100%
Transportation	100%	100%	100%
Assisted Living	100%	80%	50%
Memory Support – Assisted Living	100%	80%	50%
Nursing Home Care	100%	80%	50%

*Platinum Plan provides the same coverage as the Gold Plan with a 50% refund of the membership fee.

*Plus plans are a blend of the Gold, Sterling, or Bronze Plan with an already existing Long-Term Care Insurance Plan that is maintained throughout the life of this agreement.

Attachment B

ADDITIONAL SERVICES AND COSTS

Home Site Services	**Charges***
Adult Day Care	$100 per day
LPN	$80 per hour
RN	$100 per hour
Homemaker/Companion	$36 per hour
24-Hour Care	$888 per day
HHA/CNA	$38 per hour
Emergency Response	$50 per month
Transportation	$38 per hour**
Care Coordination	$100 per hour
Facility-Based Services	
Assisted Living/Residential	$ 289 per day
Memory Care	$ 308 per day
Nursing Home	$ 409 per day

***These are **average** costs to the Program for services provided to Members. This information is published annually as required by the Commonwealth of Virginia SCC Bureau of Insurance. Platinum, Gold and Gold^{Plus} Plan Members will not receive bills for covered services rendered unless those services cost more than the daily rate for nursing home services averaged over a thirty (30) day period. Sterling and Bronze Plan Members will receive bills for co-pays as outlined in the Member Agreement. These do not necessarily reflect prevailing charges for services.

We will always bill a **minimum of one hour for any non-covered transportation provided.

VIRGINIA BAPTIST HOMES, INCORPORATED
DBA: LIFESPIRE OF VIRGINIA
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
AND ACCOMPANYING INFORMATION

YEARS ENDED DECEMBER 31, 2023 AND 2022

VIRGINIA BAPTIST HOMES, INCORPORATED
DBA: LIFESPIRE OF VIRGINIA AND SUBSIDIARIES
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Virginia Baptist Homes, Incorporated
dba: LifeSpire of Virginia and Subsidiaries
Richmond, Virginia

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Virginia Baptist Homes, Incorporated dba: LifeSpire of Virginia and Subsidiaries (LifeSpire) which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of operations and changes in net assets (deficit) and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of LifeSpire as of December 31, 2023 and 2022, and the results of their operations, changes in their net assets, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of LifeSpire and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about LifeSpire's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of LifeSpire's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about LifeSpire's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North Carolina
April 18, 2024

VIRGINIA BAPTIST HOMES, INCORPORATED
DBA: LIFESPIRE OF VIRGINIA AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 37,740,751	$ 44,432,119
Current Portion of Assets Whose Use is Limited	4,895,773	4,617,045
Accounts Receivable	8,989,379	4,705,590
Allowance for Credit Losses	(1,333,138)	(658,912)
Accounts Receivable, Net	7,656,241	4,046,678
Notes Receivable	2,984,446	2,451,032
Prepaid Expenses	1,507,600	1,431,400
Deposits and Other	1,254,211	1,871,238
Total Current Assets	56,039,022	58,849,512
INVESTMENTS	71,926,207	63,453,144
BENEFICIAL INTEREST IN PERPETUAL TRUSTS	8,628,817	8,761,266
ASSETS WHOSE USE IS LIMITED		
Externally Restricted Under Bond Indenture Agreement (Held by Trustee)	14,273,352	14,397,798
Less: Amounts Available for Current Liabilities	(4,895,773)	(4,617,045)
Total Assets Whose Use is Limited	9,377,579	9,780,753
PROPERTY, PLANT, AND EQUIPMENT, NET	271,089,770	264,461,709
LOAN RECEIVABLE	325,000	-
OTHER ASSETS	328,832	895,045
Total Assets	$ 417,715,227	$ 406,201,429

See accompanying Notes to Consolidated Financial Statements.

VIRGINIA BAPTIST HOMES, INCORPORATED
DBA: LIFESPIRE OF VIRGINIA AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONTINUED)
DECEMBER 31, 2023 AND 2022

LIABILITIES AND NET ASSETS (DEFICIT)	2023	2022
CURRENT LIABILITIES		
Accounts Payable	$ 8,822,008	$ 6,158,545
Accrued Salaries and Wages	3,022,764	3,358,727
Accrued Interest Payable	1,819,528	1,819,528
Annuities Payable	134,588	97,343
Deposits from Prospective Residents	883,400	1,392,500
Deferred Revenue	-	698,678
Current Portion of Right-of-Use Operating Lease Payable	347,486	397,954
Current Portion of Long-Term Debt	12,725,000	12,705,000
Refundable Advance - CARES Act	-	295,593
Advance Fee Refund Liability	10,863,027	6,777,117
Total Current Liabilities	38,617,801	33,700,985
ADVANCE FEE REFUND LIABILITY, LESS CURRENT PORTION	58,385,419	56,018,768
DEFERRED REVENUE FROM ADVANCE FEES	118,762,061	113,841,811
ANNUITIES PAYABLE	538,262	394,687
RIGHT-OF-USE OPERATING LEASE PAYABLE, LESS CURRENT PORTION	770,860	1,109,436
LONG-TERM DEBT, NET	231,200,496	239,369,489
Total Liabilities	448,274,899	444,435,176
NET ASSETS (DEFICIT)		
Without Donor Restrictions	(48,437,260)	(56,263,034)
With Donor Restrictions	17,877,588	18,029,287
Total Net Deficit	(30,559,672)	(38,233,747)
Total Liabilities and Net Assets (Deficit)	$ 417,715,227	$ 406,201,429

See accompanying Notes to Consolidated Financial Statements.

VIRGINIA BAPTIST HOMES, INCORPORATED
DBA: LIFESPIRE OF VIRGINIA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS (DEFICIT)
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
REVENUES, GAINS, AND OTHER SUPPORT		
Residential Services, Including Amortization of Deferred Revenue from Advance Fees of $20,832,567 and $19,140,913 in 2023 and 2022, Respectively	$ 86,723,272	$ 79,426,007
Health Care Services	25,343,972	24,879,841
Continuing Care At Home Services, Including Amortization of Deferred Revenue from Advance Fees of $503,413 and $412,674 in 2023 and 2022, Respectively	1,218,761	1,052,812
Net Assets Released from Restrictions Used for Operations	752,770	769,968
Gifts and Donations	1,541,229	1,710,986
Investment Income (Loss)	2,485,136	(769,850)
Other	4,390,323	3,114,310
Total Revenue, Gains, and Other Support	122,455,463	110,184,074
OPERATING EXPENSES		
Salaries, Wages and Professional Fees	60,800,176	55,498,762
Provisions for Depreciation and Amortization	18,005,719	17,281,396
Interest	10,565,332	10,683,360
Other	31,850,491	31,131,002
Total Operating Expenses	121,221,718	114,594,520
OPERATING INCOME (LOSS)	1,233,745	(4,410,446)
NONOPERATING INCOME (LOSS)		
Change in Unrealized Gains (Losses) on Investments	7,108,952	(13,691,022)
Other Loss	(516,923)	(425,486)
Total Nonoperating Income (Loss)	6,592,029	(14,116,508)
EXCESS (DEFICIT) OF REVENUES, GAINS AND OTHER SUPPORT OVER (UNDER) EXPENSES AND INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	7,825,774	(18,526,954)

See accompanying Notes to Consolidated Financial Statements.

VIRGINIA BAPTIST HOMES, INCORPORATED
DBA: LIFESPIRE OF VIRGINIA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS (DEFICIT) (CONTINUED)
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Excess (Deficit) of Revenues, Gains, and Other Support Over (Under) Expenses	$ 7,825,774	$ (18,526,954)
Increase (Decrease) in Net Assets without Donor Restrictions	7,825,774	(18,526,954)
NET ASSETS WITH DONOR RESTRICTIONS		
Gifts, Grants, and Bequests	472,714	624,637
Change in Value of Annuity Obligations	260,806	163,899
Change in Present Value of Perpetual Trust Funds	(132,449)	(2,829,896)
Net Assets Released from Restrictions	(752,770)	(769,968)
Decrease in Net Assets with Donor Restrictions	(151,699)	(2,811,328)
INCREASE (DECREASE) IN NET ASSETS	7,674,075	(21,338,282)
Net Deficit - Beginning of Year	(38,233,747)	(16,895,465)
NET DEFICIT - END OF YEAR	$ (30,559,672)	$ (38,233,747)

See accompanying Notes to Consolidated Financial Statements.

VIRGINIA BAPTIST HOMES, INCORPORATED
DBA: LIFESPIRE OF VIRGINIA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 7,674,075	$ (21,338,282)
Adjustments to Reconcile Change 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	31,168,917	29,423,375
Amortization of Intangible Assets	49,290	49,290
Amortization of Deferred Financing Costs	206,463	206,461
Amortization of Bond Discount	39,571	39,571
Amortization of Bond Premium	(682,027)	(682,026)
Other Loss	516,923	425,486
Loss on Sale of Property, Plant, and Equipment	24,800	2,539
Provision for Credit Loss	811,946	272,491
Provision for Depreciation	17,956,429	17,232,106
Increase in Annuity Obligations	180,820	80,325
Proceeds from Contributions Restricted for Long-Term Investment	(472,714)	(624,637)
Net Realized and Unrealized (Gains) Losses on Long-Term Investments	(6,623,425)	17,233,993
Change in Present Value of Trust Funds	132,449	2,829,896
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(4,421,509)	(482,111)
Prepaid Expenses	(76,200)	(212,143)
Notes Receivable	(533,414)	1,129,093
Other Current Assets	617,027	(219,987)
Loan Receivable	(325,000)	-
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(745,721)	(847,542)
Deferred Revenue	(698,678)	373,018
Refundable Advance - CARES Act	(295,593)	(164,214)
Accrued Salaries and Wages	(335,963)	269,830
Accrued Interest Payable	-	38,049
Deposits from Prospective Residents	(294,100)	150,803
Net Cash Provided by Operating Activities	22,538,386	25,631,797

See accompanying Notes to Consolidated Financial Statements.

VIRGINIA BAPTIST HOMES, INCORPORATED
DBA: LIFESPIRE OF VIRGINIA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant, and Equipment	$ (21,589,150)	$ (27,881,028)
Purchases of Investments	(14,804,481)	(33,462,299)
Sales of Investments	12,652,119	32,693,215
Net Cash Used by Investing Activities	(23,741,512)	(28,650,112)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Contributions Restricted for Long-Term Investment	472,714	624,637
Refunds of Advance Fees and Deposits	(9,215,562)	(6,192,560)
Proceeds from Refundable Advance Fees	10,540,436	6,374,627
Payments on Long-Term Debt	(7,713,000)	(6,245,000)
Net Cash Used by Financing Activities	(5,915,412)	(5,438,296)
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(7,118,538)	(8,456,611)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	51,600,271	60,056,882
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	$ 44,481,733	$ 51,600,271
Cash and Cash Equivalents	$ 37,740,751	$ 44,432,119
Restricted Cash included in Assets Limited as to Use	6,740,982	7,168,152
Total Cash, Cash Equivalents and Restricted Cash	$ 44,481,733	$ 51,600,271
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Property and Equipment Additions in Accounts Payable	$ 3,649,268	$ 240,084
Right-of-Use Assets Obtained through Right-of-Use Operating Lease Payables	$ 13,593	$ 445,633

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Virginia Baptist Homes, Incorporated dba: LifeSpire of Virginia (LifeSpire) is a nonprofit corporation founded in 1946 as an agency of the Baptist General Association of Virginia (BGAV). LifeSpire operates retirement communities in Culpeper, Richmond, Newport News, Lynchburg, and Roanoke, Virginia which provide diversified residential and health care services to retirement community residents. In February 2016, LifeSpire began doing business as LifeSpire of Virginia; this change did not affect LifeSpire's underlying corporate identity or the identities or business names of its affiliates.

LifeSpire operates its retirement communities under arrangements whereby residents enter into agreements which require payment of a one-time advance fee and a monthly maintenance fee. Generally, these payments entitle residents to the use and privileges of LifeSpire for life, including certain nursing services provided in LifeSpire's nursing facilities. The occupancy agreement does not entitle the residents to an interest in the real estate or other property owned by LifeSpire.

Culpeper Baptist Retirement Community, Inc. (doing business as The Culpeper), Newport News Baptist Retirement Community, Inc. (doing business as The Chesapeake), Lakewood Manor Baptist Retirement Community, Inc. (doing business as Lakewood), The Glebe, Inc. (The Glebe), Lynchburg Baptist Retirement Community, LLC (doing business as The Summit) and Virginia Baptist Homes Foundation, Inc. (Foundation) are wholly owned, nonprofit subsidiaries of LifeSpire.

In 2019, Lakewood began operations of a new program known as Lakewood at Home. This program allows for members to remain in their private residences while enjoying many of the benefits and services offered at a retirement community. The activity of Lakewood at Home is combined with Lakewood Manor Baptist Retirement Community, Inc. in the consolidating and combining financial statements included in the Accompanying Information. Combining schedules have been included for Lakewood to present the activity of the two programs.

In 2020, LifeSpire entered into a joint venture with an unrelated third party to form Senior Living Partners of Virginia, LLC (SLPV). SLPV was created to provide home health services and to promote the health and care of seniors from a broad cross-section of the communities served by the organizations. LifeSpire has a 50% interest in SLPV. No consideration was paid in 2020 related to this joint venture. In 2023, $325,000 was transferred to SLPV as a loan from LifeSpire. In 2022, $790,000 was transferred to SLPV as a capital contribution from LifeSpire. This investment is included in Other Assets in the accompanying consolidated balance sheet as of December 31, 2023 and 2022 and is recorded under the equity method. LifeSpire recorded a loss on this investment of $516,923 and $425,486 for the years ended December 31, 2023 and 2022, respectively, which represents its share of SLPV's results and is included as an other loss within nonoperating income (loss) in the statements of operations and changes in net assets (deficit).

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis for Consolidation

The consolidated financial statements include the accounts of LifeSpire and its wholly owned subsidiaries. Significant intercompany accounts and transactions have been eliminated in consolidation.

Basis of Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Include net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. At times, the governing board can designate, from net assets without donor restrictions, net assets for a board-designated endowment or other purposes.

Net Assets With Donor Restrictions – Include net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource has been fulfilled, or both.

Unconditional promises to give cash and other assets are accrued at estimated fair market value at the date each promise is received. Management reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as an increase in net assets without donor restrictions. Income earned on net assets with donor restrictions, including capital appreciation, is recognized in the period earned.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

LifeSpire considers cash and cash equivalents to include cash on hand and all highly liquid investments with a maturity of three months or less when purchased.

LifeSpire maintains cash balances at several financial institutions located within its market area. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC). At times, deposits may exceed FDIC amounts.

Notes Receivable

Notes receivable is comprised of amounts due to LifeSpire for advance fees due from residents who have moved into the facility but have not yet paid the full amount of the contractually agreed upon advance fee. The notes vary in length from 4 to 12 months, bear interest at varying rates, up to 4%, and are collateralized by the resident's personal investments.

Allowance for Credit Losses

LifeSpire provides an allowance for credit losses using management's judgment. Residents are not required to provide collateral for services rendered. Payment for services is required upon receipt of invoice or claim submitted. Accounts past due are individually analyzed for collectability. In addition, an allowance is estimated for other accounts based on the historical experience of LifeSpire, analysis of payor source and aging of receivable, and future economic conditions and market trends. Management believes the composition of receivables and roll-forward of allowance at year-end is consistent with historical conditions as credit terms and practices and the customer base has not changed significantly. The allowance for credit losses was approximately $1,333,000 and $659,000 at December 31, 2023 and 2022, respectively.

Beneficial Interest in Perpetual Trusts

LifeSpire holds a beneficial interest in several Perpetual Trusts. These trusts are administered by independent trustees and generally consist of cash and cash equivalents, mutual funds, and debt and equity securities, which are carried at fair value. Under the terms of the trusts, the donors have established and funded the trusts with specified distributions to be made to LifeSpire. Under the terms of several of the trusts, distributions of income are to be made in perpetuity. Because the trusts are perpetual, these funds are reported as perpetually restricted net assets with donor restrictions.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Beneficial Interest in Perpetual Trusts (Continued)

Income distributions from these trusts are recorded as investment income in the consolidated statements of operations and changes in net assets (deficit) without donor restrictions, while any appreciation (depreciation) in the trust value is recorded as a change in perpetually restricted net assets with donor restrictions, in accordance with donor restrictions. Under the terms of some of the trusts, distributions of income and/or principal are made at the discretion of the trustee. Due to this restriction, these funds are reported as purpose restricted net assets with donor restrictions. Distributions from these trusts are recorded as other revenue, while any appreciation (depreciation) in the trust value is recorded as a change in purpose restricted net assets with donor restrictions, in accordance with donor restrictions.

Investments

Investments with readily determinable market values are carried at fair value, with the exception of certain investments in absolute return strategy investments or hedge funds whose fair value is not readily determinable and whose investment is less than 3%. Such investments are accounted for using the lower of cost or market method. Other hedge fund investments whose investment is greater than 3% are accounted for under the equity method. Investments are comprised of stocks, mutual funds and hedge funds. The fair values of marketable equity securities, bonds and mutual funds are based on quoted market prices, if available, or estimated using quoted market prices for similar securities.

Five of the hedge funds are not considered liquid; however, they intend to have distributions made within three years and extend no longer than 10 years. Realized gains and losses are reported as activity without restriction.

Unrealized gains (losses) are included in excess (deficit) of revenues, gains and other support over (under) expenses and are reported as nonoperating income (loss). The cost of securities sold is based on the specific identification method, adjusted for impairment in the value of investments.

Assets Whose Use is Limited

Assets whose use is limited include assets held by a trustee under bond indenture agreements. Amounts required to meet current liabilities have been reclassified as current assets. Assets whose use is limited are carried at fair value.

Property, Plant, and Equipment

Property, plant, and equipment are reported on the basis of cost. Donated items are recorded at fair market value at the date of contribution. LifeSpire capitalizes all assets over $1,000 with a useful life greater than three years.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Plant, and Equipment (Continued)

Depreciation is computed using the straight-line method at rates calculated to amortize the cost of the assets over their estimated useful lives. The general range of estimated useful lives for buildings and land improvements is 20 to 40 years and the general range for equipment is 4 to 20 years. LifeSpire performs a review of its long-lived assets (including property and equipment) for impairment when events or changes in circumstances indicate the carrying value of such assets may not be recoverable.

If an indication of impairment is present, LifeSpire determines recoverability of its long-lived assets by evaluating the probability that undiscounted future cash flows will be less than the carrying amount of the assets. If future estimated undiscounted cash flows are less than the carrying amount of the long-lived assets, then such assets are written down to their estimated fair value. The fair value is determined based on valuation techniques such as comparison to fair values of similar assets or using a discounted cash flow analysis. Management believes that there are no impairments to long-lived assets in 2023 and 2022.

Deferred Financing Costs

Financing costs incurred in connection with the issuance of long-term debt are deferred and amortized over the term of the related indebtedness which approximates the effective interest method.

Leases

LifeSpire determines if an arrangement is a lease at inception. Operating leases are included in property, plant, and equipment as right-of-use (ROU) assets and lease payable in the consolidated balance sheets. ROU assets present LifeSpire’s right to use an underlying asset for the lease term and lease payables represent LifeSpire’s obligation to make lease payments arising from the lease. ROU assets and payables are recognized at the commencement date of the lease based on present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that LifeSpire will exercise the option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. LifeSpire has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease payables or ROU assets on the consolidated balance sheets.

Advance Fees

Advance fees represent the payments received at the time a resident is admitted to one of the communities. The nonrefundable portion of advance fees is recorded as deferred revenue from advance fees and is amortized into income over the estimated life expectancy of the residents, or couples, adjusted annually. The refundable portion of advance fees received is presented on the consolidated balance sheets as a refundable advance fee liability. The refundable portion of advance fees is not amortized to income. Upon the death of a sole surviving resident, any remaining unamortized portion of the nonrefundable advance fee is recognized as operating revenue.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advance Fees (Continued)

The residency agreements at certain of LifeSpire's communities provide for a declining refund upon termination by the residents during the first 50 months of occupancy. Refunds are generally payable the sooner of, one year or upon resale of the unit; however, beginning in 2016, residency agreements do not include the one-year requirement. These amounts are included as an advance fee refund liability. LifeSpire has estimated the current portion of this liability based on actual refunds paid over a ten-year period.

Obligation to Provide Future Services

LifeSpire annually calculates the present value of the net cost of future services and use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from advance fees. If the present value of the net cost of future services and use of facilities exceeds the deferred revenue from advance fees, a liability is recorded (obligation to provide future services). The obligation is discounted at 5.5% in both 2023 and 2022, based on the expected long-term rate of return on investments. Increases or decreases in the obligation are charged or credited to operations, respectively. As of December 31, 2023 and 2022, LifeSpire had no future service obligation.

Refundable Advance – CARES ACT

Provider Relief Funding

In response to the Coronavirus pandemic, the U.S. Department of Health and Human Services (HHS) made available emergency relief grant funds to health care providers through the CARES Act Provider Relief Fund (PRF). Total grant funds approved and received by LifeSpire as of December 31, 2021 was $3,156,053. The PRF's are subject to certain restrictions on eligible expenses or uses and reporting requirements. At December 31, 2023 and 2022, LifeSpire recognized $295,593 and $164,214, respectively, as gifts and donation revenue in the consolidated statement of operations. As of December 31, 2022, a Refundable Advance of $295,593 was recorded in the consolidated balance sheet. Management believes the amounts have been recognized appropriately as of December 31, 2023 and 2022.

Charity Care and Community Benefit

The mission of LifeSpire is to empower its residents with choices in purposeful living. LifeSpire employs a uniform financial qualification process for all prospective residents and will, under certain circumstances, provide housing and care to residents regardless of their ability to pay for those services.

LifeSpire defines and measures its community benefit primarily through the benevolence it provides to residents who cannot cover the full cost of their care. All residents are financially qualified at admission using actuarial life expectancies and the projected ability of the residents' income and assets to cover the estimated cost of future health care. LifeSpire provides care to residents who meet certain criteria under its financial assistance policy at a reduced rate. Key elements used to determine eligibility include a resident's demonstrated inability to pay due to increasing acuity of care, increasing costs of care and/or increasing longevity.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Charity Care and Community Benefit (Continued)

LifeSpire has estimated its direct and indirect costs of providing charity care under its financial assistance policy. In order to estimate the cost of providing such care, management calculated a cost-to-charge ratio by comparing the direct and allocated expenses by level of care to the corresponding revenues charged on an annual basis. The cost-to-charge ratio is applied to the charity care charges foregone to calculate the estimated cost of providing charity care. Using this methodology, LifeSpire has estimated the costs for services and supplies furnished under LifeSpire's financial assistance policy to be approximately $1,394,000 and $1,402,000 for the years ended December 31, 2023 and 2022, respectively.

Primarily through the support of the Virginia Baptist Homes Foundation, LifeSpire received approximately $1,518,000 to subsidize the costs of providing charity care under its financial assistance policy for the year ended December 3, 2022. LifeSpire received no support to subsidize the costs of providing charity care under its financial assistance policy for the year ended December 3, 2023.

In 2019, LifeSpire created the "Fresh Start" program at The Chesapeake to provide ongoing support to team members in need. Included under this program, a house purchased by LifeSpire is being used to provide ongoing support to team members in need with up to three months of housing while they work on a plan to become financially independent.

Operating Indicator

LifeSpire's operations include all revenue without restriction, gains, expenses and losses for the reporting period except for contributions of long-term assets and net assets released from restrictions for acquisition of property, plant, and equipment.

The board of trustees designates LifeSpire's investment income for support of current operations, consisting primarily of interest, dividend and realized gains and losses on investments related to funded depreciation and escrowed advance fees from residents. In addition, other activities not related to LifeSpire's mission are considered to be nonoperating.

Nonoperating gains and losses also include the change in unrealized gains (losses) on investments, loss on extinguishment of debt, loss on investment in joint venture, loss on disposal of property, plant, and equipment, and changes in obligation to provide future services and use of facilities to current residents.

Income Taxes

LifeSpire and each of its subsidiaries are nonprofit organizations exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3).

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

LifeSpire and each of its subsidiaries file as tax-exempt organizations. Management is not aware of any activities that would jeopardize the tax-exempt status of any of the entities. Management is not aware of any significant activities that are subject to tax on unrelated business income or excise or other taxes for LifeSpire or its subsidiaries.

LifeSpire and each of its subsidiaries follow guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The guidance has had no impact on LifeSpire's consolidated financial statements.

Professional Liability Insurance

LifeSpire has obtained general and professional liability insurance issued by Virginia Senior Care RRG, a Washington, DC risk retention group. LifeSpire's professional liability is on the claims-made basis. Under a claims-made policy, determination of coverage is triggered by the date the insured first becomes aware and notifies the insurer of a claim or potential claim.

Fair Value Measurements

LifeSpire categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that LifeSpire has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on LifeSpire's own assumptions, as there is little, if any, related market activity.

Subsequent to initial recognition, LifeSpire may re-measure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying amounts to their fair value.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions, and other factors such as credit loss assumptions. Securities valued using Level 1 inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. treasury and other U.S. government bonds. Level 2 inputs include deferred annuity obligations due from LifeSpire. Assets valued using Level 3 inputs include beneficial interests in perpetual trusts. Unobservable inputs for the Level 3 assets include amount and timing of distributions from the trusts.

Professional standards allow entities the irrevocable option to elect to measure certain financial instruments and other items at fair value for the initial and subsequent measurement on an instrument-by-instrument basis. LifeSpire follows the policy to value certain financial instruments at fair value; however, LifeSpire has not elected to measure any existing financial instruments at fair value. LifeSpire may elect to measure newly acquired financial instruments at fair value in the future.

New Accounting Pronouncements – ASU 2016-13

LifeSpire has adopted ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. LifeSpire adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on LifeSpire's financial statements but did change how the allowance for credit losses is determined.

Subsequent Events

In preparing these consolidated financial statements, LifeSpire has evaluated events and transactions for potential recognition or disclosure through April 18, 2024, the date the consolidated financial statements were issued.

NOTE 2 RESIDENTIAL, HEALTH CARE, AND CONTINUING CARE AT HOME SERVICES REVENUE

Residential, health care, and continuing care at home services revenue is reported at the amount that reflects the consideration to which LifeSpire expects to be entitled in exchange for providing resident care. These amounts are due from residents, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, LifeSpire bills the residents and third-party payors several days after the services are performed. Service fees paid by residents for maintenance, meals, and other services are assessed monthly and are recognized as revenue in the period services are rendered. Revenue is recognized as performance obligations are satisfied.

NOTE 2 RESIDENTIAL, HEALTH CARE, AND CONTINUING CARE AT HOME SERVICES REVENUE (CONTINUED)

Performance obligations are determined based on the nature of the services provided by LifeSpire. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. LifeSpire believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to residents in the facilities receiving skilled nursing services, housing residents receiving services in the facilities, or participants in their continuing care at home program. LifeSpire considers daily services provided to residents of the skilled nursing facilities, monthly rental for housing services, and monthly fees for continuing care at home services as a separate performance obligation and measures this on a monthly basis, or upon move-out within the month, whichever is shorter.

Nonrefundable entrance fees are considered to contain a material right associated with access to future services, which is the related performance obligation. Revenue from nonrefundable entrance fees is recognized ratably in future periods covering a resident's life expectancy using a time-based measurement similar to the output method. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to our residents and customers in a retail setting (for example, gift shop and cafeteria meals) and LifeSpire does not believe it is required to provide additional goods or services related to that sale.

Because all of its performance obligations relate to contracts with a duration of less than one year, LifeSpire has elected to apply the optional exemption provided in Financial Accounting Standards Board (FASB) *Accounting Standards Codification (ASC) 606-10-50-14(a)* and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

LifeSpire determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with LifeSpire's policy, and/or implicit price concessions provided to residents. LifeSpire determines its estimates of contractual adjustments based on contractual agreements, its policy, and historical experience. LifeSpire determines its estimate of implicit price concessions based on its historical collection experience.

NOTE 2 RESIDENTIAL, HEALTH CARE, AND CONTINUING CARE AT HOME SERVICES REVENUE (CONTINUED)

Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

Medicare and Medicaid

LifeSpire's licensed nursing facilities participate in the Medicare program. This federal program is administered by the Centers for Medicare and Medicaid Services (CMS). CMS finalized the Patient Driven Payment Model (PDPM) to replace the existing Medicare reimbursement system effective October 1, 2019. Under PDPM, the underlying complexity and clinical needs of a patient is used as a basis for reimbursement. In addition, PDPM introduces variable adjustment factors that change reimbursement rates during the resident's length of stay. Annual cost reports are required to be submitted to the designated Medicare Administrative Contractor; however, they do not contain a cost settlement.

Nursing facilities licensed for participation in the Medicare and Medical Assistance programs are subject to annual licensure renewal. If it is determined that a nursing facility is not in substantial compliance with the requirements of participation, CMS may impose sanctions and penalties during the period of noncompliance. Such a payment ban would have a negative impact on the revenues of the licensed nursing facility.

Some of LifeSpire's licensed nursing facilities participate in the Medicaid program which is administered by Virginia's Department of Medical Assistance Services (DMAS). DMAS uses a price-based payment system to reimburse providers, which was weighted for each claim based on the Resource Utilization Group (RUG) score listed on each claim. Each year DMAS publishes a priced-based total case mix rate and a total indirect rate, both of which make up the bulk of the base payment rate for each provider. The total case mix rate and the total indirect rate are determined by a preassigned peer group of geographically similar regions within Virginia. The price-based rate was weighted for the severity of care of the documented RUG listed for each claim. Effective October 1, 2019, new PDPM HIPPS codes replaced RUG scores listed on each claim for determining reimbursement amounts. Annual Medicaid cost reports are required by the state of Virginia, however, they are not used to settle the costs of claims. Instead, the cost reports are used in the development of price-based rates and to monitor the adequacy of the reimbursement methodology.

Other

Payment agreements with certain commercial insurance carriers provide for payment using prospectively determined daily rates.

NOTE 2 RESIDENTIAL, HEALTH CARE, AND CONTINUING CARE AT HOME SERVICES REVENUE (CONTINUED)

Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and LifeSpire's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in an implicit price concession impacting transaction price, were not significant in 2023 or 2022.

Generally, residents or at home participants who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. LifeSpire estimates the transaction price for residents with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions.

Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to revenue in the period of the change.

Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments were not considered material for the years ended December 31, 2023 and 2022. Subsequent changes that are determined to be the result of an adverse change in the resident's ability to pay are recorded as bad debt expense.

LifeSpire has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the following factors: payors, service line, method of reimbursement, and timing of when revenue is recognized.

The composition of residential, health care, and continuing care at home services revenue by primary payor for the years ended December 31, 2023 and 2022 is as follows:

	2023	2022
Medicare	$ 9,631,301	$ 9,873,518
Medicaid	806,770	821,991
Private	100,717,684	92,631,058
Commercial Insurers	2,130,250	2,032,093
Total	$ 113,286,005	$ 105,358,660

Revenue from residents' deductibles and coinsurance are included in the categories presented above based on the primary payor.

NOTE 2 RESIDENTIAL, HEALTH CARE, AND CONTINUING CARE AT HOME SERVICES REVENUE (CONTINUED)

The composition of residential, health care, and continuing care at home services revenue based on LifeSpire's lines of business, method of reimbursement, and timing of revenue recognition for the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
Service Lines:		
Independent Living	$ 46,665,170	$ 42,886,693
Assisted Living	13,248,058	12,136,453
Memory Support	5,977,477	5,261,948
Health Care Services	25,343,972	24,879,841
Continuing Care At Home Services	715,348	640,138
Amortization of Entrance Fees	21,335,980	19,553,587
Total	$ 113,286,005	$ 105,358,660
Method of Reimbursement:		
Monthly Service Fees	$ 60,628,576	$ 55,663,284
Amortization of Entrance Fees	21,335,980	19,553,587
Fee for Service	31,321,449	30,141,789
Total	$ 113,286,005	$ 105,358,660
Timing of Revenue and Recognition:		
Health Care Services Transferred Over Time	$ 113,286,005	$ 105,358,660

Financing Component

LifeSpire has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from residents and third-party payors for the effects of a significant financing component due to its expectation that the period between the time the service is provided to a resident and the time that the resident or a third-party payor pays for that service will be one year or less. However, LifeSpire does, in certain instances, enter into payment agreements with residents that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

Contract Costs

LifeSpire has applied the practical expedient provided by FASB ASC 340-40-25-4 and all incremental customer contract acquisition costs are expensed as they are incurred as the amortization period of the asset that LifeSpire otherwise would have recognized is one year or less in duration.

NOTE 2 RESIDENTIAL, HEALTH CARE, AND CONTINUING CARE AT HOME SERVICES REVENUE (CONTINUED)

Contract Costs (Continued)

The opening and closing contract balances were as follows:

	Accounts and Notes Receivable	Deferred Revenue from Advance Fees
January 1, 2022	$ 7,417,183	$ 113,721,716
December 31, 2022	7,156,622	113,841,811
December 31, 2023	11,973,825	118,762,061

NOTE 3 INVESTMENTS AND ASSETS WHOSE USE IS LIMITED

Investments and assets whose use is limited are summarized as follows as of December 31:

	2023	2022
Investments and Assets Whose Use is Limited		
Cash and Short-Term Investments	$ 6,740,982	$ 7,168,152
Mutual Funds	23,750,747	17,998,832
Marketable Equity Securities	26,442,940	24,891,185
Fixed Income	26,702,382	25,416,800
Absolute Return Strategy Investments/Hedge Funds (Liquidity in Excess of a Year)	2,313,828	2,160,169
Equity Method Securities	248,680	215,804
Total	$ 86,199,559	$ 77,850,942

At December 31, the assets held by the trustee under various bond agreements are as follows:

	2023	2022
Bond Sinking Fund	$ 3,388,188	$ 3,161,124
Debt Service Reserve Fund	8,497,978	7,951,856
Construction Fund	9,715	1,024,989
Principal Fund	451,357	438,445
Interest Fund	1,926,114	1,821,384
Total	$ 14,273,352	$ 14,397,798

NOTE 3 INVESTMENTS AND ASSETS WHOSE USE IS LIMITED (CONTINUED)

Under LifeSpire's reserve spending policy, dividends, interest and realized gains and losses generated by the portion of the investment pool related to funded depreciation and escrowed advance fees from residents are appropriated to support current operations. The following schedule summarizes investment income (loss):

	2023	2022
Dividends and Interest	$ 2,970,663	$ 2,773,121
Net Realized Losses	(485,527)	(3,542,971)
Total Investment Income (Loss)	$ 2,485,136	$ (769,850)

Marketable equity and debt securities and other investments are carried at fair value based on quoted market prices. Realized gains and losses on the sale of investments are determined based on the cost of specific investment sold.

NOTE 4 PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment consist of the following as of December 31:

	2023	2022
Land and Land Improvements	$ 35,643,545	$ 29,077,313
Buildings and Fixed Equipment	409,792,353	389,426,476
Vehicles	2,339,912	2,167,618
Movable Equipment	31,525,025	30,932,340
Right-of-Use Assets	2,555,402	2,541,809
Construction in Progress	19,058,664	21,825,656
Subtotal	500,914,901	475,971,212
Less: Accumulated Depreciation	229,825,131	211,509,503
Property, Plant, and Equipment, Net	$ 271,089,770	$ 264,461,709

Construction in progress at December 31, 2023 and 2022 was related to expansion projects at LifeSpire's facilities, as well as apartment renovations and improvements to common areas. As of December 31, 2023 LifeSpire has remaining construction commitments amounting to approximately $1,233,000 related to these projects.

NOTE 5 RIGHT-OF USE LEASES

LifeSpire leases equipment as well as certain office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2028 and many cases provide for rent escalations and renewal options. Renewal options are at the sole discretion of LifeSpire. Escalation terms include fixed-rent escalations annually. Total rent expense on these leases was approximately $171,000 and $174,000 for 2023 and 2022, respectively.

A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2023, is as follows:

Year Ending December 31,	Amount
2024	$ 385,728
2025	375,771
2026	355,988
2027	70,480
2028	4,001
Total Lease Payments	1,191,968
Less: Current Portion	(347,486)
Less: Imputed Interest	(73,622)
Present Value of Lease Payable, Net of Current Portion	$ 770,860

The lease payable will continue to be impacted by new leases, lease modifications, lease terminations, and reevaluation of any new facts and circumstances. As of December 31, 2023 and 2022, the weighted average lease term remaining that is included in the maturities of the lease payables is 2.30 and 4.06 years, respectively.

As the rate implicit in each lease is not readily determinable, LifeSpire uses an incremental borrowing rate to calculate the lease liability that represents an estimate of the interest rate LifeSpire would have to borrow on a collateralized basis over the term of a lease. The weighted average discount rate used for operating leases was 4.0% at December 31, 2023 and 2022.

NOTE 6 LONG-TERM DEBT AND NOTES PAYABLE

Long-term debt consists of the following as of December 31:

Description	2023	2022
Industrial Development Authority of Botetourt County, Virginia Residential Care Facility Revenue Refunding Bonds Series 2014A (Glebe Series 2014A Bonds):		
Serial bond, matures June 30, 2044. Interest is payable semiannually at a variable rate between 3% and 6%. Principal payments began January 1, 2015.	$ 32,505,000	$ 33,285,000
Economic Development Authority of the City of Newport News, Virginia Residential Care Facilities Revenue Refunding Bonds (LifeSpire of Virginia), Series 2016:		
Serial bonds, due in graduated annual installments ranging from $2,550,000 in 2017 to $3,520,000 in 2026 and bear interest at varying rates ranging from 1.9% to 5%.	9,935,000	13,005,000
Term bond, due December 1, 2029. Interest is payable semiannually at a rate of 3.5%.	9,095,000	9,095,000
Term bond due December 1, 2031. Interest is payable semiannually at a rate of 5.0%.	10,530,000	10,530,000
Term bond due December 1, 2038. Interest is payable semiannually at a rate of 5.0%.	36,430,000	36,430,000
Economic Development Authority of Henrico County, Virginia Residential Care Facility Revenue and Refunding Bonds (LifeSpire of Virginia) Series 2017C		
Serial bonds, due in graduated annual installments ranging from $1,060,000 in 2021 to $1,270,000 in 2027 and bear interest at varying rates ranging from 3.0% to 3.5%.	4,845,000	5,965,000
Term bond, due December 1, 2032. Interest is payable semiannually at a rate of 4.0%.	7,120,000	7,120,000
Term bond, due December 1, 2037. Interest is payable semiannually at a rate of 5.0%.	8,840,000	8,840,000
Term bond, due December 1, 2047. Interest is payable semiannually at a rate of 5.0%.	25,675,000	25,675,000
Term loan, due August 1, 2026. Interest is payable monthly at a variable rate of Daily Simple SOFR plus 1.3% (6.61% at December 31, 2023).	14,246,000	15,494,000

NOTE 6 LONG-TERM DEBT AND NOTES PAYABLE (CONTINUED)

Description	2023	2022
Virginia Small Business Financing Authority, Residential Care Facilities Revenue and Refunding Bonds (LifeSpire of Virginia) Series 2021		
Serial bonds, due in graduated annual installments ranging from $1,455,000 in 2022 to $1,635,000 in 2026 and bear interest at 3%.	$ 4,765,000	$ 6,260,000
Term bond, due December 1, 2031. Interest is payable semiannually at a rate of 4.0%.	9,120,000	9,120,000
Term bond, due December 1, 2036. Interest is payable semiannually at a rate of 4.0%.	11,100,000	11,100,000
Term bond, due December 1, 2041. Interest is payable semiannually at a rate of 4.0%.	13,505,000	13,505,000
Term bond, due December 1, 2051. Interest is payable semiannually at a rate of 4.0%.	36,435,000	36,435,000
Total	234,146,000	241,859,000
Less: Current Portion	(12,725,000)	(12,705,000)
Less: Unamortized Deferred Financing Costs	(4,511,501)	(4,717,964)
Plus: Unamortized Bond Premium	15,121,986	15,804,013
Less: Unamortized Bond Discount	(830,989)	(870,560)
Total	$ 231,200,496	$ 239,369,489

In October 2016, LifeSpire defeased the outstanding Series 2006A and 2006C Bonds and the outstanding amounts drawn on the line of credit by issuing a note for $85,505,000 in relation to Economic Development Authority of the City of Newport News, Virginia Residential Care Facilities Revenue Refunding Bonds Series 2016 (Series 2016 Bonds). In connection with the refunding of the Series 2006A and 2006C Bonds, LifeSpire recognized a loss on extinguishment in 2016 of $1,903,178 related to the write-off of deferred financing costs.

NOTE 6 LONG-TERM DEBT AND NOTES PAYABLE (CONTINUED)

In June 2014, The Glebe issued two new notes totaling $41,155,000 in relation to the Industrial Development Authority of Botetourt County, Virginia Residential Care Facility Revenue Refunding Bonds (Series 2014A Bonds) and Industrial Development Authority of Botetourt County, Virginia Residential Care Facility Revenue Refunding Bonds (Series 2014B Bonds). The Glebe Series 2014A and 2014B Bonds were used to refund the outstanding Virginia Small Business Financing Authority Residential Care Facility Revenue Refunding Bonds (Series 2012A Bonds). The Virginia Small Business Financing Authority Residential Care Facility Subordinated Taxable Bonds Series 2012B Bonds (Series 2012B Bonds) were also refunded through this issuance; however, a portion of the Series 2012B Bonds were forgiven in accordance with the provisions of the Series 2012 Bonds. At that time, The Glebe Series 2012A and 2012B Bonds were cancelled and extinguished and were no longer considered outstanding. The Series 2014A and 2014B Bonds are collateralized by a deed of trust of certain facilities of The Glebe as well as a security interest in certain other assets and property. The Series 2014B Bond was paid in full in January 2018.

In July 2017, LifeSpire issued a note for $30,000,000 to fund the project costs of the Culpeper renovations in relation to the Economic Development Authority of Culpeper County, Virginia Residential Care Facilities Revenue Bond Series 2017A (Series 2017A Bond). Monthly payments of interest began September 1, 2017 at a variable interest rate of One-Month LIBOR times 67% plus a spread of 2.65%. Monthly principal payments began August 1, 2020 with all unpaid principal and interest due July 1, 2047. The Series 2017A Bond was refinanced in 2021 and paid off with the issuance of the Series 2021 Bonds.

In July 2017, LifeSpire issued a note for $18,112,000 to fund the project costs of the Culpeper renovations in relation to the Economic Development Authority of Culpeper County, Virginia Residential Care Facilities Revenue Bond Series 2017B (Series 2017B Bond). Monthly payments of interest began September 1, 2017 at a variable interest rate of One-Month LIBOR times 67% plus a spread of 2.25%. Monthly principal payments began August 1, 2020 with all unpaid principal and interest due July 1, 2047. The Series 2017B Bonds was refinanced in 2021 and paid off with the issuance of the Series 2021 Bonds.

In December 2017, LifeSpire issued a note totaling $49,750,000 to fund the project costs of the Lakewood and The Glebe renovations and refund $2,565,000 of The Glebe Series 2014B Bonds in relation to the Economic Development Authority of Henrico County, Virginia Residential Care Facilities Revenue and Refunding Bonds Series 2017C (Series 2017C Bonds). The 2017C Bonds are comprised of serial bonds due in annual installments through 2027 and term bonds due in 2032, 2037 and 2047.

NOTE 6 LONG-TERM DEBT AND NOTES PAYABLE (CONTINUED)

In August 2021, LifeSpire issued a note totaling $77,875,000 to fund the purchase of The Summit, refund the existing Series 2017A and Series 2017B Bonds, terminate the interest rate swap agreements associated with the Series 2017A and Series 2017B bonds, pay for certain costs of issuance and fund project costs at Lakewood and Culpeper in relation to the Virginia Small Business Financing Authority Residential Care Facilities Revenue and Refunding Bonds Series 2021 (Series 2021 Bonds). The 2021 Bonds are comprised of serial bonds due in annual installments through 2026 and term bonds due in 2031, 2036, 2041 and 2051. In addition to the Series 2021 Bonds, a taxable loan not to exceed $15,600,000 (the 2021 Taxable Loan) was issued to fund the purchase of The Summit, pay for certain costs of issuance, and provide working capital for renovations to The Summit. The 2021 Taxable Loan is comprised of $6,240,000 due within 3 years of closing with the remainder due 5 years after closing.

The Series 2016, 2017 and 2021 Bonds are collateralized by a deed of trust of certain facilities of the LifeSpire Obligated Group as well as a security interest in inventory, accounts, documents, instruments, other monies, chattel paper and general intangibles. The related agreements also contain certain covenants, including a requirement that days cash on hand (as defined) be in excess of 120 days and that the long-term debt service coverage ratio be in excess of 1.20. Management is not aware of any noncompliance with these covenants as of December 31, 2023.

Each member of the LifeSpire Obligated Group under the Master Trust Indenture dated January 1, 2003 and the Amended and Restated Master Trust Indenture dated October 1, 2016 is jointly and severally liable for the payment of all LifeSpire Obligated Group Long-Term Debt; however, the individual LifeSpire Obligated Group members are not liable for any other claims against the other LifeSpire Obligated Group members. As part of the Series 2017C Bond issuance described above, a supplemental indenture was entered into related to the Amended and Restated Master Trust Indenture dated October 1, 2016. As part of this supplemental indenture, The Glebe was brought into the Obligated Group and is now subject to the provisions of each Master Trust Indenture noted above. As part of the Series 2021 Bond issuance described above, a supplemental indenture was entered into related to the Amended and Restated Master Trust Indenture dated October 1, 2016. As part of this supplemental indenture, The Summit was brought into the Obligated Group and is now subject to the provisions of each Master Trust Indenture noted above. These changes were adopted retrospectively.

Accordingly, no LifeSpire entity is liable for any indebtedness of any other LifeSpire entity other than the limited cross liability of the LifeSpire Obligated Group for the LifeSpire Long-Term Debt as discussed above. The Foundation is not a member of the LifeSpire Obligated Group.

NOTE 6 LONG-TERM DEBT AND NOTES PAYABLE (CONTINUED)

Scheduled sinking fund and principal repayments of long-term debt are as follows:

Year Ending December 31,	Amount
2024	$ 12,725,000
2025	10,074,333
2026	12,441,667
2027	3,925,000
2028	4,090,000
Thereafter	190,890,000
Total	$ 234,146,000

During 2023 and 2022, LifeSpire paid approximately $10,417,000 and $10,497,000, respectively, for interest, net of amounts capitalized.

NOTE 7 ADVANCE FEES AND DEPOSITS

A refundable deposit of $1,000 of the advance fee is made at the time a priority list agreement for The Culpeper, The Chesapeake, Lakewood, The Summit or The Glebe is executed. Advance fees received from residents are subject to the refund provisions of Residents' Agreements. Refunds expire ratably over a 10 to 50-month period starting from the resident's date of entrance. At December 31, 2023 and 2022, the portion of advance fees subject to refund provisions amounted to approximately $107,286,000 and $100,272,000, respectively. Amounts expected to be refunded to current residents, based on LifeSpire's experience, are approximately $10,863,000 and $6,777,000 at December 31, 2023 and 2022, respectively.

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with donor restrictions are restricted for the following purposes or periods as of December 31, 2023 and 2022:

	2023	2022
Subject to Expenditure for Specific Purpose:		
Purchase of Equipment	$ 370,515	$ 366,585
Benevolent Care of Residents	2,460,518	3,197,893
Other	557,790	115,561
Total	3,388,823	3,680,039
Annuity Trust Agreements	1,254,723	993,917
Beneficial Interests in Perpetual Trusts	8,628,817	8,761,266
Subject to the Corporation's Spending Policy and Appropriation:		
Endowment Funds	4,605,225	4,594,065
Total Net Assets With Donor Restrictions	$ 17,877,588	$ 18,029,287

During the years ended December 31, 2023 and 2022, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes as follows:

	2023	2022
Benevolent Care of Residents	$ 740,174	$ 751,326
Other	12,596	18,642
Total Releases	$ 752,770	$ 769,968

LifeSpire's net assets with donor restrictions include individual endowments established for a variety of purposes. Net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions.

Interpretation of Relevant Law

The state of Virginia adopted the Virginia Prudent Management of Institutional Funds Act (the Act). The Board of Trustees of LifeSpire has interpreted the Act as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, LifeSpire classifies as perpetually restricted net assets (1) the original value of gifts donated to the permanent endowment and (2) the original value of subsequent gifts to the permanent endowment.

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Interpretation of Relevant Law (Continued)

The remaining portion of the donor-restricted Endowment Fund that is not classified in perpetually restricted net assets with donor restrictions is classified as purpose restricted net assets with donor restrictions until those amounts are appropriated for expenditure by LifeSpire in a manner consistent with the standard of prudence prescribed in the Act.

In accordance with the Act, LifeSpire considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of LifeSpire and the Donor-Restricted Endowment Fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of LifeSpire
- The investment policy of LifeSpire

Funds with Deficiencies

It is LifeSpire's policy to maintain the corpus amounts of each individual Donor-Restricted Endowment Fund received. If the fair value of assets associated with Individual Donor-Restricted Endowment Funds were to fall below the level that the donor or the Act requires LifeSpire to retain as a fund of perpetual duration, in accordance with GAAP, deficiencies of this nature are reported in net assets without donor restrictions.

Return Objectives and Risk Parameters

LifeSpire has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment. Endowment assets include those assets of donor-restricted funds that LifeSpire must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the board of trustees, the endowment assets are invested in a manner that is intended to preserve and grow capital, strive for consistent absolute returns, preserve purchasing power by striving for long-term returns which either match or exceed the set payout, fees and inflation without putting the principal value at imprudent risk, and diversify investments consistent with commonly accepted industry standard to minimize the risk of large losses.

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, LifeSpire relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Management targets a diversified asset allocation that meets LifeSpire's long-term rate of return objectives while avoiding undue risk from imprudent concentration in any single asset class or investment vehicle.

Spending Policy and How the Investment Objectives Relate to Spending Policy

LifeSpire's spending policy is consistent with its objective of preservation of the fair value of the original gift of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

Perpetually restricted net assets of approximately $13,234,000 and $13,355,000 at December 31, 2023 and 2022, respectively, are restricted to investment in perpetuity, the income some of which is not donor-restricted and is expendable primarily to support residential services. Of these totals, approximately $8,629,000 and $8,761,000 relates to split interest agreements that are administered and managed by third parties as trustees at December 31, 2023 and 2022, respectively. LifeSpire does not have the ability to make any investing decisions related to these funds. The remaining $4,605,000 and $4,594,000 of perpetually restricted net assets with donor restrictions are managed by LifeSpire at December 31, 2023 and 2022, respectively. LifeSpire had no board designated endowment funds for the years ended December 31, 2023 and 2022.

The perpetually restricted assets include beneficial interest in charitable remainder trusts, as well as other investments which are pooled with LifeSpire's investment portfolio with the objectives of providing long-term growth of capital, maximizing the return on assets over the long-term while diversifying investments within asset classes to reduce the impact of losses in single investments.

Endowment net asset composition by type of fund was as follows as of December 31:

	2023	2022
Donor-Restricted Endowment Funds:		
Portion subject to appropriation under UPMIFA	$ 1,146,986	$ 1,146,986
Original Donor-Restricted Gift Amount and Amounts Required to be Retained by Donor	4,605,225	4,594,065
Total Funds	$ 5,752,211	$ 5,741,051

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Spending Policy and How the Investment Objectives Relate to Spending Policy (Continued)

The following is the change in endowment net assets managed by LifeSpire for the years ended December 31, 2023 and 2022:

	2023			
	Without Donor Restrictions	Purpose Restricted	Perpetual in Nature	Total
Endowment Net Assets, Beginning of the Year	$ -	$ 1,146,986	$ 4,594,065	$ 5,741,051
Realized Losses and Change in Unrealized Losses on Investments	-	-	-	-
Contributions	-	-	11,160	11,160
Endowment Net Assets, End of Year	$ -	$ 1,146,986	$ 4,605,225	$ 5,752,211

	2022			
	Without Donor Restrictions	Purpose Restricted	Perpetual in Nature	Total
Endowment Net Assets, Beginning of the Year	$ -	$ 1,146,986	$ 4,464,504	$ 5,611,490
Realized Losses and Change in Unrealized Losses on Investments	-	-	-	-
Contributions	-	-	129,561	129,561
Endowment Net Assets, End of Year	$ -	$ 1,146,986	$ 4,594,065	$ 5,741,051

NOTE 9 ANNUITY PLAN

All employees of LifeSpire are eligible to participate in the GuideStone 403(b) Plan (the Plan). The Plan provides retirement contributions for those employees completing six months of service and a minimum of 500 hours of service during a six-month period. LifeSpire matches eligible employees' contributions. The match is determined as a percentage of the participant's compensation, not to exceed 4.5% in 2023 and 2022. The participant is fully vested in the matching contribution. LifeSpire may also make discretionary contributions. Participants may make voluntary contributions, not to exceed the lesser of $18,500 or 20%, with certain exceptions, of their annual compensation during the plan year.

Contributions by LifeSpire were approximately $960,000 and $1,089,000 for the years ended December 31, 2023 and 2022, respectively.

NOTE 10 LIQUIDITY AND AVAILABILITY

LifeSpire invests cash in excess of short-term requirements in short-term investments. In addition, LifeSpire has long-term mutual funds and equity securities which are liquid within one week and hedge funds and equity method securities which are liquid quarterly. As of December 31, 2023 and 2022, LifeSpire had working capital of $17,421,221 and $25,148,527, respectively.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	2023	2022
Cash and Cash Equivalents	$ 37,740,751	$ 44,432,119
Investments and Assets Whose Use is Limited:		
Mutual Funds	23,750,747	17,998,832
Marketable Equity Securities	26,442,940	24,891,185
Fixed Income	26,702,382	25,416,800
Equity Method Securities	248,680	215,804
Accounts Receivable, Net	8,989,379	4,705,590
Notes Receivable	2,984,446	2,451,032
Less: Purpose Restricted Net Assets	(3,388,823)	(3,680,039)
Total Financial Assets Available to Meet Liquidity Needs	$ 123,470,502	$ 116,431,323

NOTE 11 FAIR VALUE MEASUREMENTS

LifeSpire uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. All assets have been valued using a market approach, except for Level 3 beneficial interests in perpetual trusts. Alternative funds held by LifeSpire seek long-term capital appreciation and reduction of overall portfolio risk through investing in hedge funds of funds, real estate investment trusts, or commodities. LifeSpire established alternative investment valuation procedures in which Management validates the fair value reported by the third-party investment manager. For additional information on how LifeSpire measures fair value refer to Note 1 – Organization and Summary of Significant Accounting Policies.

The following table presents the fair value hierarchy for the balances of the assets and liabilities of LifeSpire measured at fair value on a recurring basis as of December 31, 2023 and 2022:

	2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Assets Whose Use is Limited and Investments:				
Mutual Funds	$ 23,750,747	$ -	$ -	$ 23,750,747
Marketable Equity Securities	26,442,940	-	-	26,442,940
Fixed Income	26,702,382	-	-	26,702,382
Beneficial Interest in Perpetual Trust Funds	-	-	8,628,817	8,628,817
Total Assets	$ 76,896,069	$ -	$ 8,628,817	$ 85,524,886
Liabilities:				
Annuities Payable	$ -	$ 672,850	$ -	$ 672,850
Total Liabilities	$ -	$ 672,850	$ -	$ 672,850

NOTE 11 FAIR VALUE MEASUREMENTS (CONTINUED)

	2022			
	Level 1	Level 2	Level 3	Total
Assets:				
Assets Whose Use is Limited and Investments:				
Mutual Funds	$ 17,998,832	$ -	$ -	$ 17,998,832
Marketable Equity Securities	24,891,185	-	-	24,891,185
Fixed Income	25,416,800	-	-	25,416,800
Beneficial Interest in Perpetual Trust Funds	-	-	8,761,266	8,761,266
Total Assets	$ 68,306,817	$ -	$ 8,761,266	$ 77,068,083
Liabilities:				
Annuities Payable	$ -	$ 492,030	$ -	$ 492,030
Total Liabilities	$ -	$ 492,030	$ -	$ 492,030

The tables above include all assets whose use is limited and investments with the exception of cash and short-term investments and absolute return strategy investments/hedge funds and equity method investments as these investments are measured at cost at December 31, 2023 and 2022.

The following table presents changes in assets measured at fair value using Level 3 inputs on a recurring basis for the year ended December 31:

	Beneficial Interests
Balance at January 1, 2022	$ 11,591,162
Total Gains or Losses (Realized or Unrealized) for the Year Included in Operating Profit	(2,829,896)
Balance at December 31, 2022	8,761,266
Total Gains or Losses (Realized or Unrealized) for the Year Included in Operating Profit	(132,449)
Balance at December 31, 2023	$ 8,628,817

NOTE 11 FAIR VALUE MEASUREMENTS (CONTINUED)

Certain alternative investments held by LifeSpire calculate net asset value per share (or its equivalent). The following tables set forth additional disclosures for the fair value measurement of these investments that calculate net asset value per share for the years ended December 31, 2023 and 2022:

	2023			
	Net Asset Value	Unfunded Commitments	Frequency (If Currently Eligible)	Redemption Notice Period
TIFF Partners V-US	$ 10,150	$ 35,000	Quarterly	10 Business Days
MAP Heritage	1,432,229	-	Short-term	10 Business Days
Commonfund Int'l Partners V	-	15,719	Quarterly	10 Business Days
Venture Investment Assoc. V	120,689	15,000	Quarterly	10 Business Days
SFM Private Equity I, L.P.	71,459	335,000	Quarterly	5 Business Days
SFM Opportunities V, L.P.	1,179,934	160,058	Quarterly	5 Business Days
Total	$ 2,814,461	$ 560,777		

	2022			
	Net Asset Value	Unfunded Commitments	Frequency (If Currently Eligible)	Redemption Notice Period
TIFF Partners V-US	$ 27,095	$ 35,000	Quarterly	10 Business Days
MAP Heritage	1,432,229	-	Short-term	10 Business Days
Commonfund Int'l Partners V	-	15,719	Quarterly	10 Business Days
Venture Investment Assoc. V	131,779	15,000	Quarterly	10 Business Days
SFM Private Equity I, L.P.	100,166	335,000	Quarterly	5 Business Days
SFM Opportunities V, L.P.	1,193,327	169,892	Quarterly	5 Business Days
Total	$ 2,884,596	$ 570,611		

The investment funds are valued at the net asset value (NAV) of units, which are based on market prices of the underlying investments, held by LifeSpire at year-end. TIFF Partners' investment objective is to invest in domestic private equity investment partnerships and to maintain endowment purchasing power for its investors by generating returns greater than those provided by the broader United States stock market. MAP Heritage invest in direct and indirect interests in natural gas and oil royalty interests associated with some of the largest, long-life gas fields in the U.S. Commonfund International Partners V invests in approximately 15 to 20 top-tier international private equity and venture capital funds. Venture Investment Associates V was formed to provide investors with significant long-term appreciation through investment in private equity partnerships. SFM Opportunities V, L.P. invest in nonmarketable limited partnership interests in private equity partnerships that invest in the energy sector or other national resources. SFM Private Equity I, L.P. invests in nonmarketable limited partnership interests in private equity partnerships with the objective to generate long-term returns greater than those available through traditional public equity investing.

NOTE 12 COMMITMENTS AND CONTINGENCIES

As an agency of the BGAV, LifeSpire receives certain additional support which approximated $10,000 and $11,000 during the years ended December 31, 2023 and 2022, respectively.

LifeSpire is subject to legal proceedings and claims which arise in the course of providing health care services. LifeSpire maintains liability insurance coverage for claims made during the policy year. In management's opinion, adequate provision has been made for amounts expected to be paid under the policy's deductible limits for unasserted claims not covered by the policy and any other uninsured liability.

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

Liability Insurance

LifeSpire, together with other similar retirement communities in the state of Virginia, is a shareholder of Virginia Senior Care Group, a limited liability corporation whose primary purpose is that of obtaining general liability and professional insurance for its shareholders. Under the terms of the policy, the risk for these entities is pooled and a potential liability for this coverage is actuarially determined. Premiums paid represent a portion of the potential liability, as actuarially determined for the group. In addition, LifeSpire maintains a loss fund deposit in the event that claims exceed the premiums. The policy also provides for umbrella coverage, which functions as an extension of the primary limit. The policy is written on a claims first made basis and has a component of reinsurance. Management has not recorded any liabilities related to this policy as it is not aware of any underfunding within the pool.

Health Insurance

During 2012, LifeSpire began to self-insure its employees' health plan by joining the Heritage Group Health Program, with the exception of The Glebe which joined in 2016. This program, on behalf of LifeSpire and other similar retirement communities in the state of Virginia, has contracted with an administrative service company to supervise and administer the program and act as its representative. Provisions for expected future payments are accrued based on LifeSpire's experience and include amounts for claims filed and claims incurred but not reported. LifeSpire insures for excessive and unexpected health claims and is liable for claims not to exceed $100,000 for each employee per plan year and an aggregate amount of $1,000,000 per plan year.

NOTE 13 FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated on a square footage basis include occupancy, repairs and maintenance, taxes, utilities, other, depreciation and interest expense. Dietary and food services expenses are allocated based on number of meals served. The expenses that are allocated based on the number of units occupied include legal and accounting, marketing, and professional services. Supplies are allocated based on resident days.

Program, management, and fundraising expenses for the year ended December 31, 2023 are summarized as follows:

	Program Services						
	Independent Living	Assisted Living	Health Center	Total	Management and General	Fundraising	Total
Salaries and Wages	$ 14,303,733	$ 13,673,842	$ 19,090,326	$ 47,067,901	$ 4,540,533	$ 529,517	$ 52,137,951
Employee Benefits	2,507,266	2,290,557	2,816,750	7,614,573	423,528	94,659	8,132,760
Dietary and Food Service	2,839,359	1,604,411	1,332,841	5,776,611	-	-	5,776,611
Therapy	-	-	3,290,973	3,290,973	-	-	3,290,973
Insurance	1,087,915	170,751	117,377	1,376,043	26,467	4,208	1,406,718
Marketing Expense	940,869	230,656	174,260	1,345,785	-	33,142	1,378,927
Professional Services	1,029,693	252,431	190,711	1,472,835	479,742	-	1,952,577
Rental Equipment	351,316	55,140	37,904	444,360	19,971	-	464,331
Occupancy, Repairs, and Maintenance	2,870,615	450,549	309,715	3,630,879	261,733	35,462	3,928,074
Supplies	2,169,716	511,564	1,847,059	4,528,339	75,753	4,622	4,608,714
Taxes	125,074	19,631	13,494	158,199	-	-	158,199
Telephone	1,182,643	185,618	127,597	1,495,858	52,665	600	1,549,123
Utilities	3,153,161	494,895	340,199	3,988,255	-	-	3,988,255
Other	1,853,871	290,969	200,017	2,344,857	1,291,925	240,672	3,877,454
Depreciation	14,068,704	2,208,113	1,567,183	17,844,000	158,389	3,330	18,005,719
Interest Expense	8,207,563	1,289,637	837,227	10,334,427	230,905	-	10,565,332
Total Expenses by Function	$ 56,691,498	$ 23,728,764	$ 32,293,633	$ 112,713,895	$ 7,561,611	$ 946,212	$ 121,221,718

NOTE 13 FUNCTIONAL EXPENSES (CONTINUED)

Program, management, and fundraising expenses for the year ended December 31, 2022 are summarized as follows:

	Program Services						
	Independent Living	Assisted Living	Health Center	Total	Management and General	Fundraising	Total
Salaries and Wages	$ 12,624,371	$ 12,811,614	$ 17,381,866	$ 42,817,851	$ 4,225,961	$ 484,158	$ 47,527,970
Employee Benefits	2,141,353	2,102,116	2,492,083	6,735,552	614,978	85,562	7,436,092
Dietary/Food Service	2,605,214	1,686,168	1,306,222	5,597,604	-	-	5,597,604
Therapy	-	-	3,317,499	3,317,499	-	-	3,317,499
Insurance	806,977	126,657	87,066	1,020,700	27,490	1,182	1,049,372
Marketing Expense	891,444	236,560	162,879	1,290,883	-	20,415	1,311,298
Professional Services	953,179	252,943	174,159	1,380,281	425,663	3,365	1,809,309
Rental Equipment	257,980	40,491	27,834	326,305	20,136	-	346,441
Occupancy, Repairs, and Maintenance	3,842,625	603,108	414,586	4,860,319	305,396	19,252	5,184,967
Supplies	1,874,375	481,529	1,749,423	4,105,327	186,916	6,949	4,299,192
Taxes	138,298	21,706	14,921	174,925	-	-	174,925
Telephone	994,033	156,016	107,248	1,257,297	215,458	600	1,473,355
Utilities	2,884,927	452,795	311,259	3,648,981	-	-	3,648,981
Other	1,653,818	259,570	178,433	2,091,821	1,158,085	202,853	3,452,759
Depreciation	13,491,257	2,117,481	1,504,881	17,113,619	164,447	3,330	17,281,396
Interest Expense	8,534,166	1,302,870	846,324	10,683,360	-	-	10,683,360
Total Expenses by Function	$ 53,694,017	$ 22,651,624	$ 30,076,683	$ 106,422,324	$ 7,344,530	$ 827,666	$ 114,594,520

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INDEPENDENT AUDITORS' REPORT
ON ACCOMPANYING INFORMATION

Board of Trustees
Virginia Baptist Homes, Incorporated
dba: LifeSpire of Virginia and Subsidiaries
Richmond, Virginia

We have audited the consolidated financial statements of Virginia Baptist Homes, Incorporated dba: LifeSpire of Virginia and Subsidiaries as of and for the year ended December 31, 2023 and our report thereon dated April 18, 2024 which expressed an unmodified opinion on those consolidated financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information and combining information for the Obligated Group as listed under "Accompanying Information" on the table of contents are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies or the Obligated Group, and they are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating and combining information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information and combining information for the Obligated Group are fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North Carolina
April 18, 2024

VIRGINIA BAPTIST HOMES, INCORPORATED
DBA: LIFESPIRE OF VIRGINIA AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2023

ASSETS	Consolidated	Eliminations	Virginia Baptist Homes, Incorporated	Culpeper Baptist Retirement Community, Incorporated	Newport News Baptist Retirement Community, Incorporated	Lakewood Manor Baptist Retirement Community, Incorporated	The Glebe, Incorporated	Lynchburg Baptist Retirement Community, LLC	Virginia Baptist Homes Foundation, Incorporated
CURRENT ASSETS									
Cash and Cash Equivalents	$ 37,740,751	$ -	$ 20,490,469	$ (86,304)	$ (131,399)	$ 432,060	$ 17,296,846	$ (494,135)	$ 233,214
Assets Whose Use is Limited	4,895,773	-	517,911	1,248,071	-	2,006,799	1,024,251	98,741	-
Accounts Receivable	8,989,379	-	-	2,687,282	2,476,144	2,300,597	1,450,036	75,320	-
Allowance for Credit Losses	(1,333,138)	-	-	(484,287)	(367,788)	(261,435)	(218,438)	(1,190)	-
Accounts Receivable, Net	7,656,241	-	-	2,202,995	2,108,356	2,039,162	1,231,598	74,130	-
Notes Receivable	2,984,446	-	-	243,000	1,027,495	953,251	333,500	427,200	-
Prepaid Expenses	1,507,600	-	1,200,593	44,644	50,810	61,651	23,673	67,546	58,683
Due from Affiliates	-	(190,188,412)	54,383,336	7,317,469	1,616,157	75,001,602	7,147,349	24,442,276	20,280,223
Deposits and Other	1,254,211	-	1,253,494	717	-	-	-	-	-
Total Current Assets	56,039,022	(190,188,412)	77,845,803	10,970,592	4,671,419	80,494,525	27,057,217	24,615,758	20,572,120
INVESTMENTS	71,926,207	-	22,096,352	31,250	2,511,562	18,770,931	18,385,286	-	10,130,826
BENEFICIAL INTEREST IN PERPETUAL TRUST	8,628,817	-	4,219,350	301,941	598,166	486,675	3,022,685	-	-
ASSETS WHOSE USE IS LIMITED									
Under Bond Indenture Agreement	14,273,352	-	5,862,583	306,804	-	6,554,376	1,379,449	170,140	-
Less: Amounts Available for Current Liabilities	(4,895,773)	-	(517,911)	(1,248,071)	-	(2,006,799)	(1,024,251)	(98,741)	-
Total Assets Whose Use is Limited	9,377,579	-	5,344,672	(941,267)	-	4,547,577	355,198	71,399	-
PROPERTY, PLANT, AND EQUIPMENT, NET	271,089,770	-	1,461,863	55,328,853	33,573,556	109,253,395	32,243,871	39,129,218	99,014
LOAN RECEIVABLE	325,000	-	325,000	-	-	-	-	-	-
BENEFICIAL INTEREST IN NET ASSETS OF AFFILIATES	-	19,939,010	(19,939,010)	-	-	-	-	-	-
OTHER ASSETS	328,832	-	123,456	-	-	-	205,376	-	-
Total Assets	$ 417,715,227	$ (170,249,402)	$ 91,477,486	$ 65,691,369	$ 41,354,703	$ 213,553,103	$ 81,269,633	$ 63,816,375	$ 30,801,960

VIRGINIA BAPTIST HOMES, INCORPORATED
DBA: LIFESPIRE OF VIRGINIA AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2023

	Consolidated	Eliminations	Virginia Baptist Homes, Incorporated	Culpeper Baptist Retirement Community, Incorporated	Newport News Baptist Retirement Community, Incorporated	Lakewood Manor Baptist Retirement Community, Incorporated	The Glebe, Incorporated	Lynchburg Baptist Retirement Community, LLC	Virginia Baptist Homes Foundation, Incorporated
LIABILITIES AND NET ASSETS (DEFICIT)									
CURRENT LIABILITIES									
Accounts Payable	$ 8,822,008	$ -	$ 786,216	$ 276,332	$ 1,508,828	$ 2,568,870	$ 1,398,682	$ 2,281,951	$ 1,129
Accrued Salaries and Wages	3,022,764	-	3,022,764	-	-	-	-	-	-
Accrued Interest Payable	1,819,528	-	297,518	178,103	-	220,915	1,024,251	98,741	-
Annuities Payable	134,588	-	-	-	-	-	-	-	134,588
Deposits from Prospective Residents	883,400	-	-	49,600	141,100	389,700	209,000	94,000	-
Due to Affiliates	-	(190,188,412)	109,815,635	12,520,395	24,275,428	24,709,479	7,276,135	2,511,733	9,079,607
Current Portion of Operating Lease Payable	347,486	-	149,170	-	36,639	92,309	26,570	42,798	-
Current Portion of Long-Term Debt	12,725,000	-	220,393	1,069,968	2,216,556	1,653,189	995,630	6,569,264	-
Advance Fee Refund Liability	10,863,027	-	-	257,217	1,732,989	1,868,584	1,768,487	5,235,750	-
Total Current Liabilities	38,617,801	(190,188,412)	114,291,696	14,351,615	29,911,540	31,503,046	12,698,755	16,834,237	9,215,324
ADVANCE FEE REFUND LIABILITY, LESS CURRENT PORTION	58,385,419	-	-	-	19,731,524	12,639,885	17,775,376	8,238,634	-
DEFERRED REVENUE FROM ADVANCE FEES	118,762,061	-	-	13,954,811	21,827,455	61,019,976	19,586,304	2,373,515	-
ANNUITIES PAYABLE	538,262	-	-	-	-	-	-	-	538,262
OPERATING LEASE PAYABLE, LESS CURRENT PORTION	770,860	-	349,748	-	74,656	240,449	22,967	83,040	-
LONG-TERM DEBT, NET	231,200,496	-	7,395,714	54,871,876	43,636,286	52,136,627	37,015,202	36,144,791	-
Total Liabilities	448,274,899	(190,188,412)	122,037,158	83,178,302	115,181,461	157,539,983	87,098,604	63,674,217	9,753,586
NET ASSETS (DEFICIT)									
Without Donor Restrictions	(48,437,260)	33,292,302	(48,437,260)	(19,727,669)	(74,540,565)	54,256,603	(9,366,999)	(388,796)	16,475,124
With Donor Restrictions	17,877,588	(13,353,292)	17,877,588	2,240,736	713,807	1,756,517	3,538,028	530,954	4,573,250
Total Net Assets (Deficit)	(30,559,672)	19,939,010	(30,559,672)	(17,486,933)	(73,826,758)	56,013,120	(5,828,971)	142,158	21,048,374
Total Liabilities and Net Assets (Deficit)	$ 417,715,227	$ (170,249,402)	$ 91,477,486	$ 65,691,369	$ 41,354,703	$ 213,553,103	$ 81,269,633	$ 63,816,375	$ 30,801,960

VIRGINIA BAPTIST HOMES, INCORPORATED
DBA: LIFESPIRE OF VIRGINIA AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (DEFICIT)
YEAR ENDED DECEMBER 31, 2023

	Consolidated	Eliminations	Virginia Baptist Homes, Incorporated	Culpeper Baptist Retirement Community, Incorporated	Newport News Baptist Retirement Community, Incorporated	Lakewood Manor Baptist Retirement Community, Incorporated	The Glebe, Incorporated	Lynchburg Baptist Retirement Community, LLC	Virginia Baptist Homes Foundation, Incorporated
REVENUES, GAINS, AND OTHER SUPPORT									
Residential Services	$ 86,723,272	$ -	$ -	$ 10,955,885	$ 21,570,710	$ 30,368,354	$ 15,758,054	$ 8,070,269	$ -
Health Care Services	25,343,972	-	-	6,829,614	5,885,989	8,628,890	4,002,713	(3,234)	-
Continuing Care At Home Services	1,218,761	-	-	-	-	1,218,761	-	-	-
Net Assets Released from Restrictions Used for Operations	752,770	-	-	203,233	149,894	321,583	57,312	20,748	-
Gifts and Donations	1,541,229	-	-	243,741	153,516	106,443	79,801	-	957,728
Investment Income	2,485,136	-	1,192,929	86,284	58,014	284,411	437,467	42,736	383,295
Other	4,390,323	(7,570,983)	7,651,867	411,297	1,127,734	1,628,759	442,596	219,311	479,742
Total Revenue, Gains, and Other Support	122,455,463	(7,570,983)	8,844,796	18,730,054	28,945,857	42,557,201	20,777,943	8,349,830	1,820,765
EXPENSES									
Salaries, Wages and Professional Fees	60,800,176	-	4,964,061	10,342,673	13,893,078	17,247,308	9,852,833	3,876,317	623,906
Provisions for Depreciation and Amortization	18,005,719	-	158,389	1,813,953	4,206,109	7,410,340	3,413,565	1,000,033	3,330
Interest	10,565,332	-	230,904	2,181,557	2,099,320	2,657,671	2,386,350	1,009,530	-
Other	31,850,491	(7,570,983)	2,216,624	5,384,808	10,061,916	12,399,618	6,353,631	2,686,198	318,679
Total Operating Expenses	121,221,718	(7,570,983)	7,569,978	19,722,991	30,260,423	39,714,937	22,006,379	8,572,078	945,915
Operating Income (Loss)	1,233,745	-	1,274,818	(992,937)	(1,314,566)	2,842,264	(1,228,436)	(222,248)	874,850
NONOPERATING INCOME (LOSS)									
Change in Unrealized Gains on Investments	7,108,952	-	2,341,716	-	250,091	1,825,134	1,793,427	-	898,584
Loss on Investment in Joint Venture	(516,923)	-	(516,923)	-	-	-	-	-	-
Total Nonoperating Income	6,592,029	-	1,824,793	-	250,091	1,825,134	1,793,427	-	898,584
EXCESS (DEFICIT) OF REVENUES, GAINS, AND OTHER SUPPORT OVER (UNDER) EXPENSES	7,825,774	-	3,099,611	(992,937)	(1,064,475)	4,667,398	564,991	(222,248)	1,773,434

VIRGINIA BAPTIST HOMES, INCORPORATED
DBA: LIFESPIRE OF VIRGINIA AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (DEFICIT) (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	Consolidated	Eliminations	Virginia Baptist Homes, Incorporated	Culpeper Baptist Retirement Community, Incorporated	Newport News Baptist Retirement Community, Incorporated	Lakewood Manor Baptist Retirement Community, Incorporated	The Glebe, Incorporated	Lynchburg Baptist Retirement Community, LLC	Virginia Baptist Homes Foundation, Incorporated
NET ASSETS WITHOUT DONOR RESTRICTIONS									
Excess (Deficit) of Revenues, Gains and Other Support Over (Under) Expenses	$ 7,825,774	$ -	$ 3,099,611	$ (992,937)	$ (1,064,475)	$ 4,667,398	$ 564,991	$ (222,248)	$ 1,773,434
Increase in Beneficial Interest in Net Assets of Affiliates	-	(9,131,673)	$ 9,131,673	-	-	-	-	-	-
Transfer to (from) Affiliate)	-	-	(4,405,510)	-	-	-	-	-	4,405,510
Increase (Decrease) in Net Assets without Donor Restrictions	7,825,774	(9,131,673)	7,825,774	(992,937)	(1,064,475)	4,667,398	564,991	(222,248)	6,178,944
NET ASSETS WITH DONOR RESTRICTIONS									
Gifts, Grants and Bequests	472,714	-	-	1,815	6,308	15,129	417,809	1,105	30,548
Change in Value of Annuity Obligations	260,806	-	-	-	-	-	-	-	260,806
Change in Present Value of Perpetual Trusts	(132,449)	-	491,262	21,564	19,657	(876,312)	211,380	-	-
Decrease in Beneficial Interest in Net Assets of Affiliates	-	642,961	(642,961)	-	-	-	-	-	-
Net Assets Released from Restrictions	(752,770)	-	-	(203,233)	(149,894)	(321,583)	(57,312)	(20,748)	-
Increase (Decrease) in Donor Restricted Net Assets	(151,699)	642,961	(151,699)	(179,854)	(123,929)	(1,182,766)	571,877	(19,643)	291,354
INCREASE (DECREASE) IN NET ASSETS	7,674,075	(8,488,712)	7,674,075	(1,172,791)	(1,188,404)	3,484,632	1,136,868	(241,891)	6,470,298
Net Assets (Deficit) - Beginning of Year	(38,233,747)	28,427,722	(38,233,747)	(16,314,142)	(72,638,354)	52,528,488	(6,965,839)	384,049	14,578,076
NET ASSETS (DEFICIT) - END OF YEAR	$ (30,559,672)	$ 19,939,010	$ (30,559,672)	$ (17,486,933)	$ (73,826,758)	$ 56,013,120	$ (5,828,971)	$ 142,158	$ 21,048,374

VIRGINIA BAPTIST HOMES, INCORPORATED
DBA: LIFESPIRE OF VIRGINIA AND SUBSIDIARIES
COMBINING BALANCE SHEET OF OBLIGATED GROUP
DECEMBER 31, 2023

	Combined	Eliminations	Virginia Baptist Homes, Incorporated	Culpeper Baptist Retirement Community, Incorporated	Newport News Baptist Retirement Community, Incorporated	Lakewood Manor Baptist Retirement Community, Incorporated	The Glebe, Incorporated	Lynchburg Baptist Retirement Community, LLC
ASSETS								
CURRENT ASSETS								
Cash and Cash Equivalents	$ 37,507,537	$ -	$ 20,490,469	$ (86,304)	$ (131,399)	$ 432,060	$ 17,296,846	$ (494,135)
Assets Whose Use is Limited	4,895,773	-	517,911	1,248,071	-	2,006,799	1,024,251	98,741
Accounts Receivable	8,989,379	-	-	2,687,282	2,476,144	2,300,597	1,450,036	75,320
Allowance for Credit Losses	(1,333,138)	-	-	(484,287)	(367,788)	(261,435)	(218,438)	(1,190)
Accounts Receivable, Net	7,656,241	-	-	2,202,995	2,108,356	2,039,162	1,231,598	74,130
Notes Receivable	2,984,446	-	-	243,000	1,027,495	953,251	333,500	427,200
Prepaid Expenses	1,448,917	-	1,200,593	44,644	50,810	61,651	23,673	67,546
Due from Affiliates	(11,200,616)	(181,108,805)	54,383,336	7,317,469	1,616,157	75,001,602	7,147,349	24,442,276
Deposits and Other	1,254,211	-	1,253,494	717	-	-	-	-
Total Current Assets	44,546,509	(181,108,805)	77,845,803	10,970,592	4,671,419	80,494,525	27,057,217	24,615,758
INVESTMENTS	61,795,381	-	22,096,352	31,250	2,511,562	18,770,931	18,385,286	-
BENEFICIAL INTEREST IN PERPETUAL TRUST	8,628,817	-	4,219,350	301,941	598,166	486,675	3,022,685	-
ASSETS WHOSE USE IS LIMITED								
Under Bond Indenture Agreement	14,273,352	-	5,862,583	306,804	-	6,554,376	1,379,449	170,140
Less: Amounts Available for Current Liabilities	(4,895,773)	-	(517,911)	(1,248,071)	-	(2,006,799)	(1,024,251)	(98,741)
Total Assets Whose Use is Limited	9,377,579	-	5,344,672	(941,267)	-	4,547,577	355,198	71,399
PROPERTY, PLANT AND EQUIPMENT, NET	270,990,756	-	1,461,863	55,328,853	33,573,556	109,253,395	32,243,871	39,129,218
LOAN RECEIVABLE	325,000	-	325,000	-	-	-	-	-
BENEFICIAL INTEREST IN NET ASSETS OF AFFILIATES	-	40,987,384	(40,987,384)	-	-	-	-	-
OTHER ASSETS	328,832	-	123,456	-	-	-	205,376	-
Total Assets	$ 395,992,874	$ (140,121,421)	$ 70,429,112	$ 65,691,369	$ 41,354,703	$ 213,553,103	$ 81,269,633	$ 63,816,375

VIRGINIA BAPTIST HOMES, INCORPORATED
DBA: LIFESPIRE OF VIRGINIA AND SUBSIDIARIES
COMBINING BALANCE SHEET OF OBLIGATED GROUP (CONTINUED)
DECEMBER 31, 2023

	Combined	Eliminations	Virginia Baptist Homes, Incorporated	Culpeper Baptist Retirement Community, Incorporated	Newport News Baptist Retirement Community, Incorporated	Lakewood Manor Baptist Retirement Community, Incorporated	The Glebe, Incorporated	Lynchburg Baptist Retirement Community, LLC
LIABILITIES AND NET ASSETS (DEFICIT)								
CURRENT LIABILITIES								
Accounts Payable	$ 8,820,879	$ -	$ 786,216	$ 276,332	$ 1,508,828	$ 2,568,870	$ 1,398,682	$ 2,281,951
Accrued Salaries and Wages	3,022,764	-	3,022,764	-	-	-	-	-
Accrued Interest Payable	1,819,528	-	297,518	178,103	-	220,915	1,024,251	98,741
Deposits from Prospective Residents	883,400	-	-	49,600	141,100	389,700	209,000	94,000
Due to Affiliates	-	(181,108,805)	109,815,635	12,520,395	24,275,428	24,709,479	7,276,135	2,511,733
Current Portion of Operating Lease Payable	347,486	-	149,170	-	36,639	92,309	26,570	42,798
Current Portion of Long-Term Debt	12,725,000	-	220,393	1,069,968	2,216,556	1,653,189	995,630	6,569,264
Advance Fee Refund Liability	10,863,027	-	-	257,217	1,732,989	1,868,584	1,768,487	5,235,750
Total Current Liabilities	38,482,084	(181,108,805)	114,291,696	14,351,615	29,911,540	31,503,046	12,698,755	16,834,237
ADVANCE FEE REFUND LIABILITY, LESS CURRENT PORTION	58,385,419	-	-	-	19,731,524	12,639,885	17,775,376	8,238,634
DEFERRED REVENUE FROM ADVANCE FEES	118,762,061	-	-	13,954,811	21,827,455	61,019,976	19,586,304	2,373,515
OPERATING LEASE PAYABLE, LESS CURRENT PORTION	770,860	-	349,748	-	74,656	240,449	22,967	83,040
LONG-TERM DEBT, NET	231,200,496	-	7,395,714	54,871,876	43,636,286	52,136,627	37,015,202	36,144,791
Total Liabilities	447,600,920	(181,108,805)	122,037,158	83,178,302	115,181,461	157,539,983	87,098,604	63,674,217
NET ASSETS (DEFICIT)								
Without Donor Restrictions	(64,912,384)	49,767,426	(64,912,384)	(19,727,669)	(74,540,565)	54,256,603	(9,366,999)	(388,796)
With Donor Restrictions	13,304,338	(8,780,042)	13,304,338	2,240,736	713,807	1,756,517	3,538,028	530,954
Total Net Assets (Deficit)	(51,608,046)	40,987,384	(51,608,046)	(17,486,933)	(73,826,758)	56,013,120	(5,828,971)	142,158
Total Liabilities and Net Assets (Deficit)	$ 395,992,874	$ (140,121,421)	$ 70,429,112	$ 65,691,369	$ 41,354,703	$ 213,553,103	$ 81,269,633	$ 63,816,375

VIRGINIA BAPTIST HOMES, INCORPORATED
DBA: LIFESPIRE OF VIRGINIA AND SUBSIDIARIES
COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (DEFICIT) OF OBLIGATED GROUP
YEAR ENDED DECEMBER 31, 2023

	Combined	Eliminations	Virginia Baptist Homes, Incorporated	Culpeper Baptist Retirement Community, Incorporated	Newport News Baptist Retirement Community, Incorporated	Lakewood Manor Baptist Retirement Community, Incorporated	The Glebe, Incorporated	Lynchburg Baptist Retirement Community, LLC
REVENUES, GAINS, AND OTHER SUPPORT								
Residential Services	$ 86,723,272	$ -	$ -	$ 10,955,885	$ 21,570,710	$ 30,368,354	$ 15,758,054	$ 8,070,269
Health Care Services	25,343,972	-	-	6,829,614	5,885,989	8,628,890	4,002,713	(3,234)
Continuing Care At Home Services	1,218,761	-	-	-	-	1,218,761	-	-
Net Assets Released from Restrictions Used for Operations	752,770	-	-	203,233	149,894	321,583	57,312	20,748
Gifts and Donations	583,501	-	-	243,741	153,516	106,443	79,801	-
Investment Income	2,101,841	-	1,192,929	86,284	58,014	284,411	437,467	42,736
Other	3,910,581	(7,570,983)	7,651,867	411,297	1,127,734	1,628,759	442,596	219,311
Total Revenue, Gains, and Other Support	120,634,698	(7,570,983)	8,844,796	18,730,054	28,945,857	42,557,201	20,777,943	8,349,830
EXPENSES								
Salaries, Wages and Professional Fees	60,176,270	-	4,964,061	10,342,673	13,893,078	17,247,308	9,852,833	3,876,317
Provisions for Depreciation and Amortization	18,002,389	-	158,389	1,813,953	4,206,109	7,410,340	3,413,565	1,000,033
Interest	10,565,332	-	230,904	2,181,557	2,099,320	2,657,671	2,386,350	1,009,530
Other	31,531,812	(7,570,983)	2,216,624	5,384,808	10,061,916	12,399,618	6,353,631	2,686,198
Total Expenses	120,275,803	(7,570,983)	7,569,978	19,722,991	30,260,423	39,714,937	22,006,379	8,572,078
OPERATING INCOME (LOSS)	358,895	-	1,274,818	(992,937)	(1,314,566)	2,842,264	(1,228,436)	(222,248)
NONOPERATING INCOME (LOSS)								
Change in Unrealized Gains on Investments	6,210,368	-	2,341,716	-	250,091	1,825,134	1,793,427	-
Loss on Investment in Joint Venture	(516,923)	-	(516,923)	-	-	-	-	-
Total Nonoperating Income	5,693,445	-	1,824,793	-	250,091	1,825,134	1,793,427	-
EXCESS (DEFICIT) OF REVENUES, GAINS AND OTHER SUPPORT OVER (UNDER) EXPENSES	6,052,340	-	3,099,611	(992,937)	(1,064,475)	4,667,398	564,991	(222,248)

VIRGINIA BAPTIST HOMES, INCORPORATED
DBA: LIFESPIRE OF VIRGINIA AND SUBSIDIARIES
COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (DEFICIT) OF OBLIGATED GROUP (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	Combined	Eliminations	Virginia Baptist Homes, Incorporated	Culpeper Baptist Retirement Community, Incorporated	Newport News Baptist Retirement Community, Incorporated	Lakewood Manor Baptist Retirement Community, Incorporated	The Glebe, Incorporated	Lynchburg Baptist Retirement Community, LLC
NET ASSETS WITHOUT DONOR RESTRICTIONS								
Excess (Deficit) of Revenues, Gains, and Other Support Over (Under) Expenses	$ 6,052,340	$ -	$ 3,099,611	$ (992,937)	$ (1,064,475)	$ 4,667,398	$ 564,991	$ (222,248)
Increase in Beneficial Interest in Net Assets of Affiliates	-	(2,952,729)	2,952,729	-	-	-	-	-
Transfer to (from) Affiliate)	(4,405,510)	-	(4,405,510)	-	-	-	-	-
Increase (Decrease) in Net Assets without Donor Restrictions	1,646,830	(2,952,729)	1,646,830	(992,937)	(1,064,475)	4,667,398	564,991	(222,248)
NET ASSETS WITH DONOR RESTRICTIONS								
Gifts, Grants, and Bequests	442,166	-	-	1,815	6,308	15,129	417,809	1,105
Change in Present Value of Perpetual Trusts	(132,449)	-	491,262	21,564	19,657	(876,312)	211,380	-
Decrease in Beneficial Interest in Net Assets of Affiliates	-	934,315	(934,315)					
Net Assets Released from Restrictions	(752,770)	-	-	(203,233)	(149,894)	(321,583)	(57,312)	(20,748)
Increase (Decrease) in Donor Restricted Net Assets	(443,053)	934,315	(443,053)	(179,854)	(123,929)	(1,182,766)	571,877	(19,643)
INCREASE (DECREASE) IN NET ASSETS	1,203,777	(2,018,414)	1,203,777	(1,172,791)	(1,188,404)	3,484,632	1,136,868	(241,891)
Net Assets (Deficit) at Beginning of Year	(52,811,823)	43,005,798	(52,811,823)	(16,314,142)	(72,638,354)	52,528,488	(6,965,839)	384,049
NET ASSETS (DEFICIT) AT END OF YEAR	$ (51,608,046)	$ 40,987,384	$ (51,608,046)	$ (17,486,933)	$ (73,826,758)	$ 56,013,120	$ (5,828,971)	$ 142,158

VIRGINIA BAPTIST HOMES, INCORPORATED
DBA: LIFESPIRE OF VIRGINIA AND SUBSIDIARIES
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023

	Obligated Group	Nonobligated Group	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in Net Assets	$ 1,203,777	$ 6,470,298	$ 7,674,075
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:			
Amortization of Deferred Revenue from Advance Fees	(21,335,980)	-	(21,335,980)
Proceeds from Advance Fees and Deposits	31,168,917	-	31,168,917
Amortization of Intangible Assets	49,290	-	49,290
Amortization of Deferred Financing Costs	206,463	-	206,463
Amortization of Bond Discount	39,571	-	39,571
Amortization of Bond Premium	(682,027)	-	(682,027)
Loss on Joint Venture	516,923	-	516,923
Loss on Sale of Property, Plant, and Equipment	24,800	-	24,800
Provision for Credit Loss	811,946	-	811,946
Provision for Depreciation	17,953,099	3,330	17,956,429
Increase in Annuity Obligations	-	180,820	180,820
Proceeds from Contributions Restricted for Long-Term Investment	(442,166)	(30,548)	(472,714)
Net Realized and Unrealized Gains on Long-Term Investments	(5,744,663)	(878,762)	(6,623,425)
Change in Present Value of Trust Funds	132,449	-	132,449
Decrease (Increase) in Operating Assets:			
Accounts Receivable	(4,421,509)	-	(4,421,509)
Prepaid Expenses	(25,090)	(51,110)	(76,200)
Notes Receivable	(533,414)	-	(533,414)
Other Current Assets	6,112,224	(5,495,197)	617,027
Loan Receivable	(325,000)	-	(325,000)
Increase (Decrease) in Operating Liabilities:			
Accounts Payable	(746,683)	962	(745,721)
Deferred Revenue	(698,678)	-	(698,678)
Refundable Advance - CARES Act	(295,593)	-	(295,593)
Accrued Salaries and Wages	(335,963)	-	(335,963)
Deposits from Prospective Residents	(294,100)	-	(294,100)
Net Cash Provided by Operating Activities	22,338,593	199,793	22,538,386

VIRGINIA BAPTIST HOMES, INCORPORATED
DBA: LIFESPIRE OF VIRGINIA AND SUBSIDIARIES
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	Obligated Group	Nonobligated Group	Total
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of Property, Plant, and Equipment	$ (21,589,150)	$ -	$ (21,589,150)
Purchases of Investments	(12,708,424)	(2,096,057)	(14,804,481)
Sales of Investments	10,884,937	1,767,182	12,652,119
Net Cash Used by Investing Activities	(23,412,637)	(328,875)	(23,741,512)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Contributions Restricted for Long-Term Investment	442,166	30,548	472,714
Refunds of Advance Fees and Deposits	(9,215,562)	-	(9,215,562)
Proceeds from Refundable Advance Fees	10,540,436	-	10,540,436
Payments on Long-Term Debt	(7,713,000)	-	(7,713,000)
Net Cash Provided (Used) by Financing Activities	(5,945,960)	30,548	(5,915,412)
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(7,020,004)	(98,534)	(7,118,538)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	51,268,523	331,748	51,600,271
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	$ 44,248,519	$ 233,214	$ 44,481,733
Cash and Cash Equivalents	$ 37,507,537	$ 233,214	37,740,751
Restricted Cash included in Assets Limited as to Use	6,740,982	-	6,740,982
Total Cash, Cash Equivalents, and Restricted Cash	$ 44,248,519	$ 233,214	$ 44,481,733
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Property and Equipment Additions in Accounts Payable	$ 3,649,268	$ -	$ 3,649,268
Right of Use Assets Obtained through Operating Leases Payable	$ 13,593	$ -	$ 13,593

VIRGINIA BAPTIST HOMES, INCORPORATED
DBA: LIFESPIRE OF VIRGINIA AND SUBSIDIARIES
COMBINING BALANCE SHEET OF LAKEWOOD MANOR
DECEMBER 31, 2023

	Combined	Eliminations	Lakewood Manor Baptist Retirement Community, Incorporated	Lakewood at Home
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	$ 432,060	$ -	$ 504,382	$ (72,322)
Assets Whose Use is Limited	2,006,799	-	2,006,799	-
Accounts Receivable	2,300,597	-	2,295,834	4,763
Allowance for Credit Losses	(261,435)	-	(258,542)	(2,893)
Accounts Receivable, Net	2,039,162	-	2,037,292	1,870
Notes Receivable	953,251	-	892,700	60,551
Prepaid Expenses	61,651	-	54,741	6,910
Due from Affiliates	75,001,602	(170,419)	73,112,884	2,059,137
Total Current Assets	80,494,525	(170,419)	78,608,798	2,056,146
INVESTMENTS	18,770,931	-	16,785,639	1,985,292
BENEFICIAL INTEREST IN PERPETUAL TRUST	486,675	-	486,675	-
ASSETS WHOSE USE IS LIMITED				
Under Bond Indenture Agreement	6,554,376	-	6,554,376	-
Less: Amounts Available for Current Liabilities	(2,006,799)	-	(2,006,799)	-
Total Assets Whose Use is Limited	4,547,577	-	4,547,577	-
PROPERTY, PLANT, AND EQUIPMENT, NET	109,253,395	-	109,021,044	232,351
Total Assets	$ 213,553,103	$ (170,419)	$ 209,449,733	$ 4,273,789

VIRGINIA BAPTIST HOMES, INCORPORATED
DBA: LIFESPIRE OF VIRGINIA AND SUBSIDIARIES
COMBINING BALANCE SHEET OF LAKEWOOD MANOR (CONTINUED)
DECEMBER 31, 2023

LIABILITIES AND NET ASSETS (DEFICIT)	Combined	Eliminations	Lakewood Manor Baptist Retirement Community, Incorporated	Lakewood at Home
CURRENT LIABILITIES				
Accounts Payable	$ 2,568,870	$ -	$ 2,565,392	$ 3,478
Accrued Interest Payable	220,915	-	220,915	-
Deposits from Prospective Residents	389,700	-	389,700	-
Due to Affiliates	24,709,479	(170,419)	24,538,199	341,699
Current Portion of Operating Lease Payable	92,309	-	32,158	60,151
Current Portion of Long-Term Debt	1,653,189	-	1,653,189	-
Advance Fee Refund Liability	1,868,584	-	1,761,254	107,330
Total Current Liabilities	31,503,046	(170,419)	31,160,807	512,658
ADVANCE FEE REFUND LIABILITY, LESS CURRENT PORTION	12,639,885	-	8,605,152	4,034,733
DEFERRED REVENUE FROM ADVANCE FEES	61,019,976	-	61,019,976	-
OPERATING LEASE PAYABLE, LESS CURRENT PORTION	240,449	-	101,473	138,976
LONG-TERM DEBT, NET	52,136,627	-	52,136,627	-
Total Liabilities	157,539,983	(170,419)	153,024,035	4,686,367
NET ASSETS (DEFICIT)				
Without Donor Restrictions	54,256,603	-	54,669,181	(412,578)
With Donor Restrictions	1,756,517	-	1,756,517	-
Total Net Assets (Deficit)	56,013,120	-	56,425,698	(412,578)
Total Liabilities and Net Assets (Deficit)	$ 213,553,103	$ (170,419)	$ 209,449,733	$ 4,273,789

VIRGINIA BAPTIST HOMES, INCORPORATED
DBA: LIFESPIRE OF VIRGINIA AND SUBSIDIARIES
COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
OF LAKEWOOD MANOR
YEAR ENDED DECEMBER 31, 2023

	Combined	Eliminations	Lakewood Manor Baptist Retirement Community, Incorporated	Lakewood at Home
REVENUES, GAINS, AND OTHER SUPPORT				
Residential Services	$ 30,368,354	$ -	$ 30,368,354	$ -
Health Care Services	8,628,890	-	8,628,890	-
Continuing Care At Home Services	1,218,761	-	-	1,218,761
Net Assets Released from Restrictions Used for Operations	321,583	-	321,583	-
Gifts and Donations	106,443	-	106,443	-
Investment Income	284,411	-	215,279	69,132
Other	1,628,759	-	1,628,759	-
Total Revenue, Gains, and Other Support	42,557,201	-	41,269,308	1,287,893
EXPENSES				
Salaries, Wages and Professional Fees	17,247,308	-	16,740,336	506,972
Provisions for Depreciation and Amortization	7,410,340	-	7,403,017	7,323
Interest	2,657,671	-	2,657,546	125
Other	12,399,618	-	11,997,814	401,804
Total Operating Expenses	39,714,937	-	38,798,713	916,224
Operating Income	2,842,264	-	2,470,595	371,669
NONOPERATING INCOME				
Change in Unrealized Gains on Investments	1,825,134	-	1,666,364	158,770
Total Nonoperating Income	1,825,134	-	1,666,364	158,770
EXCESS OF REVENUES, GAINS AND OTHER SUPPORT OVER EXPENSES	4,667,398	-	4,136,959	530,439

VIRGINIA BAPTIST HOMES, INCORPORATED
DBA: LIFESPIRE OF VIRGINIA AND SUBSIDIARIES
COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS OF LAKEWOOD MANOR (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	Combined	Eliminations	Lakewood Manor Baptist Retirement Community, Incorporated	Lakewood at Home
NET ASSETS WITHOUT DONOR RESTRICTIONS				
Excess of Revenues, Gains and Other Support Over Expenses	$ 4,667,398	$ -	$ 4,136,959	$ 530,439
Increase in Net Assets without Donor Restrictions	4,667,398	-	4,136,959	530,439
NET ASSETS WITH DONOR RESTRICTIONS				
Gifts, Grants and Bequests	15,129	-	15,129	-
Change in Present Value of Perpetual Trusts	(876,312)	-	(876,312)	-
Net Assets Released from Restrictions	(321,583)	-	(321,583)	-
Decrease in Donor Restricted Net Assets	(1,182,766)	-	(1,182,766)	-
INCREASE IN NET ASSETS	3,484,632	-	2,954,193	530,439
Net Assets (Deficit) - Beginning of Year	52,528,488	-	53,471,505	(943,017)
NET ASSETS (DEFICIT) - END OF YEAR	$ 56,013,120	$ -	$ 56,425,698	$ (412,578)