ACTS Retirement-Life Communities, Inc. and Subsidiaries

Consolidated Financial Statements
and Supplementary Information

December 31, 2024 and 2023

Table of Contents
December 31, 2024 and 2023

Independent Auditors' Report

To the Board of Directors of
ACTS Retirement-Life Communities, Inc. and Subsidiaries

Opinion

We have audited the consolidated financial statements of ACTS Retirement-Life Communities, Inc. and Subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

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 the Company 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 GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated 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 the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are 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 consolidated 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 consolidated 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 consolidated 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 the Company'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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information as identified in the table contents is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and changes in net assets (deficit) and cash flows of the individual organizations, and it is 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 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 GAAS. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Baker Tilly US, LLP

Philadelphia, Pennsylvania
April 29, 2025

ACTS Retirement-Life Communities, Inc. and Subsidiaries

Consolidated Balance Sheets
December 31, 2024 and 2023
(In Thousands)

	2024	2023
Assets		
Cash and cash equivalents	$ 28,512	$ 23,581
Investments	434,444	435,773
Accounts receivable, entrance fee receivables and other receivables, net	36,962	32,468
Prepaid expenses, inventory and deposits	13,342	12,507
Property and equipment, net	2,070,573	1,898,685
Goodwill	117,108	109,464
Deferred costs, net	16,398	13,945
Total assets	$ 2,717,339	$ 2,526,423
Liabilities and Net Assets		
Accounts payable and accrued expenses	$ 89,790	$ 90,355
Resident monthly fees paid in advance	3,243	3,918
Short-term indebtedness	56,270	73,424
Long-term indebtedness	1,015,822	985,417
Charitable gift annuity obligations	2,680	2,900
Entrance fee deposits	8,948	16,062
Refundable portion of entrance fees	105,982	69,686
Deferred revenue from entrance fees	1,204,825	1,065,513
Accumulated loss on investment contracts	1,253	2,108
Due to affiliated organizations	26,794	27,905
Total liabilities	2,515,607	2,337,288
Net Assets		
Without donor restrictions	162,453	151,293
With donor restrictions	39,279	37,842
Total net assets	201,732	189,135
Total liabilities and net assets	$ 2,717,339	$ 2,526,423

See notes to consolidated financial statements

ACTS Retirement-Life Communities, Inc. and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets
Years Ended December 31, 2024 and 2023
(In Thousands)

	2024	2023
Operating Revenue		
Resident services revenues, net of amortization of entrance fees	$ 502,675	$ 455,091
Resident services revenues from third-party payors	55,453	51,510
Investment income	17,102	14,026
Net assets released from restrictions to provide resident services	3,538	3,302
Other revenue	7,918	7,938
Total operating revenue before amortization of entrance fees	586,686	531,867
Amortization of entrance fees	152,461	140,394
Total operating revenue	739,147	672,261
Operating Expenses		
Salaries, wages and benefits	343,851	313,344
Contracted services	97,482	87,685
Utilities	34,303	33,165
Food	29,693	27,272
Supplies	29,642	27,376
Real estate taxes	14,277	13,606
Insurance	12,181	10,016
Other	25,796	23,666
Total operating expenses before depreciation, amortization and interest	587,225	536,130
Depreciation and amortization	107,113	97,713
Interest, net	39,449	33,790
Total operating expenses	733,787	667,633
Operating income	$ 5,360	$ 4,628

See notes to consolidated financial statements

Consolidated Statements of Operations and Changes in Net Assets (Continued)
Years Ended December 31, 2024 and 2023
(In Thousands)

	2024	2023
Changes in Net Assets Without Donor Restrictions		
Operating income	$ 5,360	$ 4,628
Net unrealized gain on investments and investment contracts	5,066	16,896
Loss on early extinguishment of debt	-	(63)
Other valuation adjustments	(1,843)	(1,637)
Net gain on nonoperating events	718	874
Inherent contribution received in affiliation	-	45,912
Net operating income	9,301	66,610
Net assets released from restrictions to acquire property and equipment	1,859	6,341
Change in net assets without donor restrictions	11,160	72,951
Changes in Net Assets With Donor Restrictions		
Net assets with donor restrictions acquired from membership affiliation	357	105
Contributions	4,909	4,884
Interest and dividend income	1,005	575
Net unrealized gain on investments	312	1,222
Change in split interest agreements	225	(676)
Change in beneficial interest in other foundations	26	28
Net assets released from restrictions to:		
Provide resident services	(3,538)	(3,302)
Acquire property and equipment	(1,859)	(6,341)
Change in net assets with donor restrictions	1,437	(3,505)
Change in net assets	12,597	69,446
Net Assets, Beginning	189,135	119,689
Net Assets, Ending	$ 201,732	$ 189,135

See notes to consolidated financial statements

ACTS Retirement-Life Communities, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended December 31, 2024 and 2023
(In Thousands)

	2024	2023
Cash Flows From Operating Activities		
Change in net assets	$ 12,597	$ 69,446
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Membership affiliation	(357)	(46,017)
Depreciation and amortization	107,113	97,713
Amortization of entrance fees	(152,461)	(140,394)
Other valuation adjustment	1,843	1,637
Amortization of bond discount and premium, net	(3,916)	(3,852)
Amortization of deferred financing costs	772	780
Entrance fees and deposits from nonrefundable resale contracts	264,017	237,200
Refunds of nonrefundable entrance fees and deposits from resale contracts	(20,014)	(19,667)
Administrative fee included in gross entrance fees	(15,577)	(12,834)
Net realized and unrealized gain on investments	(7,262)	(19,163)
Change in fair value of investment contracts	(855)	(209)
Loss on early extinguishment of debt	-	63
Net gain on non-operating events	(718)	-
Net change in due from/to affiliated organizations	(1,111)	(3,589)
Increase in deferred costs	(3,497)	(4,284)
Change in beneficial interest in the investments of other foundations	(26)	(28)
Changes in assets and liabilities:		
Increase in accounts receivable and other receivables	(4,261)	(362)
Increase in prepaid expenses, inventory and deposits	(720)	(239)
(Decrease) increase in accounts payable and accrued expenses and resident monthly fees paid in advance	(7,250)	1,358
Net cash provided by operating activities	168,317	157,559
Cash Flows From Investing Activities		
Cash, cash equivalents and restricted cash and cash equivalents received in membership affiliation	7,404	10,218
Purchase of property and equipment	(142,803)	(157,803)
Decrease in investments	18,202	9,708
Net cash used in investing activities	(117,197)	(137,877)
Cash Flows From Financing Activities		
Entrance fees and deposits from initial sale contracts	37,679	27,499
Refunds of entrance fees and deposits from initial sale contracts	(374)	(1,252)
Entrance fees from refundable contracts	3,240	-
Refunds of refundable entrance fees	(18,860)	(15,351)
Payment of accounts payable, construction	(33,583)	(39,170)
Proceeds from short-term indebtedness	83,985	72,724
Proceeds from long-term indebtedness	-	14,822
Increase in deferred financing costs	(13)	(1,141)
Increase in charitable gift annuity obligations	448	1,279
Payments on charitable gift annuity obligations	(668)	(711)
Payments on short-term indebtedness	(101,139)	(72,542)
Payments on long-term indebtedness	(26,079)	(25,974)
Net cash used in financing activities	(55,364)	(39,817)
Net decrease in cash, cash equivalents and restricted cash and cash equivalents	(4,244)	(20,135)
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	87,975	108,110
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	$ 83,731	$ 87,975
Supplemental Disclosure of Cash Flow Information		
Interest paid, net of amounts capitalized	$ 46,500	$ 36,539
Supplemental Disclosure of Noncash Investing and Financing Activities		
Obligations incurred for the acquisition of property and equipment	$ 25,570	$ 33,583
Proceeds from long-term indebtedness used to repay long-term indebtedness	$ -	$ 27,768
Proceeds from long-term indebtedness to repay short-term indebtedness	$ -	$ 55,000

See notes to consolidated financial statements

1. Nature of Operations and Organizational Matters

ACTS Retirement Services, Inc. (ARS) is a not-for-profit Pennsylvania corporation that serves as the parent organization providing the highest level of governance and control over all of its controlled entities. The following is a listing of ARS' controlled entities:

ACTS Management Services, Inc. (AMS) is a not-for-profit Pennsylvania corporation providing management, marketing and development services to senior living providers. AMS is the sole member of ACTS Retirement-Life Communities Management, LLC (ARLCM) and ACTS Alliance Management, LLC (AAM), Pennsylvania limited liability companies. AMS and ARLCM provide management, marketing and development services to ACTS Retirement-Life Communities, Inc. (ACTS) and the Affiliates (as herein defined). Prior to November 1, 2024, AAM provided management and related services to Willow Valley Communities, a not-for profit Pennsylvania corporation that provides residential, personal care and skilled care services to senior adults in its continuing care retirement community (CCRC) located in Pennsylvania.

ACTS, a not-for-profit Pennsylvania corporation that, along with the Affiliates (as herein defined), provides residential, assisted living and skilled care services to senior adults in its 28 continuing care retirement communities (CCRCs), located in Alabama (2), Delaware (3), Florida (6), Georgia (1), Maryland (4), New Jersey (1), North Carolina (2), Pennsylvania (8) and South Carolina (1). ACTS operates 22 CCRCs as divisions within the legal entity of ACTS, and 6 CCRCs within three separate, related legal entities (the Affiliates).

ACTS is the sole member of the following entities:

ACTS Signature Community Services, Inc. (ASCS), a not-for-profit Pennsylvania corporation providing home and community-based services and primary care services to ACTS.

ACTS Legacy Foundation, Inc. (ALF), a not-for-profit Delaware corporation that provides fundraising, supports all charitable programs and manages the donor restricted funds for ACTS and the Affiliates. On June 1, 2024, Mease Life Residents Foundation, Inc. (MLRF), an entity under common control and a not-for-profit Florida corporation, merged into ALF.

ACTS is also the sole member of ACTS Acquisition and Development Company, LLC (AADC), a Florida limited liability company that engages in acquisition and development related activity on behalf of ACTS and the Affiliates. AADC is the sole corporate member of the following Affiliates:

Acts Communities of Maryland, Inc. (ACMD), formerly known as Integrace, Inc. d/b/a ACTS Retirement-Life Communities of Maryland, a not-for-profit Maryland corporation which operates 4 CCRCs located in Maryland.

Mease Life, Inc. (ML), a not-for-profit Florida corporation which operates a CCRC located in Dunedin, Florida. ML was the sole member of MLRF through May 31, 2024 before merging into ALF. MLRF provided fundraising and supported all charitable programs for ML.

Bonita Springs Retirement Village, Inc., d/b/a The Terraces at Bonita Springs (TERR) a not-for-profit Florida corporation which operates a CCRC located in Bonita Springs, Florida.

Principles of Consolidation

The consolidated financial statements include the accounts for ACTS, ASCS, ALF, AADC, ACMD, ML, MLRF and TERR (collectively, the Company). All significant intercompany accounts and transactions have been eliminated.

All of the organizations in the Company with the exception of AADC are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and are exempt from federal income taxes on their exempt income under Section 501(a) of the IRC. AADC, as a single member limited liability company, is considered a "disregarded entity" for federal tax purposes. Because ACTS is exempt from federal income tax under Section 501(a) of the IRC, as a charitable organization described in Section 501(c)(3) of the IRC, and because AADC is a disregarded entity for federal tax purposes, AADC is considered exempt under Section 501(a) of the IRC as a charitable organization described in Section 501(c)(3) of the IRC.

2. Transfer of Memberships

Effective November 1, 2024, ACTS became the sole member of TERR and, as such, TERR became an affiliate of ACTS. TERR remained a separate not-for-profit organization. In connection with the affiliation, AMS and ARLCM entered into a Management, Marketing and Development Agreement with TERR. There were no amounts of consideration transferred to execute the affiliation.

The recognized amounts of identifiable assets acquired and liabilities assumed at the date of affiliation were as follows (in thousands):

Cash and cash equivalents	$ 1,703
Investments	24,461
Accounts receivable and other receivables	964
Prepaid expenses, inventory and deposits	115
Property and equipment	108,900
Deferred costs	684
Goodwill	7,644
Accounts payable and accrued expense	(9,560)
Long-term indebtedness	(59,494)
Entrance fee deposits	(597)
Refundable portion of entrance fees	(52,935)
Deferred revenue from entrance fees	(21,528)
Net assets with donor restrictions (membership affiliation)	(357)
	$ -

Effective October 1, 2023, ACTS became the sole member of ML and, as such, ML and MLRF (collectively, the ML Companies) became affiliates of ACTS. The ML Companies remained separate not-for-profit organizations. In connection with the affiliation, AMS and ARLCM entered into a Management, Marketing and Development Agreement with ML. There were no amounts of consideration transferred to execute the affiliation.

The recognized amounts of identifiable assets acquired and liabilities assumed at the date of affiliation were as follows (in thousands):

Cash and cash equivalents	$ 3,284
Investments	9,966
Accounts receivable	802
Prepaid expenses, inventory and deposits	733
Property and equipment	63,610
Deferred costs	200
Accounts payable and accrued expense	(4,298)
Long-term indebtedness	(21,005)
Entrance fee deposits	(340)
Deferred revenue from entrance fees	(6,935)
Net assets without donor restrictions (inherent contribution)	(45,912)
Net assets with donor restrictions (membership affiliation)	(105)
	$ -

These transactions were accounted for using the acquisition method. The carrying amounts of cash and cash equivalents, accounts receivable and other receivables, prepaid expenses, inventory and deposits, deferred costs and accounts payable and accrued expenses approximated fair value as of the acquisition dates due to the short-term nature of these amounts. Investments were recorded at fair value. The fair value of TERR's and ML's property and equipment as of the acquisition dates was based on independent third-party appraisals. The deferred revenue from entrance and membership fees assumed as part of the transactions represent contract liabilities for performance obligations outstanding and were recognized in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue From Contracts With Customers (Topic 606)*, as of the acquisition date. The contract liabilities were also recognized at carrying value in accordance with FASB ASU 2021-08, Business Combinations (Topic 805). The refundable portion of entrance fees for TERR represent the refundable component of the entrance fees assumed as part of the transaction. As these liabilities are expected to be refunded, these are not considered contract liabilities as contemplated by FASB ASU 2014-09. As such, the liabilities were recorded at fair value using a risk-free discount rate and estimated remaining life expectancies for each resident, which approximate the time period over which the liabilities are expected to be settled. The fair value of TERR's long-term indebtedness as of the acquisition date was provided by a third-party capital markets investment firm. The carrying amount of ML's long-term indebtedness as of the acquisition date was deemed to approximate fair value as the original terms of the long-term indebtedness were comparable to current market terms. The terms of the long-term indebtedness for TERR and ML are more fully described in Note 9.

The 2024 consolidated statements of operations and changes in net assets and cash flows include the activities of TERR for the two months ended December 31, 2024. The 2023 consolidated statements of operations and changes in net assets and cash flows include the activities of the ML companies for the three months ended December 31, 2023.

If the results of operations of the ML Companies and TERR were combined with the operations of ACTS had the acquisitions occurred as of January 1, 2023, the Company's results would appear as follows:

	2024	2023
Total operating revenue	$ 758,114	$ 712,905
Change in net assets without donor restrictions	2,609	57,902
Change in net assets with donor restrictions	1,416	(3,624)

3. Summary of Significant Accounting Policies

Cash, Cash Equivalents and Restricted Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, cash, cash equivalents and restricted cash and cash equivalents include working capital accounts invested in highly liquid instruments purchased with an original maturity of three months or less. The restricted cash and cash equivalents included in investments were comprised of debt related reserves and state reserves. The following table provides a reconciliation of cash, cash equivalents and restricted cash and cash equivalents reported within the consolidated balance sheets that sum to the total of the same such amounts reported in the consolidated statements of cash flows.

	2024	2023
	(In Thousands)	
Cash and cash equivalents	$ 28,512	$ 23,581
Restricted cash and cash equivalents included in investments	55,219	64,394
Total cash, cash equivalents and restricted cash and cash equivalents	$ 83,731	$ 87,975

Investments and Investment Risk

Investments with readily determinable fair values are measured at fair value in the consolidated balance sheets. Investment income (including realized and unrealized gains on investments, interest and dividends) is included in net operating income in the consolidated statements of operations and changes in net assets unless the income is restricted by donor or law. Interest income is measured as earned on the accrual basis. Dividends are measured based on the ex-dividend date. Purchases and sales of securities and realized gains and losses are recorded on a trade-date basis.

The Company's investments are comprised of a variety of financial instruments. The fair values reported in the consolidated balance sheets are subject to various risks including changes in the equity markets, the interest rate environment and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported on the consolidated balance sheets could materially change in the near term.

Investments include assets without restrictions and assets with restrictions. Assets without restrictions represent assets that are available for the general use and purposes of the Company. Assets with restrictions include amounts held in trust to meet debt related requirements, assets that are used to meet statutory reserve requirements and amounts restricted by donors for specific purposes or time periods.

Accounts Receivable and Entrance Fee Receivables

The Company assesses collectability on all resident accounts prior to providing services. An allowance for expected credit losses is recognized to reduce accounts receivable to its net realizable value for impairment of revenues for changes in resident credit worthiness. The allowance is estimated by management based on factors such as aging of the accounts receivable, and anticipated collection of the consideration. Accounts are written off through credit loss expense when the Company has exhausted all collection efforts and accounts are deemed impaired.

Entrance fee receivables are evaluated for collectability prior to residents being admitted to the communities based on the resident's credit worthiness. The terms and conditions of each entrance fee receivable are determined when a resident agreement is executed.

Property and Equipment

Property and equipment are stated at cost. Donated assets are recorded at their fair value at the date of donation. Depreciation is computed using the straight-line method based on the following estimated useful lives:

Land improvements	10 to 25 years
Building and improvements	8 to 55 years
Furniture, fixtures and equipment	3 to 10 years

When assets are sold or retired, the asset values and related accumulated depreciation are eliminated from the accounts and any gain or loss is included in the consolidated statements of operations and changes in net assets. The cost of maintenance and repairs is charged to expense as incurred. Significant renewals and betterments are capitalized.

Gifts of long-lived assets such as land, buildings or equipment are reported as other revenue unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted contributions. Expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Depreciation expense was $105,385,000 in 2024 and $96,082,000 in 2023.

Interest is capitalized for assets that require a period of time to be constructed or to prepare them for their intended use. The amount of interest capitalized was $5,496,000 in 2024 and $10,422,000 in 2023.

Goodwill

In connection with the recording of the assets and liabilities of Heron Point of Chestertown, Inc. (HP) in 2010, Presbyterian Retirement Corporation, Inc. (PRC) in 2017, ACMD in 2019 and TERR in 2024, the fair value of the assets was less than the fair value of the liabilities. As a result, goodwill of $117,108,000 was recorded in connection with these transactions and allocated to each reporting unit.

HP merged into ACMD in 2022. As a result of this change in reporting structure, the goodwill previously assigned to HP's separate reporting unit of $22,551,000 was assigned to ACMD. PRC merged into ACTS in 2023. As a result of this change in reporting structure, the goodwill previously assigned to PRC's separate reporting unit of $4,926,000 was assigned to ACTS.

Goodwill is not amortized; instead the Company evaluates goodwill for impairment on an annual basis or more frequently if indicators of impairment exist. In 2024, the Company assessed qualitative factors (events and circumstances) to determine whether it was more likely than not (that is, a likelihood of more than 50%) that the fair value of PRC's separate reporting unit, which is now a division of ACTS, ACMD, and TERR was less than its carrying amount, including goodwill. Based on the assessment of qualitative factors, the Company concluded that it was more likely than not that the fair value of PRC's separate reporting unit, which is now a division of ACTS, ACMD and TERR exceeded its carrying amount, including goodwill. Therefore, additional testing to identify potential impairment was unnecessary.

In 2023, the Company assessed qualitative factors (events and circumstances) to determine whether it was more likely than not (that is, a likelihood of more than 50%) that the fair value of PRC's separate reporting unit, which is now a division of ACTS, was less than its carrying amount, including goodwill. Based on the assessment of qualitative factors, the Company concluded that it was more likely than not that the fair value of PRC's separate reporting unit, which is now a division of ACTS, exceeded its carrying amount, including goodwill. Therefore, additional testing to identify potential impairment was unnecessary.

In 2023, the Company chose to perform a quantitative test and engaged an independent valuation firm to evaluate ACMD's goodwill for impairment. For the reporting unit, the estimated fair value was determined using a combination of a discounted cash flow analysis and market-based approach. The cash flows employed in the discounted cash flow analysis were based on the Company's internal projection model for years beyond 2023, using growth rates that estimated future growth in the industry in which the Company operates. The discount rates used in the discounted cash flow analysis were intended to reflect the risks inherent in the future cash flows of the reporting unit and were based on an estimated cost of capital. In addition, the market-based approach utilized comparable public company trading values. The Company concluded that the fair value, as estimated by the independent valuation firm, of ACMD exceeded its carrying amount, including goodwill. Therefore, additional testing to identify potential impairment was unnecessary.

As such, no impairment losses were recorded in 2024 and 2023.

Deferred Costs

Deferred costs include incremental costs of obtaining agreements that would not have been incurred if the agreements were not obtained and are recorded at cost. Deferred costs are amortized over the estimated life expectancy of the residents using the straight-line method, which approximates the period of time that services are expected to be transferred to residents. Amortization of deferred costs was $1,728,000 in 2024 and $1,631,000 in 2023.

Deferred Financing Costs

Deferred financing costs are amortized straight-line over the terms of the related debt, which approximates using the effective interest method and are classified net with the related debt. Amortization expense, which is included as a component of interest expense, was $772,000 in 2024 and $780,000 in 2023.

Derivative Financial Instruments

The Company uses interest rate swap agreements which are considered derivative financial instruments, to manage its interest rate risk on its long-term debt. The interest rate swap agreements are reported at fair value in the consolidated balance sheets and related changes in fair value are reported on the consolidated statements of operations and changes in net assets as a component of net unrealized gain on investments and investment contracts.

Entrance Fees

Under a continuing care contract (resident agreement) for a residential living unit, the Company receives entrance fee payments in advance. The Company offers both nonrefundable and refundable resident agreements. As of December 31, 2024 and 2023, the majority of the Company's resident agreements are nonrefundable.

Under the majority of nonrefundable resident agreements, residents who terminate their contracts will generally be entitled to a full refund less an administrative fee of up to 5%, and less 1% to 2% (based on the resident agreement) of the remaining entrance fee per each month of residency. Under refundable resident agreements, the entrance fee is reduced to no less than the guaranteed refund, as specified in the resident agreement, and refunds to residents are generally paid by the Company after a new resident occupies the residential living unit vacated by the former resident.

The nonrefundable portion of entrance fees is amortized to revenue over the actuarially computed life expectancy of the residents using the straight-line method, which approximates the period of time that services under the resident agreements are expected to be transferred to residents and the Company's performance obligation to the residents is satisfied and is classified as deferred revenue from entrance fees on the consolidated balance sheets. Amortization of nonrefundable entrance fees was $152,461,000 in 2024 and $140,394,000 in 2023.

The guaranteed refundable portion of entrance fees is classified as refundable portion of entrance fees on the consolidated balance sheets and is not amortized to revenue.

The gross contractual refund obligations under existing resident agreements were approximately $659,163,000 and $532,617,000 at December 31, 2024 and 2023, respectively.

Under the majority of existing resident agreements, residential living residents are entitled to assisted living or skilled care services, as needed, with no increases in the current monthly service fees as a result of transferring to a higher level of care.

Obligation to Provide Future Services

The Company engages an independent actuary once every three years to calculate the present value of the net cost of future services and the use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from entrance fees. Based upon the last calculation performed (as of October 31, 2024 for TERR and December 31, 2023 for all others), the present value of the net cost of future services and the use of facilities, based on a discount rate of 5%, did not exceed the balance of deferred revenue from entrance fees. Based upon this calculation, and the analysis of management, no liability for the obligation to provide future services has been recorded at December 31, 2024 and 2023.

Charitable Gift Annuity Obligations

The Company entered into arrangements with certain donors whereby the donor contributes assets to the Company and, in return, is entitled to receive a series of annuity payments. Under the terms of the arrangements, the estimated liability is to be held in a segregated fund or account until the death of the donor. Upon receipt, the contribution is recorded as a restricted asset, and the present value of the future annuity payments is recorded as a liability. The difference between the asset and the liability is reported as a contribution with donor restriction or directly to other revenue on the consolidated statements of operations and changes in net assets if the gift is designated for a purpose without donor restriction.

Net Assets

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 - Net assets available for use in general operations and not subject to donor restrictions. All revenue not restricted by donors and donor restricted contributions whose restrictions are met in the same period in which they are received are accounted for in net assets without donor restrictions.

Net Assets With Donor Restrictions - 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. All revenues restricted by donors as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in net assets with donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Resident Services Revenues

Resident services revenues are reported at the amount that reflects the consideration the Company expects to receive in exchange for the services provided. These amounts are due from residents or third-party payors and include variable consideration for retroactive adjustments, if any, under reimbursement programs. Performance obligations are determined based on the nature of the services provided. Resident services revenues are recognized as performance obligations are satisfied.

Payment terms and conditions for the Company's resident agreements vary by contract type and payor source, although terms generally include payment to be made within 30 days. Resident services revenues for recurring and routine monthly services due from private pay residents are generally billed monthly in advance. Resident services revenues for ancillary services due from private pay residents are generally billed monthly in arrears. Resident services revenues due from Medicare, Medicaid and other third-party payor programs are billed monthly in arrears.

Resident services revenues are primarily comprised of skilled care, assisted living and residential living revenue streams, which are primarily derived from providing nursing, assisted living and housing services to residents at a stated daily or monthly fee, net of any explicit or implicit price concessions. The Company has determined that the services included in the stated daily or monthly fee for each level of care represents a series of distinct services that have the same timing and pattern of transfer. Therefore, the Company considers the services provided to residents in each level of care to be one performance obligation which is satisfied over time as services are provided. As such, skilled care, assisted living and residential living revenues are recognized on a daily or month-to-month basis as services are rendered.

The Company receives revenue for services under third-party payor programs, including Medicare, Medicaid and other third-party payors. Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are included in the determination of the estimated transaction price for providing services. The Company estimates the transaction price based on the terms of the contract and correspondence with the third-party payor and historical payment trends, and retroactive adjustments are recognized in future periods as final settlements are determined.

Contract Balances

Contract assets represent the Company's right to consideration in exchange for goods or services that the Company has transferred to a resident when that right is conditioned on something other than the passage of time (for example, the Company's future performance). Contract liabilities represent the Company's obligation to transfer goods or services to a resident for which the Company has received consideration (or the amount is due) from the resident. The Company's beginning and ending contract assets and liabilities are separately presented on the consolidated balance sheets as of December 31, 2024 and 2023. Contracts assets and liabilities as of December 31, 2022 in thousands are as follows:

Accounts receivable, entrance fee receivables and other receivables, net	$ 30,439
Resident monthly fees received in advance	4,301
Deferred revenue from entrance fees	963,420

Income Taxes

ACTS, ASCS, ALF, ACMD, ML and TERR are not-for-profit corporations. Each is exempt from federal income taxes on exempt income under Section 501(a) of the IRC and other income taxes under similar statutes. Accordingly, no provision for income taxes has been recorded in the consolidated financial statements.

Measure of Operations and Performance Indicator

The consolidated statements of operations and changes in net assets include the determination of operating income and net operating income (the performance indicator). Operating income includes only those operating revenues and expenses that are an integral part of the Company's program activities and net assets released from donor restrictions to provide resident services. Net operating income includes all operating activities, as well as changes in unrealized gains and losses on investments and investment contracts, loss on early extinguishment of debt, other valuation adjustments, net assets without donor restrictions acquired from membership transfer, net gain on nonoperating events, and inherent contributions received in affiliation.

Changes in net assets without donor restrictions which are excluded from the determination of the performance indicator, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets, if any).

Use of Estimates

The preparation of 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 and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Company evaluated subsequent events for recognition or disclosure through April 29, 2025, the date the consolidated financial statements were issued.

4. Liquidity and Availability of Resources

As of December 31, the Company has financial assets available for general expenditure within one year of the date of the consolidated balance sheets, consisting of the following:

	2024	2023
	(In Thousands)	
Cash and cash equivalents	$ 28,512	$ 23,581
Accounts receivable, entrance fee receivables and other receivables, net	36,962	32,468
Investments without donor restrictions	280,206	275,049
Total	$ 345,680	$ 331,098

The Company has other assets restricted as to use: state reserves, interest in investments of the Community Foundation of Southern Alabama (CFSA) and SantaFe Senior Living Foundation (SFSLF) (collectively the other foundations), donor-restricted funds and debt related reserves. These amounts have been excluded from the amounts above.

As part of the Company's liquidity management, cash in excess of daily requirements is invested in short-term investments and money market funds. The Company may designate a portion of any operating surplus to a general reserve. This fund may be drawn upon to meet unexpected liquidity needs.

Donor-restricted funds of $31,676,000 and $30,460,000 at December 31, 2024 and 2023, respectively, can be made available based on the passage of time or other events specified by the donor. The Company has certain investments without donor restrictions that have been internally designated for long-term purposes of $3,652,000 and $3,647,000 at December 31, 2024 and 2023, respectively, which have been excluded from the amounts above.

Additionally, the Company maintains lines of credit, as discussed in more detail in Note 8.

5. Investments, Fair Value Measurements and Financial Instruments

Investments

The classification of the Company's investments as of December 31 is set forth in the following table:

	2024	2023
	(In Thousands)	
Investments without donor restrictions	$ 283,858	$ 278,696
State reserves	66,762	66,750
Interest in investments of CFSA & SFSLF	537	218
Donor-restricted funds	41,422	40,524
Debt related reserves	23,933	36,540
Debt service reserve funds	13,214	8,327
Real estate held for investment at cost	4,718	4,718
Total	$ 434,444	$ 435,773

Investment return is as follows:

	2024	2023
	(In Thousands)	
Without donor restrictions:		
Interest and dividend income	$ 14,363	$ 12,772
Net realized gain on investments	2,739	1,254
Total investment income	17,102	14,026
Net unrealized gain on investments	4,211	16,687
With donor restrictions:		
Interest and dividend income	1,005	575
Net unrealized gain on investments	312	1,222
Total investment return	$ 22,630	$ 32,510

Fair Value Measurements

The Company measures its investments and derivative financial instruments at fair value on a recurring basis in accordance with accounting principles generally accepted in the United States of America.

Fair value is defined as the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework that the authoritative guidance establishes for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

The levels of the fair value hierarchy are as follows:

Level 1 - Fair value is based on unadjusted quoted prices in active markets that are accessible to the Company for identical assets or liabilities. These generally provide the most reliable evidence and are used to measure fair value whenever available.

Level 2 - Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the asset or liability through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets or liabilities, quoted market prices in markets that are not active for identical or similar assets or liabilities and other observable inputs.

Level 3 - Fair value would be based on significant unobservable inputs. Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows and other similar techniques.

The fair value of the Company's investments and derivative financial instruments were measured using the following inputs at December 31:

	2024			
	Total	**Quoted Prices in Active Markets (Level 1)**	**Other Observable Inputs (Level 2)**	**Other Unobservable Inputs (Level 3)**
	(In Thousands)			
Assets:				
Instruments measured and reported at fair value:				
Investments:				
U.S. government securities	$ 95,524	$ -	$ 95,524	$ -
Mutual and exchange traded funds, fixed income	87,635	87,635	-	-
Money market funds	79,893	79,893	-	-
Corporate debt securities	74,833	-	74,833	-
Equities	38,934	38,934	-	-
Mutual and exchange traded funds, equity	35,577	35,577	-	-
Guaranteed investment contracts	5,003	-	-	5,003
Municipal bonds	4,700	-	4,700	-
Other	3,817	-	3,817	-
Beneficial interest in perpetual trusts	1,109	-	-	1,109
Time deposits	676	676	-	-
Beneficial interest in the investments of CFSA & SFSLF	537	-	537	-
Total	$ 428,238	$ 242,715	$ 179,411	$ 6,112
Reconciliation of investments to the consolidated balance sheet:				
Cash and cash equivalents	$ 1,488			
Real estate held for investment at cost	4,718			
Investments measured at fair value	428,238			
Total investments	$ 434,444			
Liabilities:				
Accumulated loss on investment contracts	$ 1,253	$ -	$ 1,253	$ -

	2023			
	Total	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Other Unobservable Inputs (Level 3)
	(In Thousands)			
Assets:				
Instruments measured and reported at fair value:				
Investments:				
U.S. government securities	$ 85,001	$ -	$ 85,001	$ -
Mutual and exchange traded funds, fixed income	86,388	86,388	-	-
Money market funds	92,168	92,168	-	-
Corporate debt securities	73,072	-	73,072	-
Equities	35,599	35,599	-	-
Mutual and exchange traded funds, equity	37,312	37,312	-	-
Guaranteed investment contracts	4,991	-	-	4,991
Municipal bonds	5,994	-	5,994	-
Other	4,684	-	4,684	-
Beneficial interest in perpetual trusts	1,006	-	-	1,006
Time deposits	2,268	2,268	-	-
Beneficial interest in the investments of CFSA	218	-	218	-
Total	$ 428,701	$ 253,735	$ 168,969	$ 5,997
Reconciliation of investments to the consolidated balance sheet:				
Cash and cash equivalents	$ 2,354			
Real estate held for investment at cost	4,718			
Investments measured at fair value	428,701			
Total investments	$ 435,773			
Liabilities:				
Accumulated loss on investment contracts	$ 2,108	$ -	$ 2,108	$ -

The Company's guaranteed investment contracts increased $12,000 in 2024 and decreased $1,487,000 in 2023, due to net deposits and withdrawals and the dissolution of certain debt service reserve funds.

Financial Instruments

Money market funds, mutual and exchange traded funds, time deposits and equities are valued based on quoted market prices in active markets, which are considered Level 1 inputs. U.S. government securities, corporate debt securities, other investments and municipal bonds are generally valued using quoted market prices of similar securities, which are considered Level 2 inputs. The Company has a beneficial interest in the investments of CFSA and SFSLF. Since CFSA and SFSLF generally invest the Company's funds in U.S. government securities, corporate debt securities, other investments and municipal bonds, the fair value of the beneficial interest in the investments of CFSA and SFSLF was deemed to be determined using Level 2 inputs.

The guaranteed investment contracts are reported at contract value, which approximates fair value, based on the ability of the counterparties to pay the guaranteed claims in accordance with the terms of the contracts. The credit ratings of the counterparties as of the measurement date uphold the guaranteed investment contracts ability to meet obligations set forth in the contracts. Contract value is the aggregation of contributions, plus interest, less withdrawals. Contract value approximates a discounted cash flow value calculated using an appropriate risk-adjusted market discount rate which correlates closely with the counterparties historical credit rates. The guaranteed investment contracts have redemption restrictions based on the terms of the underlying contracts. The redemption restrictions do not have a material impact on the contract value of the guaranteed investment contracts.

The Company measures its accumulated loss on investment contracts at fair value based on proprietary models of an independent third-party valuation specialist. The fair value takes into consideration the prevailing interest rate environment and the specific terms and conditions of the derivative financial instruments and considers the credit risk of the counterparty to the agreements and the Company. The method used to determine the fair value calculates the estimated future payments required by the derivative financial instruments and discounts these payments using an appropriate discount rate. The value represents the estimated exit price the Company would pay to terminate the agreements.

6. Accounts Receivable, Entrance Fee Receivables and Other Receivables

Accounts receivable, entrance fee receivables and other receivables are comprised of the following at December 31:

	2024	2023
	(In Thousands)	
Resident monthly fees	$ 5,699	$ 4,740
Resident entrance fees	8,980	10,429
Third-party accounts	20,680	20,889
Other	7,438	4,961
Total receivables	42,797	41,019
Allowance for credit losses	(5,835)	(8,551)
Accounts receivable, entrance fee receivables and other receivables, net	$ 36,962	$ 32,468

7. Property and Equipment

Property and equipment is comprised of the following at December 31:

	2024	2023
	(In Thousands)	
Land and improvements	$ 157,696	$ 143,761
Building and improvements	2,861,411	2,595,707
Furniture, fixtures and equipment	223,918	206,575
Construction in progress	86,665	121,634
Total property and equipment	3,329,690	3,067,677
Accumulated depreciation	(1,259,117)	(1,168,992)
Property and equipment, net	$ 2,070,573	$ 1,898,685

8. Short-Term Indebtedness

ACTS has an available $85,000,000 revolving line of credit with a financial institution. Interest on amounts outstanding on the line of credit was 5.87% at December 31, 2024. Interest is calculated monthly based on changes to the SOFR, as defined. Borrowings were $37,302,000 and $66,327,000 at December 31, 2024 and 2023, respectively. The line of credit is set to expire in October 2027.

ACTS also has an available $90,000,000 revolving line of credit with another financial institution. Interest on amounts outstanding on the line of credit was 5.79% at December 31, 2024. Interest is calculated monthly based on changes to the SOFR, as defined. Borrowings were $18,968,000 and $7,097,000 at December 31, 2024 and 2023, respectively. The line of credit is set to expire in June 2027.

ACTS' obligations under the line of credit agreements are secured under the terms of a Master Trust Indenture dated December 1, 1996, as supplemented, on a parity basis by a pledge of gross revenues (as defined), a covenant not to create or allow to exist upon its property any lien except for permitted liens and a promise to deliver mortgages and/or deeds of trust granting liens upon and security interest in its facilities to the Master Trustee if certain events occur, as defined.

9. Long-Term Indebtedness

The Company's long-term indebtedness has been issued under four separate structures.

ACTS Obligated Group (ACTS OG)

ACTS OG's long-term indebtedness has been issued under a Master Trust Indenture, dated December 1, 1996, as supplemented, which secures the obligations of ACTS OG and includes a pledge of gross revenues (as defined), a covenant not to create or allow to exist upon its property any lien except for permitted liens and a promise to deliver mortgages and/or deeds of trust granting liens upon and security interest in its facilities to the Master Trustee if certain events occur, as defined. ACTS OG is required to maintain certain reserves with a trustee. Such reserves are included in investments. ACTS OG is also required to meet certain financial covenants. ACTS OG includes ACTS, AMS, ARLCM, AAM and ASCS under the terms of the Master Trust Indenture.

ACMD Obligated Group (ACMD OG)

ACMD OG's long-term indebtedness has been issued under a Master Trust Indenture, dated February 1, 2020, as supplemented, which secures the obligations of ACMD OG and includes a lien on the underlying property and assignment of pledged revenues, as defined. ACMD OG is also required to meet certain financial covenants. ACMD is the only member of the ACMD OG.

ML

ML's long-term indebtedness has been issued under a Bond Indenture, dated December 1, 2021, as supplemented, which secures the obligations of ML and includes a lien on the underlying property and assignment of pledged revenues, as defined.

TERR

TERR's long-term indebtedness has been issued under a Master Trust Indenture, dated January 1, 2022, which secures the obligations of TERR and includes a lien on the underlying property and assignment of pledged revenues, as defined. TERR is also required to meet certain financial covenants beginning December 31, 2027.

The Company's long-term indebtedness consists of the following at December 31:

	2024	2023
	(In Thousands)	
ACTS OG		
Montgomery County Industrial Development Authority (PA) Retirement Communities Revenue Bonds Series 2023A. The interest rate is 5.25% and principal matures in varying amounts from 2051 through 2053.	$ 10,315	$ 10,315
Delaware Economic Development Authority Retirement Communities Revenue Bonds Series 2023B. The interest rates range from 5% to 5.25% and principal matures in varying amounts from 2037 through 2053.	58,215	58,215
Taxable Term Loan dated December 15, 2023. The interest rate is 6.23% and resets in December 2026. Principal is anticipated to mature in varying amounts through March 2043. However, the Company must request an extension of the maturity date (December 2026) to formally extend the loan. The maturity date will be considered extended only if the bank provides written notice of the extension.	26,868	27,768
Public Finance Authority Retirement Communities Revenue Bonds Series 2020A. The interest rates range from 4% to 5% and principal matures in varying amounts from 2037 through 2041.	48,460	48,460
Palm Beach County Health Facilities Authority (FL) Retirement Communities Revenue Bonds Series 2020B. The interest rates range from 4% to 5% and principal of $9,480,000 and $9,880,000 matures in 2041 and 2042, respectively.	19,360	19,360
Montgomery County Industrial Development Authority (PA) Retirement Communities Revenue Bonds Series 2020C. The interest rates range from 4% to 5% and principal matures in varying amounts from 2042 through 2045.	47,290	47,290
Montgomery County Industrial Development Authority (PA) Retirement Communities Revenue Bonds Series 2020D (Taxable). The interest rates range from 2.6% to 3.2% and principal matures in varying amounts through 2029.	61,905	75,990
Public Finance Authority Retirement Communities Revenue Bonds Series 2019A. The interest rate is 5% and principal matures in varying amounts through 2049.	23,710	23,780
Public Finance Authority Retirement Communities Revenue Bond Series 2019B. The interest rate is 2.69% and principal matures in varying amounts through 2039.	19,635	20,680
Special Care Facilities Financing Authority of the City of Daphne Retirement Communities Revenue Bond Series 2019A (Taxable). The interest rate is 4.35% and principal matures in varying amounts through 2043.	15,853	16,412
Public Finance Authority Retirement Communities Revenue Bond Series 2019B. The interest rate is 3.52% and principal matures in varying amounts from 2043 through 2046.	5,100	5,100

	2024	2023
	(In Thousands)	
Palm Beach County Health Facilities Authority (FL) Retirement Communities Revenue Bonds Series 2018A. The interest rate is 5% and principal matures in varying amounts from 2042 through 2045.	$ 46,815	$ 46,815
Delaware Economic Development Authority Retirement Communities Revenue Bonds Series 2018B. The interest rate is 5% and principal of $17,325,000 and $18,450,000 matures in 2047 and 2048, respectively.	35,775	35,775
South Carolina Jobs-Economic Development Authority Retirement Communities Revenue Bonds Series 2018C. The interest rate is 5% and principal matures in varying amounts from 2045 through 2047.	21,540	21,540
Public Finance Authority Retirement Communities Revenue Bonds Series 2018D. The interest rate is 3.51% and resets in June 2025. Principal matures in varying amounts from 2037 through 2040.	32,065	32,065
Montgomery County Industrial Development Authority (PA) Retirement Communities Revenue Bonds Series 2018E. The interest rate was 3.51%. Refinanced in March 2025 as described in Note 18.	31,615	31,615
Montgomery County Industrial Development Authority (PA) Retirement Communities Revenue Bonds Series 2016. The interest rate is 5% and principal matures in varying amounts from 2033 through 2036.	97,165	97,165
Palm Beach County Health Facilities Authority (FL) Retirement Communities Revenue Bonds Series 2016. The interest rates range from 3% to 5% and principal matures in varying amounts through 2032.	78,035	78,035
Gainesville and Hall County Development Authority (GA) Retirement Community Revenue Refunding Bonds Series 2016. The interest rates range from 4% to 5% and principal of $435,000 and $6,755,000 matures in 2032 and 2033, respectively.	7,190	7,190
Delaware Economic Development Authority Variable Rate Demand Revenue Bonds Series 2007A. The interest rate is fixed at 4.75% and resets in December 2026. Principal matures in varying amounts through 2037.	39,370	41,695
Gainesville and Hall County Development Authority (GA) Senior Living Facility Variable Rate Demand Revenue Bonds Series 2003B. The interest rate was 4.51% at December 31, 2024 and principal matures in varying amounts through 2033. Security is provided through a bond insurance commitment enhanced by a standby bond purchase agreement.	22,345	23,705
Escambia County Health Facilities Authority (FL) Healthcare Facilities Variable Rate Revenue Refunding Bonds Series 2003B. The interest rate was 4.51% at December 31, 2024 and principal matures in varying amounts through 2029. Security is provided through a bond insurance commitment enhanced by a standby bond purchase agreement.	10,620	12,515

	2024	2023
	(In Thousands)	
Montgomery County Industrial Development Authority (PA) Retirement Community Variable Rate Demand Revenue Bonds Series 2002. The interest rate was 4.51% at December 31, 2024 and principal matures in varying amounts through 2029. Security is provided through a bond insurance commitment enhanced by a standby bond purchase agreement.	$ 6,045	$ 6,855
Total ACTS OG	765,291	788,340
ACMD OG		
The Town of Chestertown Economic Development Refunding Revenue Bond Series 2018B. The interest rate is 3.7% and principal matures in varying amounts through 2038.	19,400	20,435
Maryland Health and Higher Educational Facilities Authority Revenue Bonds Integrace Issue Series 2020A. The interest rate is 5% and principal matures in varying amounts from 2028 through 2049.	87,110	87,110
Maryland Health and Higher Educational Facilities Authority Taxable Revenue Bonds Integrace Issue Series 2020B. The interest rate is 3.3% and principal matures in varying amounts through 2027.	6,395	8,390
Total ACMD OG	112,905	115,935
ML		
Pinellas County Health Facilities Authority Health Care Facilities Refunding and Revenue Bonds Series 2021. The interest rate was 7%. Refinanced in March 2025 as described in Note 18.	21,005	21,005
TERR		
Alachua County Health Facilities Authority Health Care Facilities Refunding and Revenue Bonds Series 2022A. The interest rate is 5% and principal matures in varying amounts from 2033 through 2061.	83,600	-
Total	982,801	925,280
Bond premiums and discounts, net	65,278	69,194
Fair value adjustment, TERR	(23,959)	-
Unamortized deferred financing costs	(8,298)	(9,057)
Total long-term indebtedness	$ 1,015,822	$ 985,417

Variable rates are determined based on prevailing market rates and general financial conditions. The variable interest rates above include letter of credit and remarketing fees. The letter of credit fees are subject to change if the rating for ACTS OG changes in the future. Certain debt provisions require the maintenance of the standby bond purchase agreements. Any standby bond purchase agreement used as security, if executed, has a five-year repayment term.

Scheduled principal repayments on long-term indebtedness outstanding as of December 31, 2024, based on the terms of the financing transaction described in Note 18, are as follows (in thousands):

Years ending December 31:	
2025	$ 26,996
2026	27,946
2027	28,961
2028	30,006
2029	34,100
2030 - 2034	180,370
2035 - 2039	191,768
2040 - 2044	212,174
2045 - 2049	167,065
2050 - 2054	44,355
2055 - 2059	23,930
2060 - 2061	15,130
Total	$ 982,801

10. Derivative Instruments and Hedging Activities

ACTS OG has interest rate swap agreements with financial institutions that are considered derivative financial instruments. The objective of the swap agreements is to minimize the risks associated with financing activities by reducing the impact of changes in the interest rates on variable rate debt. The swap agreements are contracts to exchange variable rate for fixed rate payments over the terms of the swap agreements without the exchange of the underlying notional amount. The notional amount of the swap agreements is used to measure the interest to be paid or received and does not represent the amount of exposure to credit loss. Exposure to credit loss is limited to the receivable amount, if any, which may be generated as a result of the swap agreements. Management believes that losses related to credit risk are remote and that the swap agreements are continuing to function as intended.

The net cash paid or received under the swap agreements is recognized as an adjustment to interest expense. ACTS OG does not utilize interest rate swap agreements or other financial instruments for trading or other speculative purposes.

Changes in fair value of the interest rate swap agreements are recorded as a component of net unrealized gain on investments and investment contracts. The change in fair value was $855,000 in 2024 and $209,000 in 2023.

At December 31, 2024, the Company had the following interest rate swaps in effect:

Debt Series	Notional Amount	Maturity Date	Effective Interest Rate	Accumulated Unrealized Loss
Series 2002 (PA)	$ 6,045,000	2029	3.64 %	$ 165,000
Series 2003B (GA)	22,345,000	2033	3.54 %	929,000
Series 2003B (FL)	10,620,000	2029	3.35 %	159,000

The fair value of ACTS OG's interest rate swap agreements was $(1,253,000) and $(2,108,000) at December 31, 2024 and 2023, respectively, and was obtained from an independent third-party valuation specialist.

11. Net Assets

Net assets with donor restrictions are available for the following purposes at December 31:

	2024	2023
	(In Thousands)	
Financial assistance to residents	$ 15,245	$ 15,085
Purchase of property and equipment	4,774	5,095
Resident services	648	650
Other	8,329	6,730
Restricted in perpetuity	10,283	10,282
Total net assets with donor restrictions	$ 39,279	$ 37,842

The income distributions from net assets held in perpetuity are available to fund financial assistance to residents and other donor restricted purposes.

Net assets were released from donor restrictions by incurring costs satisfying the restricted purpose or by occurrence of other events specified by donors.

12. Resident Services Revenues

The Company disaggregates revenue from contracts with residents by type of service and payor source as this depicts the nature, amount, timing and uncertainty of its revenue and cash flows as affected by economic factors. Resident services revenues consist of the following for the years ended December 31:

	2024			
	Residential Living	Assisted Living	Skilled Care	Total
	(In Thousands)			
Private pay	$ 377,951	$ 63,547	$ 61,177	$ 502,675
Medicare and other	3,606	3	43,457	47,066
Medicaid	-	-	8,387	8,387
Total resident services revenues	$ 381,557	$ 63,550	$ 113,021	$ 558,128
Amortization of nonrefundable entrance fees				$ 152,461

	2023			
	Residential Living	Assisted Living	Skilled Care	Total
	(In Thousands)			
Private pay	$ 346,054	$ 46,072	$ 62,965	$ 455,091
Medicare and other	3,625	3	39,594	43,222
Medicaid	-	-	8,288	8,288
Total resident services revenues	$ 349,679	$ 46,075	$ 110,847	$ 506,601
Amortization of nonrefundable entrance fees				$ 140,394

13. Retirement Plans

The Company participates in a 401(k) Plan (the ACTS 401(k) Plan) covering substantially all full-time employees. The ACTS 401(k) Plan allows for qualified employees to voluntarily contribute up to the Internal Revenue Service maximum. In accordance with the terms of the ACTS 401(k) Plan, the Company matches up to 100% of the first 3% of the employee's contribution, plus an additional 50% of the next 2% of the employee's contribution. Plan expense was $5,952,000 in 2024 and $5,612,000 in 2023.

14. Concentrations of Credit Risk

The Company grants credit without collateral to its residents, some of whom are insured under third-party payor arrangements, primarily related to providing residential and healthcare related services.

The Company maintains cash accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses resulting from this, and management believes it is not subject to any significant credit risk related to cash accounts.

15. Commitments and Contingencies

Senior Living Services Industry

The senior living services industry is subject to numerous laws, regulations and administrative directives of federal, state and local governments and agencies. Compliance is subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for resident services previously billed. Management is not aware of any material incidents of noncompliance.

Construction Agreements

The Company entered into construction agreements for certain development and renovation activities at various communities. Commitments were approximately $17,333,000 as of December 31, 2024.

Litigation

The Company operates in an industry where various suits and claims arise in the normal course of business. The Company maintains general and professional liability coverage on a claims-made basis through a commercial insurance carrier. Management is not currently aware of any claims that have been or will be asserted that will, after consideration of applicable insurance coverages, have a material adverse effect on the consolidated financial statements.

16. Related-Party Transactions

ARLCM and AMS (collectively, Manager) entered into a Management, Marketing and Development Agreements (the Agreement) with ACTS, ACMD, ML and TERR, which are automatically renewable for one year on each anniversary date. Management fees are equal to 3% to 4% of gross revenues, plus any out-of-pocket expenses. Marketing fees are equal to 3% to 4% of gross entrance fee proceeds, plus any out-of-pocket expenses. Development fees are equal to 3% to 4% of project costs for qualified capital projects. Manager is also reimbursed for the costs related to certain key employees. Total fees incurred under the Agreements were $57,758,000 in 2024 and $52,570,000 in 2023. Amounts payable in connection with the Agreements are included in the consolidated balance sheets as due to affiliated organizations. These balances are generally intended to be settled in the normal course of business.

The Company participates with ARLCM in self-insured workers compensation and health insurance programs. In accordance with the terms of the Agreements, the Company pays ARLCM a fixed premium for its participation in these programs, which is adjusted from time to time. Premiums paid in connection with these programs were $32,953,000 in 2024 and $31,682,000 in 2023.

At December 31, 2024 and 2023, the Company had net balances due to ARLCM and AMS of $26,794,000 and $27,905,000, respectively. These amounts are included in the consolidated balance sheets as due to affiliated organizations and are intended to be settled currently in the normal course of business.

17. Functional Expenses

The Company provides housing, healthcare and other related services to residents within its geographic locations. The consolidated financial statements report certain expense categories that are attributable to more than one program service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, including depreciation and amortization and other occupancy costs, are allocated to a function based on usage of space. Expenses relating to providing these services are approximately as follows for 2024 and 2023:

	2024		
	Program Services	General and Administrative	Total
Salaries, wages and benefits	$ 327,682	$ 16,169	$ 343,851
Contracted services	84,040	13,442	97,482
Utilities	34,303	-	34,303
Food	28,722	971	29,693
Supplies	20,961	8,681	29,642
Real estate taxes	13,415	862	14,277
Insurance	12,174	7	12,181
Other	12,578	13,218	25,796
Depreciation and amortization	99,713	7,400	107,113
Interest, net	39,449	-	39,449
Total	$ 673,037	$ 60,750	$ 733,787

	2023		
	Program Services	General and Administrative	Total
Salaries, wages and benefits	$ 302,809	$ 10,535	$ 313,344
Contracted services	76,692	10,993	87,685
Utilities	33,164	1	33,165
Food	26,454	818	27,272
Supplies	19,438	7,938	27,376
Real estate taxes	12,927	679	13,606
Insurance	9,992	24	10,016
Other	12,494	11,172	23,666
Depreciation and amortization	90,771	6,942	97,713
Interest, net	33,790	-	33,790
Total	$ 618,531	$ 49,102	$ 667,633

18. Subsequent Event

In March 2025, the Montgomery County Industrial Development Authority (PA) issued, on behalf of ACTS OG, $100,170,000 Retirement Communities Revenue Bonds, Series 2025A, and the Palm Beach County Health Facilities Authority (FL) issued, on behalf of ACTS OG, $62,930,000 Retirement Communities Revenue Bonds, Series 2025B (collectively, the Series 2025 Bonds). In connection with the issuance of the Series 2025 Bonds, ML was admitted as a member of the ACTS OG.

The proceeds from the Series 2025 Bonds were primarily used to refinance $31,615,000 Montgomery County Industrial Development Authority (PA), Retirement Communities Revenue Bonds, Series 2018E (ACTS OG); refinance $21,005,000 Pinellas County Health Facilities Authority, Health Care Facilities Refunding and Revenue Bonds, Series 2021 (ML); refinance $25,000,000 of the outstanding borrowings on the lines of credit described in Note 8 on a long-term basis; and provide a source of funds for $90,000,000 in project funds that will be used for various capital projects. Interest on the Series 2025 Bonds is 5% and is payable semi-annually. Principal matures in varying amounts from 2037 through 2055.

The scheduled principal repayments on long-term indebtedness as of December 31, 2024, in Note 9, were not affected by the refinancing of the $31,615,000 Montgomery County Industrial Development Authority (PA), Retirement Communities Revenue Bonds, Series 2018E (ACTS OG), and are reflective of the change in timing of scheduled principal repayments on the $21,005,000 Pinellas County Health Facilities Authority, Health Care Facilities Refunding and Revenue Bonds, Series 2021 (ML) as a result of the refinancing.

ACTS Retirement-Life Communities, Inc. and Subsidiaries

Consolidating Balance Sheet Schedule
December 31, 2024
(In Thousands)

	ACTS Retirement-Life Communities, Inc.	Acts Communities of Maryland, Inc.	Mease Life, Inc.	Mease Life Resident Foundation, Inc.	Bonita Springs Retirement Village, Inc.	ACTS Legacy Foundation, Inc.	ACTS Signature Community Services, Inc.	ACTS Acquisition and Development Company, LLC	Eliminations	ACTS Retirement-Life Communities, Inc. and Subsidiaries
Assets										
Cash and cash equivalents	$ 17,148	$ 5,569	$ 1,888	$ -	$ 3,154	$ 98	$ 321	$ 334	$ -	$ 28,512
Investments	377,058	30,037	10,523	-	12,972	32,718	-	-	(28,864)	434,444
Accounts receivable, entrance fee receivables and other receivables, net	23,354	4,947	1,416	-	1,367	-	2,184	3,694	-	36,962
Prepaid expenses, inventory and deposits	10,991	1,353	635	-	321	-	39	3	-	13,342
Property and equipment, net	1,681,877	215,944	63,999	-	108,753	-	-	-	-	2,070,573
Goodwill	4,926	104,538	-	-	7,644	-	-	-	-	117,108
Deferred costs, net	13,419	1,922	368	-	689	-	-	-	-	16,398
Due from affiliated organizations	8,496	-	-	-	-	-	(12,328)	-	3,832	-
Total assets	$ 2,137,269	$ 364,310	$ 78,829	$ -	$ 134,900	$ 32,816	$ (9,784)	$ 4,031	$ (25,032)	$ 2,717,339
Liabilities and Net Assets (Deficit)										
Liabilities										
Accounts payable and accrued expenses	$ 69,034	$ 9,171	$ 4,135	$ -	$ 3,462	$ -	$ 1,454	$ 2,534	$ -	$ 89,790
Resident monthly fees paid in advance	-	3,243	-	-	-	-	-	-	-	3,243
Short-term indebtedness	56,270	-	-	-	-	-	-	-	-	56,270
Long-term indebtedness	805,210	129,966	21,005	-	59,641	-	-	-	-	1,015,822
Charitable gift annuity obligations	-	119	-	-	-	2,561	-	-	-	2,680
Entrance fee deposits	7,319	983	407	-	239	-	-	-	-	8,948
Refundable portion of entrance fees	7,455	49,128	-	-	49,399	-	-	-	-	105,982
Deferred revenue from entrance fees	1,049,436	125,834	7,848	-	21,707	-	-	-	-	1,204,825
Accumulated loss on investment contracts	1,253	-	-	-	-	-	-	-	-	1,253
Due to affiliated organizations	-	17,617	2,130	-	386	1,394	-	1,435	3,832	26,794
Total liabilities	1,995,977	336,061	35,525	-	134,834	3,955	1,454	3,969	3,832	2,515,607
Net Assets (Deficit)										
Without donor restrictions	115,460	15,224	43,187	-	(292)	-	(11,238)	62	50	162,453
With donor restrictions	25,832	13,025	117	-	358	28,861	-	-	(28,914)	39,279
Total net assets (deficit)	141,292	28,249	43,304	-	66	28,861	(11,238)	62	(28,864)	201,732
Total liabilities and net assets (deficit)	$ 2,137,269	$ 364,310	$ 78,829	$ -	$ 134,900	$ 32,816	$ (9,784)	$ 4,031	$ (25,032)	$ 2,717,339

ACTS Retirement-Life Communities, Inc. and Subsidiaries
Consolidating Statement of Operations and Changes in Net Assets (Deficit) Schedule
Year Ended December 31, 2024
(In Thousands)

	ACTS Retirement-Life Communities, Inc.	Acts Communities of Maryland, Inc.	Mease Life, Inc.	Mease Life Resident Foundation, Inc.	Bonita Springs Retirement Village, Inc.	ACTS Legacy Foundation, Inc.	ACTS Signature Community Services, Inc.	ACTS Acquisition and Development Company, LLC	Eliminations	ACTS Retirement-Life Communities, Inc. and Subsidiaries
Operating Revenue										
Resident services revenues, net of amortization of entrance fees	$ 403,359	$ 63,960	$ 17,665	$ -	$ 3,488	$ -	$ 14,398	$ -	$ (195)	$ 502,675
Resident services revenues from third-party payors	34,592	11,761	4,289	-	648	-	5,764	-	(1,601)	55,453
Investment income	15,381	885	711	-	125	-	-	-	-	17,102
Net assets released from restrictions to provide resident services	2,581	932	25	-	-	-	-	-	-	3,538
Other revenue	6,569	859	189	-	66	277	15	20,956	(21,013)	7,918
Total operating revenue before amortization of entrance fees	462,482	78,397	22,879	-	4,327	277	20,177	20,956	(22,809)	586,686
Amortization of entrance fees	135,391	15,543	1,096	-	431	-	-	-	-	152,461
Total operating revenue	597,873	93,940	23,975	-	4,758	277	20,177	20,956	(22,809)	739,147
Operating Expenses										
Salaries, wages and benefits	265,245	46,484	11,567	-	1,881	-	18,671	7,894	(7,891)	343,851
Contracted services	77,676	12,541	6,436	-	636	277	1,712	12,378	(14,174)	97,482
Utilities	27,326	5,160	1,649	-	168	-	-	-	-	34,303
Food	25,351	3,611	484	-	243	-	4	-	-	29,693
Supplies	24,037	3,880	1,037	-	135	-	553	157	(157)	29,642
Real estate taxes	12,664	1,375	130	-	108	-	-	-	-	14,277
Insurance	9,912	1,258	822	-	101	-	88	61	(61)	12,181
Other	19,946	2,932	982	-	245	-	1,738	479	(526)	25,796
Total operating expenses before depreciation, amortization and interest	462,157	77,241	23,107	-	3,517	277	22,766	20,969	(22,809)	587,225
Depreciation and amortization	95,111	9,786	1,825	-	391	-	-	-	-	107,113
Interest, net	32,794	4,431	1,470	-	754	-	-	-	-	39,449
Total operating expenses	590,062	91,458	26,402	-	4,662	277	22,766	20,969	(22,809)	733,787
Operating income (loss)	7,811	2,482	(2,427)	-	96	-	(2,589)	(13)	-	5,360

ACTS Retirement-Life Communities, Inc. and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets (Deficit) Schedule (Continued)
Year Ended December 31, 2024
(In Thousands)

	ACTS Retirement-Life Communities, Inc.	Acts Communities of Maryland, Inc.	Mease Life, Inc.	Mease Life Resident Foundation, Inc.	Bonita Springs Retirement Village, Inc.	ACTS Legacy Foundation, Inc.	ACTS Signature Community Services, Inc.	ACTS Acquisition and Development Company, LLC	Eliminations	ACTS Retirement-Life Communities, Inc. and Subsidiaries
Changes in Net Assets (Deficit) Without Donor Restrictions										
Operating income (loss)	$ 7,811	$ 2,482	$ (2,427)	$ -	$ 96	$ -	$ (2,589)	$ (13)	$ -	$ 5,360
Net unrealized gain on investments and investment contracts	4,216	782	42	-	26	-	-	-	-	5,066
Change in beneficial interest in the investments of ACTS Legacy Foundation, Inc. (ALF)	-	-	(50)	-	-	-	-	-	50	-
Other valuation adjustments	(40)	(1,389)	-	-	(414)	-	-	-	-	(1,843)
Net gain on nonoperating events	718	-	-	-	-	-	-	-	-	718
Net operating income (loss)	12,705	1,875	(2,435)	-	(292)	-	(2,589)	(13)	50	9,301
Net assets released from restrictions to acquire property and equipment	869	850	140	-	-	-	-	-	-	1,859
Mease Life Resident Foundation, Inc. (MLRF) into ALF Foundation, Inc. (MLRF) into ALF	-	-	(3,473)	(3,470)	-	-	-	-	6,943	-
Recognition of beneficial interest in the investments of ALF as a result of deconsolidation and merger of MLRF into ALF	-	-	3,470	-	-	-	-	-	(3,470)	-
Change in net assets (deficit) without donor restrictions	13,574	2,725	(2,298)	(3,470)	(292)	-	(2,589)	(13)	3,523	11,160
Changes in Net Assets With Donor Restrictions										
Net assets with donor restrictions acquired from membership affiliation	-	-	-	-	357	81	-	-	(81)	357
Contributions	310	603	3	16	-	3,993	-	-	(16)	4,909
Interest and dividend income	-	409	-	-	-	596	-	-	-	1,005
Net unrealized gain on investments	-	211	-	-	-	101	-	-	-	312
Change in split interest agreements	-	(18)	-	-	-	243	-	-	-	225
Change in beneficial interest in other foundations	25	-	-	-	1	-	-	-	-	26
Net assets released from restrictions to:										
Provide resident services	-	(932)	-	-	-	(2,606)	-	-	-	(3,538)
Acquire property and equipment	-	(850)	-	-	-	(1,009)	-	-	-	(1,859)
Transfer of net assets from deconsolidation and merger of MLRF into ALF	-	-	(80)	(80)	-	-	-	-	160	-
Recognition of beneficial interest in the investments of ALF as a result of deconsolidation and merger of MLRF into ALF	-	-	80	-	-	-	-	-	(80)	-
Change in beneficial interest in the investments of ALF	1,337	-	34	-	-	-	-	-	(1,371)	-
Transfer of net assets (to) from affiliate	-	-	-	-	-	3,550	-	-	(3,550)	-
Change in net assets with donor restrictions	1,672	(577)	37	(64)	358	4,949	-	-	(4,938)	1,437
Change in net assets (deficit)	15,246	2,148	(2,261)	(3,534)	66	4,949	(2,589)	(13)	(1,415)	12,597
Net Assets (Deficit), Beginning	126,046	26,101	45,565	3,534	-	23,912	(8,649)	75	(27,449)	189,135
Net Assets (Deficit), Ending	$ 141,292	$ 28,249	$ 43,304	$ -	$ 66	$ 28,861	$ (11,238)	$ 62	$ (28,864)	$ 201,732

ACTS Retirement-Life Communities, Inc. and Subsidiaries

Consolidating Statement of Cash Flows Schedule
Year Ended December 31, 2024
(In Thousands)

	ACTS Retirement-Life Communities, Inc.	Acts Communities of Maryland, Inc.	Mease Life, Inc.	Mease Life Resident Foundation, Inc.	Bonita Springs Retirement Village, Inc.	ACTS Legacy Foundation, Inc.	ACTS Signature Community Services, Inc.	ACTS Acquisition and Development Company, LLC	Eliminations	ACTS Retirement-Life Communities, Inc. and Subsidiaries
Cash Flows From Operating Activities										
Change in net assets (deficit)	$ 15,246	$ 2,148	$ (2,261)	$ (3,534)	$ 66	$ 4,949	$ (2,589)	$ (13)	$ (1,415)	$ 12,597
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:										
Transfer of net assets to (from) affiliate	-	-	-	3,550	-	(3,550)	-	-	-	-
Membership affiliation	-	-	-	-	(357)	(81)	-	-	81	(357)
Depreciation and amortization	95,111	9,786	1,825	-	391	-	-	-	-	107,113
Amortization of entrance fees	(135,391)	(15,543)	(1,096)	-	(431)	-	-	-	-	(152,461)
Other valuation adjustment	40	1,389	-	-	414	-	-	-	-	1,843
Amortization of bond discount and premium, net	(3,057)	(859)	-	-	-	-	-	-	-	(3,916)
Amortization of deferred financing costs	722	50	-	-	-	-	-	-	-	772
Entrance fees and deposits from non-refundable resale contracts	222,753	36,651	2,505	-	2,108	-	-	-	-	264,017
Refunds of nonrefundable entrance fees and deposits from resale contracts	(17,054)	(1,982)	(620)	-	(358)	-	-	-	-	(20,014)
Administrative fee included in gross entrance fees	(12,911)	(1,824)	(168)	-	(674)	-	-	-	-	(15,577)
Net realized and unrealized gain on investments	(5,696)	(1,194)	(245)	-	(26)	(101)	-	-	-	(7,262)
Change in fair value of investment contracts	(855)	-	-	-	-	-	-	-	-	(855)
Net gain on non-operating events	(718)	-	-	-	-	-	-	-	-	(718)
Increase in deferred costs	(2,855)	(397)	(209)	-	(36)	-	-	-	-	(3,497)
Change in beneficial interest in the investments of ALF	(1,337)	-	16	-	-	-	-	-	1,321	-
Transfer of net assets from deconsolidation and merger of MLRF into ALF	-	-	3,553	-	-	-	-	-	(3,553)	-
Recognition of beneficial interest in the investments of ALF as a result of deconsolidation and merger of MLRF into ALF	-	-	(3,550)	-	-	-	-	-	3,550	-
Change in beneficial interest in the investments of other foundations	(25)	-	-	-	(1)	-	-	-	-	(26)
Net change in due to affiliated organizations	(6,754)	(887)	2,012	(149)	386	611	2,323	1,347	-	(1,111)
Changes in assets and liabilities:										
(Increase) decrease in accounts receivable and other receivables	(2,090)	-	337	-	(403)	-	305	(2,410)	-	(4,261)
(Increase) decrease in prepaid expenses, inventory and deposits	(393)	(88)	(33)	-	(206)	-	3	(3)	-	(720)
Increase (decrease) in accounts payable and accrued expenses and resident monthly fees paid in advance	310	(1,886)	(24)	(3)	(6,980)	-	54	1,279	-	(7,250)
Net cash provided by (used in) operating activities	145,046	25,364	2,042	(136)	(6,107)	1,828	96	200	(16)	168,317
Cash Flows From Investing Activities										
Cash, cash equivalents and restricted cash and cash equivalents received in membership affiliation	-	-	-	-	7,404	-	-	-	-	7,404
Purchase of property and equipment	(124,932)	(16,053)	(1,651)	-	(167)	-	-	-	-	(142,803)
Decrease (increase) in investments	9,471	(1,406)	(955)	136	12,861	(1,921)	-	-	16	18,202
Net cash (used in) provided by investing activities	(115,461)	(17,459)	(2,606)	136	20,098	(1,921)	-	-	16	(117,197)
Cash Flows From Financing Activities										
Entrance fees and deposits from initial sale contracts	37,679	-	-	-	-	-	-	-	-	37,679
Refunds of entrance fees and deposits from initial sale contracts	(374)	-	-	-	-	-	-	-	-	(374)
Entrance fees from refundable contracts	835	-	-	-	2,405	-	-	-	-	3,240
Refunds of refundable entrance fees	(543)	(12,121)	-	-	(6,196)	-	-	-	-	(18,860)
Payment of accounts payable, construction	(29,825)	(3,641)	(117)	-	-	-	-	-	-	(33,583)
Proceeds from short-term indebtedness	83,985	-	-	-	-	-	-	-	-	83,985
Increase in deferred financing costs	(13)	-	-	-	-	-	-	-	-	(13)
Increase in charitable gift annuity obligations	-	50	-	-	-	398	-	-	-	448
Payments on charitable gift annuity obligations	-	(23)	-	-	-	(645)	-	-	-	(668)
Payments on short-term indebtedness	(101,139)	-	-	-	-	-	-	-	-	(101,139)
Payments on long-term indebtedness	(23,049)	(3,030)	-	-	-	-	-	-	-	(26,079)
Net cash used in financing activities	(32,444)	(18,765)	(117)	-	(3,791)	(247)	-	-	-	(55,364)
Net (decrease) increase in cash, cash equivalents and restricted cash and cash equivalents	(2,859)	(10,860)	(681)	-	10,200	(340)	96	200	-	(4,244)
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	61,573	17,231	8,374	-	-	438	225	134	-	87,975
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	$ 58,714	$ 6,371	$ 7,693	$ -	$ 10,200	$ 98	$ 321	$ 334	$ -	$ 83,731
Supplementary Disclosure of Cash Flow Information										
Interest paid, net of amounts capitalized	$ 35,359	$ 5,250	$ 1,470	$ -	$ 4,421	$ -	$ -	$ -	$ -	$ 46,500
Supplemental Disclosure of Noncash Investing and Financing Activities										
Obligations incurred for the acquisition of property and equipment	$ 22,814	$ 2,205	$ 505	$ -	$ 46	$ -	$ -	$ -	$ -	$ 25,570