

QUARTERLY REPORT
for the three months ended September 30, 2021

Newcastle Place

A Lifespace Community

Newcastle Place

Apartments/Units Available

	Independent Living	Assisted Living		Health Center	Total	CMS 5-Star Rating *
	Apartments	Assisted Living	Memory Support			
Newcastle Place	158	36	16	47	257	4

* The CMS 5-Star rating is as of October 31, 2021.

Average Occupancy

The average occupancy for all levels of care for the three months from July 1, 2021 through September 30, 2021 are shown

Independent Living	96.9%
Assisted Living	98.5%
Memory Support	97.9%
Health Center	78.6%

Health Center Payor Mix

The average payor mix in the Health Center for the three months from July 1, 2021 through September 30, 2021 are shown

Lifecare	18.8%
Medicare	29.3%
Non-Life Care Resident	51.9%
Total Patient Mix	100.0%

Entrance Fee Turnover Data

The number of closings, entrance fees proceeds and refunds for the three months from July 1, 2021 through September 30, 2021 are shown below:

Closings	2
Gross Entrance Fees	640
Refunds/Other	-234
Net Entrance Fees	406

Wait List

Independent Living Wait List as of November 3, 2021 is 22.

Budget to Actual Comparison

In accordance with section 8.8 (b) of the loan agreement, budget to actual results should be included monthly. Lifespace is currently in the budget process and will provide this information beginning in first quarter 2022.

**Newcastle Place
Balance Sheets
As of September 30 (Unaudited)
(Thousands of \$)**

	2021
Assets	
Current Assets:	
Cash and Cash Equivalents	\$4,653
Accounts Receivable	1,266
Prepaid Insurance & Other	<u>(131)</u>
Total Current Assets	5,788
Property and equipment, at cost:	
Land and improvements	4,440
Buildings and improvements	68,085
Furniture and equipment	<u>1,625</u>
	74,150
Less accum. deprec.	<u>(299)</u>
Net property and equipment	73,851
Net goodwill	45,174
TOTAL ASSETS	<u><u>\$124,813</u></u>
 Liabilities and net assets	
Current liabilities:	
Accounts payable:	
Trade	363
Related Party	<u>311</u>
	674
Accrued liabilities:	
Employee compensation expense	458
Property taxes	437
Other	<u>108</u>
	1,003
Entrance fee refunds	<u>419</u>
Total current liabilities	2,096
Entrance fee deposits	94
Wait list deposits	120
Long-term Notes Payable and Intercompany Payable	62,202
Long-term Bonds due after one year	8,000
Deferred entrance fees	5,064
Refundable entrance and membership fees	<u>38,740</u>
Total liabilities	116,316
Net assets without donor restrictions	<u>8,497</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$124,813</u></u>

Newcastle Place
Statements of Operations and Changes in Unrestricted Assets
For the Three Months from July 1, 2021 to September 30, 2021
(Unaudited)
(Thousands of \$)

	2021
Revenues	
Independent living fees	\$2,262
Entrance fees earned	174
Skilled nursing, assisted living and memory support fees	2,412
	4,848
 Expenses	
Operating expenses:	
Salaries and benefits	2,290
General and administrative	633
Plant operations	238
Housekeeping	17
Dietary	169
Medical and other resident care	101
Depreciation	299
Interest	459
	4,206
 Excess of revenues over expenses	 642
 Contributions to Lifespace Communities, Inc. (a)	 (145)
Equity Contribution for Purchase	8,000
Changes in net assets	8,497
 Net assets at beginning of year	 -
Net assets at end of the period	\$8,497

(a) Lifespace Communities, Inc. allocates home office charges to each of the communities based on percentage of revenues, which is higher than the 5% management fee allowed to be charged in accordance with the loan agreement. This difference is recorded as a long-term payable and equity contribution, and will be collected at a later date in accordance with the loan documents.

Newcastle Place
Statements of Cash Flow
For the Three Months from July 1, 2021 to September 30, 2021 (Unaudited)
(Thousands of \$)

Operating activities	2021
Changes in unrestricted net assets	\$8,497
Adjustments to reconcile changes in net asset to net cash used in operating activities:	
Entrance fees earned	(174)
Proceeds from nonrefundable entrance fees and deposits	64
Depreciation and Amortization	299
Contributions to Lifespace Communities, Inc.	145
Change in entrance fee deposits	214
Changes in operating assets and liabilities:	
Accounts receivables, inventories, and prepaid insurance and other	(1,134)
Accounts payables and accrued liabilities	1,676
Net cash provided in operating activities	9,587
 Investing activities	
Purchases of property and equipment	(75,333)
 Financing activities	
Financing cost incurred	(1,088)
Proceeds from financing	71,290
Contributions to Lifespace Communities, Inc.	(145)
Proceeds from refundable entrance fees and deposits	576
Refunds of entrance fees	(234)
Net cash provided in financing activities	70,399
 Net increase in cash, cash equivalents and restricted cash	4,653
Cash and cash equivalents at beginning of year	-
Cash and cash equivalents at end of period	\$4,653

Newcastle Place
Selected Historical Financial Information
For the Three Months from July 1, 2021 to September 30, 2021 (Unaudited)
(Thousands of \$)

Historical Debt Service Coverage	2021
Excess (deficit) of revenues over expenses	642
Less:	
Entrance fees earned	(174)
Add:	
Depreciation	299
Interest Expense	459
Entrance fee proceeds (less refunds)	406
Income available for debt service	<u>1,632</u>
Maximum annual debt service payment	3,728
Maximum annual debt service for the 3 month period tested	932
Annual debt service coverage	1.8
Annual debt service coverage covenant (a)	N/A
Days Cash on Hand	
Unrestricted cash and investments	4,653
Department operating expenses plus interest	3,907
Daily expenses	42
Days of unrestricted cash & investments on hand	110
Days of unrestricted cash & investments on hand covenant (a)	N/A

(a) The first covenant compliance dates are December 31, 2021.