FRIENDSHIP VILLAGE OF MILL CREEK, NFP
DBA: GREENFIELDS OF GENEVA

FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2023 AND 2022

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DBA: GREENFIELDS OF GENEVA
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YEARS ENDED MARCH 31, 2023 AND 2022

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Friendship Village of Mill Creek, NFP
dba:Greenfields of Geneva
Geneva, Illinois

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying financial statements of Friendship Village of Mill Creek, NFP dba: Greenfields of Geneva, which comprise the balance sheet as of March 31, 2023 (Successor) and 2022 (Predecessor), and the related statements of operations and changes in net assets (deficit) without donor restrictions, and cash flows for the periods February 1, 2023 to March 31, 2023 (Successor), April 1, 2022 to January 31, 2023, and the year ended March 31, 2022 (Predecessor) and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friendship Village of Mill Creek, NFP dba: Greenfields of Geneva as of March 31, 2023 (Successor) and 2022 (Predecessor), and the results of its operations, changes in their net assets and cash flows for the periods from February 1, 2023 through March 31, 2023 (Successor), April 1, 2022 to January 31, 2023 and the year ended March 31, 2022 (Predecessor) in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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 Financial Statements section of our report. We are required to be independent of Friendship Village of Mill Creek, NFP dba: Greenfields of Geneva and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Friendship Village of Mill Creek, NFP dba: Greenfields of Geneva's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Friendship Village of Mill Creek, NFP dba: Greenfields of Geneva's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Friendship Village of Mill Creek, NFP dba: Greenfields of Geneva's ability to continue as a going concern for a reasonable period of time.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
December 14, 2023

FRIENDSHIP VILLAGE OF MILL CREEK, NFP
DBA: GREENFIELDS OF GENEVA
BALANCE SHEETS
MARCH 31, 2023 (SUCCESSOR) AND 2022 (PREDECESSOR)

	Successor 2023	Predecessor 2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 2,857,042	$ 1,181,065
Assets Limited as to Use:		
Held by Trustee Under Bond Indenture Agreements	2,283,402	2,463,150
Resident Accounts Receivable	1,136,097	727,142
Entrance Fees Receivable	9,000	873
Inventories	10,558	22,794
Prepaid Expenses	113,822	65,006
Total Current Assets	6,409,921	4,460,030
Noncurrent Assets Limited as to Use:		
Held by Trustee Under Bond Indenture Agreements	10,506,519	12,013,894
PROPERTY AND EQUIPMENT		
Land and Land Improvements	9,615,000	6,258,329
Buildings and Building Improvements	81,737,802	78,555,607
Equipment	1,284,643	9,148,759
Construction in Progress	650,995	270,026
Subtotal	93,288,440	94,232,721
Less: Accumulated Depreciation	479,284	27,066,335
Net Property and Equipment	92,809,156	67,166,386
Goodwill, Net of Accumulated Amortization	10,396,817	-
Total Assets	$ 120,122,413	$ 83,640,310

See accompanying Notes to Financial Statements.

FRIENDSHIP VILLAGE OF MILL CREEK, NFP
DBA: GREENFIELDS OF GENEVA
BALANCE SHEETS (CONTINUED)
MARCH 31, 2023 (SUCCESSOR) AND 2022 (PREDECESSOR)

	Successor 2023	Predecessor 2022
LIABILITIES AND NET DEFICIT		
CURRENT LIABILITIES		
Current Portion of Long-Term Debt	$ 589,500	$ 615,000
Accounts Payable - Trade	846,181	740,523
Accrued Expenses:		
Payroll and Employee Benefits	403,798	422,632
Property Taxes	524,271	492,969
Interest	1,962,625	1,848,150
Other	105,189	29,761
Refundable Entrance Fees Payable	5,761,721	5,471,318
Entrance Fee Deposits	654,342	593,285
Total Current Liabilities	10,847,627	10,213,638
LONG-TERM DEBT, NET	64,740,676	60,058,483
ENTRANCE FEES		
Deferred Revenue From Nonrefundable Entrance Fees	14,534,806	15,953,599
Refundable Entrance Fees	28,292,996	33,281,745
Total Entrance Fees	42,827,802	49,235,344
OTHER LONG-TERM LIABILITIES		
Future Service Obligation	-	7,572,071
Due to Affiliates	189,968	1,313,885
Total Liabilities	118,606,073	128,393,421
NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS	1,516,340	(44,753,111)
Total Liabilities and Net Assets (Deficit)	$ 120,122,413	$ 83,640,310

See accompanying Notes to Financial Statements.

FRIENDSHIP VILLAGE OF MILL CREEK, NFP
DBA: GREENFIELDS OF GENEVA
STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS
PERIODS FROM FEBRUARY 1, 2023 THROUGH MARCH 31, 2023 (SUCCESSOR), APRIL 1, 2022 THROUGH JANUARY 31, 2023 AND YEAR ENDED MARCH 31, 2022 (PREDECESSOR)

	Successor	Predecessor	
	February 1 - March 31, 2023	April 1 2022 - January 31, 2023	April 1, 2021 - March 31, 2022
REVENUES, GAINS, AND OTHER SUPPORT			
Resident Services Revenue:			
Independent Living	$ 959,733	$ 4,852,874	$ 5,811,190
Assisted Living	653,241	3,544,710	4,695,658
Health Care Center	1,133,076	4,919,461	5,543,404
Amortization of Entrance Fees	183,700	2,092,881	2,496,694
Investment Income	28,830	66,521	155,726
Other Revenue	4,612	29,971	166,290
Total Revenues, Gains, and Other Support	2,963,192	15,506,418	18,868,962
OPERATING EXPENSES			
Salaries and Benefits	1,208,014	6,337,450	8,597,915
Supplies and Other	614,012	2,575,288	2,761,955
Dietary	547,124	453,652	983,308
Professional Fees	85,929	3,220,666	957,384
Repairs and Maintenance	138,796	661,114	765,959
Utilities	173,149	622,825	821,579
Insurance	4,338	638,597	453,467
Real Estate Taxes	98,632	350,000	397,784
Interest	754,158	3,772,387	4,569,416
Depreciation and Amortization	893,144	2,104,379	2,472,477
Total Operating Expenses	4,517,296	20,736,358	22,781,244
OPERATING LOSS	(1,554,104)	(5,229,940)	(3,912,282)
NONOPERATING REVENUE			
Change in Future Service Obligation	-	-	412,443
Gain on Settlement	-	1,373,722	-
Total Nonoperating Revenue	-	1,373,722	412,443
DEFICIT OF REVENUE OVER EXPENSES	(1,554,104)	(3,856,218)	(3,499,839)
OTHER CHANGES IN NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS			
Net Unrealized Gain (Loss) on Debt Securities	70,444	13,914	(441,299)
Equity Contribution	3,000,000	-	-
CHANGE IN NET ASSETS (DEFICIT)	1,516,340	(3,842,304)	(3,941,138)
Net Assets (Deficit) - Beginning of Year	-	(44,753,111)	(40,811,973)
NET ASSETS (DEFICIT) - END OF YEAR	$ 1,516,340	$ (48,595,415)	$ (44,753,111)

See accompanying Notes to Financial Statements.

FRIENDSHIP VILLAGE OF MILL CREEK, NFP
DBA: GREENFIELDS OF GENEVA
STATEMENTS OF CASH FLOWS
PERIODS FROM FEBRUARY 1, 2023 THROUGH MARCH 31, 2023 (SUCCESSOR), APRIL 1, 2022 THROUGH JANUARY 31, 2023 AND YEAR ENDED MARCH 31, 2022 (PREDECESSOR)

	Successor	Predecessor	
	February 1 - March 31 2023	April 1, 2022 - January 31 2023	April 1 - March 31 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in Net Assets (Deficit)	$ 1,516,340	$ (3,842,304)	$ (3,941,138)
Adjustments to Reconcile Change in Net Assets (Deficit) to Net Cash Provided (Used) by Operating Activities:			
Net Unrealized (Gain) Loss on Debt Securities	(70,444)	(13,914)	441,299
Depreciation	479,284	2,104,379	2,472,477
Amortization of Deferred Finance Charges	-	91,072	110,317
Amortization of Entrance Fees	(183,700)	(2,092,881)	(2,496,694)
Amortization of Goodwill	245,741	-	-
Change in Future Service Obligation	-	-	(412,443)
Net Contributions from Lifespace Communities, Inc.	(3,000,000)	-	-
Changes in Assets and Liabilities:			
Deferred Revenue From Nonrefundable Entrance Fees	957,950	3,970,050	2,917,800
Resident Accounts Receivable	(27,438)	28,730	(29,519)
Inventories, Prepaid Expenses, and Other Receivables	101,071	(137,650)	119,951
Due to Affiliates	189,968	(1,113,373)	456,586
Accounts Payable	(280,535)	25,134	(293,111)
Accrued Expenses	(2,068,228)	2,331,055	51,588
Net Cash Provided (Used) by Operating Activities	(2,139,991)	1,350,298	(602,887)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net Change of Assets Whose Use is Limited or Restricted	271,381	1,077,187	(91,462)
Acquisition of Land, Buildings, and Equipment	(230,105)	(469,169)	(564,861)
Net Cash Provided (Used) by Investing Activities	41,276	608,018	(656,323)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments on Long-Term Debt	-	(720,000)	(575,000)
Net Contributions from Lifespace Communities, Inc.	3,000,000	-	-
Proceeds from Refundable Entrance Fees	1,378,343	5,036,874	4,368,895
Refunds Paid on Entrance Fees	(3,259,406)	(4,042,348)	(3,067,788)
Net Cash Provided by Financing Activities	1,118,937	274,526	726,107
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(979,778)	2,232,842	(533,103)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Period	6,087,124	3,854,282	4,387,385
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF PERIC	$ 5,107,346	$ 6,087,124	$ 3,854,282
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash, Cash Equivalents and Restricted Cash:			
Cash and Cash Equivalents	$ 2,857,042	$ 4,137,031	$ 1,181,065
Cash Portion of Assets Limited as to Use	2,250,304	1,950,093	2,673,217
Total Cash, Cash Equivalents, and Restricted Cash	$ 5,107,346	$ 6,087,124	$ 3,854,282
Property and Equipment included in Accounts Payable	$ -	$ -	$ 192,824
Cash Paid for Interest	$ -	$ 4,435,560	$ 4,475,913

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION AND OPERATIONS

Friendship Village of Mill Creek, NFP dba: Greenfields of Geneva (Geneva) provides housing, health care, and other related services to residents through the operation of a retirement facility containing 139 independent living apartments, 49 assisted living apartments, 26 memory support units in an assisted living setting, and a 43-bed skilled health care facility in Geneva, Illinois.

Friendship Senior Options was Geneva's sole member until February 1, 2023. On February 1, 2023 Friendship Senior Options and Lifespace Communities, Inc. (Lifespace) executed an affiliation agreement. The agreement provided for a member substitution of Lifespace as the owner and operator of Geneva.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements present only the accounts of Geneva.

The financial statements are presented for both the predecessor period (when Friendship Senior Options was the sole member) and the successor period (when Lifespace is the sole member), which relate to the accounting periods preceding and succeeding the affiliation on February 1, 2023.

The successor and predecessor periods have been separated by a vertical line on the face of the financial statements and in the notes to the financial statements, when applicable.

The assets and liabilities and net assets (deficit) of Geneva are reported as follows:

Without Donor Restrictions – Those resources over which the board of directors has discretionary control. "Board Designated" amounts represent those resources which the board has set aside for a particular purpose.

With Donor Restrictions – Those resources subject to donor imposed restrictions which will be satisfied by actions of Geneva or the passage of time. The donors of these resources permit Geneva to use all or part of the income earned, including capital appreciation, on related investments for unrestricted purposes.

At March 31, 2023 and 2022, no net assets with donor restrictions were held by Geneva.

Investments

Investments, including assets whose use is limited, are recorded at fair value. Fair values are determined based on readily determinable market values. Changes in unrealized gains and losses on investments are reported within the deficit of revenues over expenses. In addition, net cash flows from the purchases and sales of investments are reported as a component of operating activities in the accompanying statements of cash flows.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable and related revenues have been adjusted to the estimated amounts expected to be received. These amounts are subject to further adjustments upon review by third-party payors. Geneva provides an allowance for doubtful accounts which is offset against the gross amount of accounts receivable. The allowance for doubtful accounts is an estimate of collection losses that may be incurred in the collection of all receivables. The allowance is based upon historical experience, coupled with management's review of the current status of the existing receivables over 90 days. Past-due balances are written off after all collection efforts have been exhausted. The allowance for doubtful accounts was $124,400 and $124,600 at March 31, 2023 and 2022, respectively.

Property and Equipment

Property and equipment are recorded at original cost-plus capitalized interest when applicable. Depreciation of property and equipment is provided on the straight-line method over the estimated useful lives of the assets, which range from 3 to 40 years.

Geneva has construction in progress of $651,000 and $270,000 at March 31, 2023 and 2022, respectively.

Leases

Geneva determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets – operating and lease liability – operating, and finance leases are included in right-of-use (ROU) assets –financing and lease liability – financing in the statements of financial position.

ROU assets represent the Geneva's right to use an underlying asset for the lease term and lease liabilities represent Geneva's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that Geneva will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. Geneva has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statements of financial position.

Credit Risk

Geneva maintains its cash and cash equivalents in bank deposit accounts that may exceed federally insured limits. Most investments and assets limited as to use are held in a custodial arrangement and consist of investment grade interest bearing securities. The Stayton has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Credit Risk (Continued)

Geneva grants credit without collateral to its residents, most of whom are local individuals and are covered under third-party payor agreements. The mix of receivables from residents and third-party payors was as follows at March 31:

	Successor	Predecessor
	March 31,	
	2023	2022
Medicare	55%	50%
Residents and Other Third-Party Payors	45%	50%
Total	100%	100%

Inventory

Inventory consists principally of food and supplies. Inventories are valued at cost determined by the first-in, first-out (FIFO) method.

Assets Limited as to Use

Assets limited as to use consist of assets held by trustees under bond indenture agreements. Assets limited as to use that are required for obligations classified as current liabilities are reported as current assets.

Goodwill

Goodwill represents the excess of the debt assumed over the fair value of assets acquired at the time of the Lifespace affiliation. Goodwill is amortized over seven years on a straight-line basis and is evaluated for potential impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. Goodwill acquired in the affiliation was approximately $10,448,000. Amortization expense of approximately $245,700 was recorded in the period of February 1, 2023 through March 31, 2023, in depreciation and amortization expense. Accumulated amortization at March 31, 2023 was approximately $245,700.

Deferred Entrance Fees

Geneva presently has two residency plans: a traditional plan and a return-of-capital plan. Under the traditional plan, the entrance fees received are nonrefundable and recorded as deferred revenue. This deferred revenue is recognized as revenue earned on a straight-line basis over the estimated remaining life, actuarially adjusted annually, of each resident beginning with the date of each resident's occupancy. Under certain circumstances, a portion of the entrance fee may be refunded to the resident upon termination of occupancy; such payments are charged against deferred entrance fees. Any unrecognized deferred entrance fee at the date of death or termination of occupancy of the respective resident is recorded as income in the period in which death or termination of occupancy occurs.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Entrance Fees (Continued)

Under the return-of-capital residency plan, a portion of the entrance fees (70-95%) is nonrefundable and is recognized on the same basis as under the traditional plan. The remaining amount represents that portion of the entrance fee, less unreimbursed fees and expenses, which will be refunded to the resident. This refundable portion is recorded as a liability until the time of payment.

The following is a summary of deferred entrance fees:

	Successor	Predecessor
	March 31,	
	2023	2022
Nonrefundable Entrance Fees	$ 14,534,806	$ 15,953,599
Refundable Entrance Fees	28,292,996	33,281,745
Total	$ 42,827,802	$ 49,235,344

Independent Living Fees and Skilled Nursing and Assisted Living Fees, Net (Resident Care Service Revenue)

Resident care service revenue is reported at the amount that reflects the consideration to which Geneva expects to be entitled in exchange for providing resident care. These amounts are due from residents, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits and reviews. Geneva bills all residents at the beginning of the month and third-party payors in the month following the services being performed. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by Geneva. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. Geneva believes that this method provides a reasonable depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to residents in our community living in an independent or assisted living apartment, or receiving skilled nursing services over a period of time. Geneva measures the performance obligation from admission into the community to the point when it is no longer required to provide services to that resident, which is generally at the time the resident exits the community.

Residency plan contracts have no termination date and can be cancelled by residents at any time. Income under the residency plan contracts is not considered to provide a material right to future services. As result, fees under this contract are recognized monthly as services are performed.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Independent Living Fees and Skilled Nursing and Assisted Living Fees, Net (Resident Care Service Revenue) (Continued)

Because all of Geneva's remaining performance obligations relate to contracts with a duration of less than one year, Geneva has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the Residents are discharged, which generally occurs within days or weeks of the end of the reporting period.

Geneva determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provide to third-party payors, or residents. Geneva determines its estimates of contractual adjustments based on contractual agreements, its policies, and historical experience.

The services provided through third-party payors are primarily paid through the Medical Assistance and Medicare programs. The Medical Assistance programs are covered through the state departments of health and rates charged are in accordance with the rules established in those states. The Medicare program is administered by the United States Centers for Medicare and Medicaid Services (CMS). The Medicare program pays on a prospective payment system, a per diem price based system.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge Geneva's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon Geneva. In addition, the contracts Geneva has with commercial payors also provide for retroactive audit and review of claims.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Independent Living Fees and Skilled Nursing and Assisted Living Fees, Net (Resident Care Service Revenue) (Continued)

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

Generally, residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. Geneva estimates the transaction price for residents with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the Resident's ability to pay are recorded as bad debt expense.

Geneva has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors: payors and service lines. Tables providing details of these factors are presented below.

The composition of resident care service revenue by primary payor is as follows:

	Successor	Predecessor	
	February 1 - March 31 2023	April 1, 2022 - January 31 2023	April 1, 2021- March 31 2022
Residency Plan Agreements	$ 383,254	$ 1,815,126	$ 1,833,778
Private Pay	1,759,727	8,674,443	11,054,252
Medicare	585,088	2,690,634	2,971,755
HMO/Managed Care	17,981	136,842	190,467
Total	$ 2,746,050	$ 13,317,045	$ 16,050,252

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

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Independent Living Fees and Skilled Nursing and Assisted Living Fees, Net (Resident Care Service Revenue) (Continued)

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

The opening and closing balances were as followed:

	Accounts Receivable	Deferred Revenue
Balance as of April 1, 2022 - Predecessor	$ 697,623	$ 15,276,264
Balance as of March 31, 2022 - Predecessor	727,142	15,953,599
Balance as of March 31, 2023 - Successor	1,136,097	14,534,806

Deficit of Revenues over Expenses

The statements of operations and changes in net assets without donor restrictions include a line entitled "Deficit of Revenues over Expenses" which is an important performance indicator for Geneva. Changes in net assets without donor restrictions which are excluded from the performance indicator, consistent with industry practice, include assets released from restriction for capital purposes, contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets) and contributions to/from affiliates.

Income Taxes

Geneva has been granted an exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been designated as a publicly supported organization (rather than a private foundation).

Geneva evaluates tax positions taken or expected to be taken in the course of preparing its tax returns to determine whether it is "more likely than not" that each tax position would be sustained upon examination by a taxing authority based on the technical merits of the position. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. For the years ended March 31, 2023 and 2022, Geneva has not recorded any such tax benefit or expense in the accompanying financial statements. No examinations are in progress or anticipated at this time. Geneva's federal income tax returns are open to examination for the years ended March 31, 2020, through March 31, 2022.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Future Service Obligations

Geneva annually calculates the present value of the net cost of future services and use of facilities to be provided to current residents and compares that amount to the balance of deferred revenue from entrance fees. Geneva's present value of the net costs of future services and the use of the facilities exceeded the deferred revenue from the entrance fees at March 31, 2022 in the amount of approximately $7,572,000. As of March 31, 2023, the future service obligation for Geneva was $-, as the obligation was written off upon acquisition as the liabilities were fair valued.

Reclassifications

Certain 2022 liabilities were reclassified to assets, expenses were reallocated, and the balance sheet was classified to conform with the 2023 presentation. These reclassifications had no effect on the overall net assets of Geneva.

New Accounting Standards

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases (ASC 842)*. The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the requirements of the guidance effective April 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption. The adoption of this standard did not have a material impact on these financial statements.

NOTE 3 FAIR VALUE OF FINANCIAL INSTRUMENTS

Disclosures are required of fair value information about financial instruments, whether or not recognized in the balance sheets, for which it is practical to estimate that value. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. In that regard, the derived fair value estimates cannot be substantiated by comparisons to independent markets and, in many cases, could not be realized in immediate settlement of the instrument.

NOTE 3 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following determinations were made by Geneva in estimating its fair value for financial instruments:

Cash and Cash Equivalents – These assets are stated at fair value, which is based on quoted market prices, where available.

Investments – These assets are stated at fair value, which is based on quoted market prices, where available (see Note 4).

Fair value is defined as the price Geneva would receive upon selling a security in a timely transaction to an independent buyer in the principal or most advantageous market of the security at the measurement date. A hierarchy has been established for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available.

Observable inputs are inputs that reflect the assumptions that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of Geneva. Unobservable inputs are inputs that reflect Geneva's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

Level 1 – Quoted prices available in active markets for identical securities as of the reporting date.

Level 2 – Other significant observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.). Investments that are generally included in this category are U.S. government obligations and corporate bonds.

Level 3 – Significant unobservable inputs (including Geneva's assumptions in determining the fair value of investments).

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by Geneva in determining fair value is greatest for instruments categorized in Level 3.

NOTE 3 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair values of equity securities are determined using public quotations. Fair values of debt securities have been determined through the use of third-party pricing services using market observable inputs. The following is a summary of the inputs used:

	Successor March 31, 2023			
	Level 1	Level 2	Level 3	Total
U.S. Government and Federal Agency Bonds	$ -	$ 10,532,826	$ -	$ 10,532,826
Mortgage and Asset-Back Securities	-	6,791	-	6,791
Total Assets Held at Fair Value	$ -	$ 10,539,617	$ -	$ 10,539,617

	Predecessor March 31, 2022			
	Level 1	Level 2	Level 3	Total
U.S. Government and Federal Agency Bonds	$ -	$ 11,452,231	$ -	$ 11,452,231
U.S. Treasury Securities	209,824	-	-	209,824
Mortgage and Asset-Back Securities	-	141,772	-	141,772
Total Assets Held at Fair Value	$ 209,824	$ 11,594,003	$ -	$ 11,803,827

There were no investments measured at fair value using significant unobservable inputs (Level 3) during the years ended March 31, 2023 and 2022.

NOTE 4 INVESTMENTS AND ASSETS LIMITED AS TO USE

Geneva reports investments in equity securities with readily determinable fair values and certain investments in debt securities at fair value.

A summary of the composition of Geneva's investment portfolio is as follows at March 31:

	Successor	Predecessor
	March 31, 2023	March 31, 2022
Cash and Cash Equivalents	$ 2,250,304	$ 2,673,217
U.S. Government and Federal Agency Bonds	10,532,826	11,452,231
U.S. Treasury Securities	-	209,824
Mortgage and Asset-backed Securities	6,791	141,772
Total	$ 12,789,921	$ 14,477,044

NOTE 4 INVESTMENTS AND ASSETS LIMITED AS TO USE (CONTINUED)

Investments are reported in the accompanying statements of financial position at March 31 as follows:

	Successor	Predecessor
	March 31, 2023	March 31, 2022
Assets Limited as to Use - Current Portion	$ 2,283,402	$ 2,463,150
Assets Limited as to Use - Long-Term Portion	10,506,519	12,013,894
Total	$ 12,789,921	$ 14,477,044

Investment Income comprised of the following:

	Successor	Predecessor	
	February 1 - March 31 2023	April 1, 2022 - January 31 2023	April 1, 2021- March 31 2022
Interest and Dividend Income	$ 57,334	$ 179,043	$ 156,205
Investment Fees	-	(8,886)	(18,058)
Net Realized Gain (Loss) on Sale of Investments	(28,504)	(103,636)	17,579
Total	$ 28,830	$ 66,521	$ 155,726

NOTE 5 LIQUIDITY AND AVAILABILITY

Geneva regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, Geneva considers all expenditures related to its ongoing programmatic activities as well as the conduct of services undertaken to support those activities to be general expenditures.

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

	Successor	Predecessor
	March 31, 2023	March 31, 2022
Cash and Cash Equivalents	$ 2,857,042	$ 1,181,065
Entrance Fee Receivable	9,000	873
Accounts Receivable	1,136,097	727,142
Total Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 4,002,139	$ 1,909,080

NOTE 6 ENTRANCE FEE DEPOSITS

When a residency agreement is signed, a deposit of 10%, as a portion of the entrance fee is collected. The balance of the fee is payable on or before the fifteenth day following the date that occupancy is offered to the resident. Generally, depositors may cancel their residency agreements at any point prior to admission and receive a refund of the entrance deposit.

At March 31, 2023 and 2022, deposits of $654,342 and $593,285, respectively, had been received from future residents who have signed residency agreements. Funds on deposit are held in cash and cash equivalents on the balance sheet.

NOTE 7 FINANCING ARRANGEMENTS

A summary of long-term debt is as follows at March 31:

	Successor	Predecessor
	March 31,	
Description	2023	2022
Revenue Bonds, Series 2017, at fixed interest rates ranging from 6.75% to 7.10% based on date of maturity, maturing 2047 through 2052.	$ 62,220,000	$ 62,940,000
Revenue Bonds, Series 2017, at fixed interest 5.0% Rate, maturing 2028.	3,110,176	-
Less: Current Portion of Long-Term Debt	589,500	615,000
Less: Unamortized Bond Issuance Costs	-	2,266,517
Long-Term Debt, Excluding Current Installments and Unamortized Bond Discount	$ 64,740,676	$ 60,058,483

Geneva entered into a Master Trust Indenture dated as of November 17, 2017 as the sole Obligated Group member. The purpose of the Master Trust Indenture is to provide a mechanism for the issuance of promissory notes and the other evidences of indebtedness in order to secure the financing or refinancing of facilities and for other lawful proper corporate purposes. The Master Trust Indenture provides for other legal entities in the future to participate with Geneva in the Obligated Group. The Master Trust Indenture requires individual members of the Obligated Group to make principal and interest payments on notes issued for their benefit and to pay such amounts as were otherwise necessary to enable the Obligated Group to satisfy other obligations issued under the Master Trust Indenture. Obligations issues under the Master Trust Indenture are secured by a mortgage and security agreement covering substantially all property and real estate owned by Geneva.

On November 17, 2017, GreenFields of Geneva issued Illinois Finance Authority Revenue Bonds (GreenFields of Geneva Project), Series 2017 (the GOG Series 2017 Bonds) in the aggregate principal amount of $65,000,000 with last maturity on November 1, 2052 bearing interest at rates ranging from 6.75% to 7.10%. Annual principal sinking fund requirements began in November 1, 2018.

NOTE 7 FINANCING ARRANGEMENTS (CONTINUED)

On February 1, 2023, GreenFields of Geneva as a part of the acquisition by Lifespace Communities, Inc. Assumed a portion of the series 2017 taxable bonds that were issued by the previous sole member of Geneva, Friendship Senior Options in November 2017. The bonds are interest only payments until maturity in 2028.

Scheduled annual principal repayments on long-term debt for the ensuing five years and thereafter per terms of the bond agreements are as follows:

Year Ending March 31,	Amount
2024	$ 589,500
2025	770,500
2026	755,000
2027	805,000
2028	3,970,176
Thereafter	58,440,000
Total	$ 65,330,176

Restrictive Covenants

The provisions of the debt agreements of the bonds as described above contain various restrictive covenants that limit the occurrence of additional debt and require certain measures of financial performance be satisfied as long as the bonds are outstanding. Failure to maintain compliance could result in acceleration of payment for debt outstanding under each respective Master Trust Indenture. As of March 31, 2023 and 2022 Geneva has had the applicable covenants in effect waived. Geneva currently has the covenants waived through February 2025.

Liquidity Support Agreement

In February 2023, as part of the affiliation, Lifespace provided Geneva a $4,800,000 liquidity support agreement. No amounts have been drawn on this agreement as of March 31, 2023.

NOTE 7 FINANCING ARRANGEMENTS (CONTINUED)

Assets Whose Use is Limited

Under the terms of the Series 2017 bonds, the loan agreement, trust indenture, credit and reimbursement agreement, and residency agreement, the following funds are restricted and shown as assets whose use is limited:

	Successor	Predecessor
	March 31,	
	2023	2022
Debt Service Reserve Fund	$ 5,035,980	$ 5,018,986
Debt Service Fund	1,336,110	2,104,517
Project Funds	534,984	524,425
Operating Reserve Fund	501,439	1,503,054
Real Estate Tax Escrow	412,308	401,885
Renewal and Replacement Fund	103,208	71,199
Liquidity Support Fund	4,865,892	4,852,978
Subtotal	12,789,921	14,477,044
Less: Current Portion	2,283,402	2,463,150
Total	$ 10,506,519	$ 12,013,894

Debt Service Reserve Funds

Under the terms of the financing agreement, a debt service reserve fund is maintained for the Series 2017 bonds. The required minimum balance of the debt service reserve fund at March 31, 2023 and 2022 is the maximum annual debt service of $4,715,000.

Debt Service Funds

Geneva is required to make monthly deposits to the debt service fund in the amount sufficient to make periodic principal and interest payments on the respective underlying debt.

Project Funds

Revenue bond proceeds are segregated in a separate bank account. These funds are drawn on to meet the obligations of the construction projects as they are due.

Operating Reserve Funds

Revenue bond proceeds are segregated in a separate bank account. These funds are drawn on to support the routine expenditures specific to Geneva.

Real Estate Tax Escrow Funds

Monthly deposits are made to escrow funds to pay real estate taxes on a semi-annual basis.

Renewal and Replacement Funds

Geneva is required to make monthly deposits to its replacement reserve fund account in the event that is does not meet the annual capital expenditure limit of $400,000 until the balance in the account meets the yearly requirement.

NOTE 7 FINANCING ARRANGEMENTS (CONTINUED)

Liquidity Support Fund

Revenue bond proceeds are segregated in a separate bank account. The funds are used that the bond holder representative's discretion to provide working capital to Geneva.

NOTE 8 FUNCTIONAL EXPENSES

The costs for Geneva to provide services to senior citizens within its geographic location have been summarized on a functional basis in the statement of functional expense. Expenses that can be identified with specific services are allocated directly according to the benefits provided. Certain other expense categories that are attributable to more than one health care service require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, including depreciation, interest, and other occupancy costs, are allocated to a function based on a square-footage basis. Other expenses that are common to several functions are allocated by various statistical bases based on the best estimates of management.

	Successor February 1 - March 31, 2023					
	Program Services				Supporting Services	
	Independent Living and Home Health	Assisted Living and Memory Support	Skilled Nursing and Health Care	Total Program Services	Management and General	Total
Salaries and Benefits	$ 264,091	$ 283,437	$ 542,330	$ 1,089,858	$ 118,156	$ 1,208,014
Marketing	-	-	-	-	190,097	190,097
Repairs and Maintenance	85,226	10,115	10,115	105,456	33,340	138,796
Occupancy	214,120	24,165	24,165	262,450	12,082	274,532
Interest	288,262	150,042	315,854	754,158	-	754,158
Depreciation and Amortization	669,858	89,314	89,314	848,486	44,658	893,144
Insurance	1,658	863	1,817	4,338	-	4,338
Dietary and Medical Supplies	57,938	21,458	101,442	180,838	-	180,838
Other	489,743	16,111	275,502	781,356	92,023	873,379
Total	$ 2,070,896	$ 595,505	$ 1,360,539	$ 4,026,940	$ 490,356	$ 4,517,296

	Predecessor April 1, 2022 - January 31, 2023					
	Program Services				Supporting Services	
	Independent Living and Home Health	Assisted Living and Memory Support	Skilled Nursing and Health Care	Total Program Services	Management and General	Total
Salaries and Benefits	$ 1,227,674	$ 1,569,704	$ 2,695,009	$ 5,492,387	$ 845,063	$ 6,337,450
Marketing	-	-	-	-	988,631	988,631
Repairs and Maintenance	505,590	64,584	65,220	635,394	25,720	661,114
Occupancy	791,378	83,531	83,531	958,440	41,766	1,000,206
Interest	1,441,919	750,530	1,579,938	3,772,387	-	3,772,387
Depreciation and Amortization	1,578,284	210,438	210,438	1,999,160	105,219	2,104,379
Insurance	244,091	127,051	267,455	638,597	-	638,597
Dietary and Medical Supplies	256,021	108,854	471,838	836,713	-	836,713
Other	2,351,248	26,995	819,515	3,197,758	1,199,123	4,396,881
Total	$ 8,396,205	$ 2,941,687	$ 6,192,944	$ 17,530,836	$ 3,205,522	$ 20,736,358

NOTE 8 FUNCTIONAL EXPENSES (CONTINUED)

	Predecessor					
	Year Ended March 31, 2022					
	Program Services				Supporting Services	
	Independent Living and Home Health	Assisted Living and Memory Support	Skilled Nursing and Health Care	Total Program Services	Management and General	Total
Salaries and Benefits	$ 2,380,105	$ 1,957,547	$ 3,534,130	$ 7,871,782	$ 726,133	$ 8,597,915
Marketing	-	-	-	-	815,633	815,633
Repairs and Maintenance	572,212	76,215	76,071	724,498	41,461	765,959
Occupancy	1,011,398	108,469	108,469	1,228,336	54,234	1,282,570
Interest	1,746,568	909,102	1,913,746	4,569,416	-	4,569,416
Depreciation and Amortization	1,854,358	247,248	247,248	2,348,854	123,623	2,472,477
Insurance	173,329	90,219	189,919	453,467	-	453,467
Dietary and Medical Supplies	434,933	213,874	717,995	1,366,802	-	1,366,802
Other	605,962	54,379	833,641	1,493,982	963,023	2,457,005
Total	$ 8,778,865	$ 3,657,053	$ 7,621,219	$ 20,057,137	$ 2,724,107	$ 22,781,244

NOTE 9 COMMITMENTS AND CONTINGENCIES

Litigation

Geneva is subject to asserted and unasserted claims encountered in the normal course of business. Geneva's management and legal counsel assess such contingent liabilities and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against Geneva or unasserted claims that may result in such proceedings, Geneva's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein. In the opinion of management, disposition of these matters will not have a material effect on Geneva's financial condition or results of operations.

Health Care

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

NOTE 10 BUSINESS COMBINATIONS

As stated under Note 1 Organization and Operations, on February 1, 2023, Lifespace became the sole member of Geneva. A capital contribution from Lifespace of $3,000,000 was made as part of the acquisition.

NOTE 10 BUSINESS COMBINATIONS (CONTINUED)

Geneva, subsequent to the change in sole member to Lifespace, is required to recognize and measure the identifiable assets acquired, and liabilities assumed at the affiliation date at fair values, which have been pushed down to the applicable legal entity. The following tables summarizes the estimated fair values of the assets acquired and liabilities assumed for Geneva as of the date of affiliation:

Financial Assets	$ 6,087,124
Financial Assets, Limited Use	10,740,554
Receivables	728,015
Inventory	22,794
Prepaid Expenses	202,656
Property and Equipment	93,058,335
Goodwill	10,642,558
Financial Liabilities	(3,190,827)
Refundable Entrance Fees	(13,878,000)
Nonrefundable Entrance Fees	(36,083,033)
Bonds Payable	(65,330,176)
Capital Contribution	(3,000,000)
Net Assets Acquired	$ -

The excess of debt assumed over the fair value of the net tangible and identifiable intangible assets acquired is recorded as goodwill. The primary factors for goodwill were resident contracts, assembled workforce, and synergies. The fair values assigned to tangible and identifiable intangible assets acquired and liabilities assumed are based on management's estimates and assumptions. The estimated fair value of certain intangible assets was calculated by an independent third-party valuation specialists.

Transaction-related costs of approximately $161,000 were recorded in professional fees expense. These costs consisted primarily of legal and professional fees related to due diligence. Related party payables of approximately $1,374,000 with FSO at the time of acquisition were forgiven in and recorded as a gain on settlement during the period ended January 31, 2023.

NOTE 11 RELATED PARTY TRANSACTIONS

Services Agreement

Geneva has an agreement with Friendship Senior Options (FSO) to oversee its general operations. FSO provides strategic direction and critical management services to Geneva including; executive, administrative, financial, marketing, human resources, and investment advisory. The initial term of this agreement was for the period of one year. This agreement renews annually thereafter unless terminated in accordance with other terms and conditions contained therein. Beginning with the affiliation on February 1, 2023, the management services agreement was under the oversight of Lifespace through June 30, 2023 at which time Lifespace began providing the management services.

NOTE 11 RELATED PARTY TRANSACTIONS (CONTINUED)

Services Agreement (Continued)

Under the terms of the agreement, Geneva must compensate FSO for services rendered. The agreement also contains a provision to compensate FSO for supplemental services it may provide above and beyond those enumerated in the agreement.

Expenses incurred by Geneva in 2023 and 2022 for services provided under this agreement and certain pass-through corporate costs were approximately $663,000 and $651,000, respectively. These costs were recorded in professional fees.

Self-Funded Workers' Compensation

In conjunction with management agreement FSO, Geneva participates in a self-funded workers' compensation plan effective October 1, 2013, whereby workers' compensation insurance is provided for eligible employees. The plan calls for the premiums to be paid into a benefit pool held and managed by a third-party administrator. Geneva is responsible up to a maximum of $300,000 per occurrence, after which a stop loss policy covers costs in excess of the stated limits. There is an $825,000 aggregate stop loss which covers all of the plan participants. Total payments into the plan amounted to approximately 14,000, $151,000 and $246,000, respectively, for the period from February 1, 2023 to March 31, 2023 (successor), April 1, 2022 to January 31, 2023, and the year ended March 31, 2022 (predecessor). As of March 31, 2023 and 2022, Geneva has not accrued any estimated liability related to open claims as management is not aware of any material open claims and past experience has not indicated a liability as being necessary. In connection with this plan, the third-party administrator has been provided with a letter of credit, by FSO, in the amount of $1,000,000. As of March 31, 2023 and 2022, no amounts were drawn or outstanding on the letter of credit.

Related Party Payables

Geneva has amounts due to FSO at March 31, 2023 and 2022 totaling $28,046 and $1,313,885, respectively, representing operational advances. Geneva has amounts due to Lifespace Communities, Inc at March 31, 2023 of $161,922 representing accounts payable paid on their behalf.

NOTE 12 SUBSEQUENT EVENTS

Geneva has evaluated events or transactions that may have occurred since March 31, 2023, that would merit recognition or disclosure in the financial statements. This evaluation was completed through December 14, 2023, the date the financial statements were available to be issued. No material recognized or nonrecognized subsequent events were identified for recognition or disclosure in the financial statements or the accompanying notes to the financial statements, except for those disclosed above.