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

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

FRIENDSHIP VILLAGE OF MILL CREEK, NFP
DBA: GREENFIELDS OF GENEVA
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2024

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the 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 December 31, 2024, and the related statement of operations and change in net assets without donor restrictions, and cash flows for the year then ended, 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 Friendship Village of Mill Creek, NFP dba: Greenfields of Geneva as of December 31, 2024, and the results of its operations, changes in net assets without donor restrictions, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 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 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 there 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 Greenfields, LLC'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 Greenfields, LLC'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

Oak Brook, Illinois
April 18, 2025

FRIENDSHIP VILLAGE OF MILL CREEK
DBA: GREENFIELDS OF GENEVA
BALANCE SHEET
DECEMBER 31, 2024
(IN THOUSANDS)

ASSETS

CURRENT ASSETS		
Cash and Cash Equivalents	$	2,611
Accounts Receivable:		
Trade		884
Allowance for Credit Losses		(86)
Lifespace Communities, Inc.		48
Inventories		11
Prepaid Insurance and Other		181
Assets Whose Use is Limited - Current		879
Total Current Assets		4,528
ASSETS WHOSE USE IS LIMITED - Noncurrent		13,148
PROPERTY AND EQUIPMENT, AT COST		
Land and Improvements		9,711
Building and Improvements		83,937
Furniture and Equipment		1,648
Construction in Progress		2,284
Total Property and Equipment		97,580
Less: Accumulated Depreciation		5,760
Net Property and Equipment		91,820
GOODWILL, Net of Accumulated Amortization		11,073
DEFERRED EXPENSES, Net of Accumulated Amortization		183
Total Assets	$	120,752

See accompanying Notes to Financial Statements.

FRIENDSHIP VILLAGE OF MILL CREEK
DBA: GREENFIELDS OF GENEVA
BALANCE SHEET (CONTINUED)
DECEMBER 31, 2024
(IN THOUSANDS)

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts Payable:	
Trade	$ 1,401
Lifespace Communities, Inc.	2,253
Total Accounts Payable	3,654
Accrued Liabilities:	
Employee Compensation Expense	516
Interest	262
Property Taxes	483
Other	636
Total Accrued Liabilities	1,897
Entrance Fee Refunds	1,492
Long-Term Debt Due Within One Year	605
Obligation under Leases Due Within One Year	10
Total Current Liabilities	7,658
LONG-TERM LIABILITIES	
Entrance Fee Deposits	252
Wait List Deposits	72
Long-Term Debt Due after One Year	69,869
Long-Term Debt Due after One Year to Lifespace Communities, Inc.	2,025
Obligation under Leases Due after One Year	45
Deferred Entrance Fees	15,770
Refundable Entrance Fees	35,537
Future Service Obligation	718
Total Long-Term Liabilities	124,288
Total Liabilities	131,946
NET ASSETS	
Without Donor Restrictions	(11,194)
Total Liabilities and Net Assets	$ 120,752

See accompanying Notes to Financial Statements.

FRIENDSHIP VILLAGE OF MILL CREEK
DBA: GREENFIELDS OF GENEVA
STATEMENT OF OPERATIONS AND CHANGES IN
NET ASSETS WITHOUT DONOR RESTRICTIONS
YEAR ENDED DECEMBER 31, 2024
(IN THOUSANDS)

REVENUES	
Independent Living Fees	$ 8,492
Entrance Fees Earned and Nonrefundable Fees	2,938
Skilled Nursing and Assisted Living Fees	12,283
Investment Income	746
Total Revenues	24,459
EXPENSES	
Operating Expenses:	
Salaries and Benefits	9,174
General and Administrative	5,204
Plant Operations	1,422
Housekeeping	73
Dietary	3,475
Medical and Other Resident Care	771
Depreciation	2,860
Amortization	3,774
Interest	3,105
Gain on Forgiveness of Interest	(1,139)
Increase in Obligation to Provide Future Services	718
Total Expenses	29,437
DEFICIT OF REVENUES OVER EXPENSES	(4,978)
OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	
Equity Contribution	(654)
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(5,632)
Net Assets Without Donor Restrictions - Beginning of Period	(5,562)
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF PERIOD	$ (11,194)

See accompanying Notes to Financial Statements.

FRIENDSHIP VILLAGE OF MILL CREEK
DBA: GREENFIELDS OF GENEVA
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024
(IN THOUSANDS)

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	$ (5,632)
Adjustments to Reconcile Change in Net Assets without Donor Restrictions to Net Cash Provided by Operating Activities:	
Entrance Fees Earned	(2,938)
Proceeds from Nonrefundable Entrance Fees and Deposits	4,458
Refunds of Nonrefundable Entrance Fees	(165)
Depreciation and Amortization	6,634
Amortization of Financing Cost	8
Net Purchases of Trading Investments	218
Change in Unrealized Appreciation of Investments	(123)
Change in Entrance Fee Deposits	(114)
Contributions to Lifespace Communities, Inc.	654
Increase in Obligation to Provide Future Services	718
Gain on Forgiveness of Interest	(1,139)
Changes in Operating Assets and Liabilities:	
Accounts Receivable, Inventories, and Prepaid Insurance and Other	(594)
Accounts Payable and Accrued Liabilities	949
Net Cash Provided by Operating Activities	2,934
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Property and Equipment	(3,331)
CASH FLOWS FROM FINANCING ACTIVITIES	
Financing Costs Incurred	(509)
Contributions to Lifespace Communities, Inc.	(654)
Repayment of Long-Term Debt	(705)
Proceeds from Refundable Entrance Fees and Deposits	2,860
Refunds of Entrance Fees	(2,748)
Advances from Lifespace	673
Loan from Lifespace	1,352
Net Cash Provided by Financing Activities	269
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(128)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Period	6,743
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF PERIOD	$ 6,615

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION AND OPERATIONS

Friendship Village of Mill Creek, NFP dba: Greenfields of Geneva (Greenfields) provides housing, health care, and other related services to residents through the operation of a retirement facility containing 138 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements present only the accounts of Greenfields.

The assets and liabilities and net assets (deficit) of Greenfields 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 the organization or the passage of time. The donors of these resources permit the organization to use all or part of the income earned, including capital appreciation, on related investments for unrestricted purposes.

At December 31, 2024, no net assets with donor restrictions were held by Greenfields.

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.

Accounts Receivable and Allowance for Credit Losses

Greenfields uses the allowance method to account for expected credit losses. The adequacy of the allowance for expected credit losses is reviewed on an ongoing basis, using historical payment trends, write-off experience, analyses of receivable portfolios by payor source and aging of receivables, a review of specific accounts, as well as expected future economic conditions and market trends, and adjustments are made to the allowance as necessary.

Residents are not required to provide collateral for services rendered. Payment for services is required within 30 days of receipt of invoice or claim submitted. Accounts more than 90 days past due are individually analyzed for collectability. When all collection efforts have been exhausted, the account is written off against the related allowance.

(IN THOUSANDS)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable and Allowance for Credit Losses (Continued)

Management believes the composition of receivables at year-end is consistent with historical conditions as credit terms, practices and the customer base has not changed significantly.

The allowance for credit losses was $86 at December 31, 2024. Changes in the allowance for expected credit losses for the year ended December 31, 2024 were as follows:

Allowance for Expected Credit Losses:	
Balance, Beginning of Year	$ 77
Provision for Losses	20
Accounts Written Off as Uncollectible	(11)
Balance, End of Year	$ 86

Property and Equipment

Property and equipment are recorded at original cost if over $1,000 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.

Greenfields has $2,284 of construction in progress at December 31, 2024.

Leases

Greenfields 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 ROU assets –financing and lease liability – financing in the balance sheet.

ROU assets represent the Greenfields's right to use an underlying asset for the lease term and lease liabilities represent Greenfields'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 Greenfields will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. Greenfields 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 ROU assets on the balance sheet.

Credit Risk

Greenfields 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. Greenfields has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

(IN THOUSANDS)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Credit Risk (Continued)

Greenfields 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:

Medicare	51 %
Residents and Other Third-Party Payors	49
Total	100 %

Inventory

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

Assets Whose Use is Limited

Assets limited whose use is limited consist of funds held by trustees under bond indenture agreements. Assets whose use is limited that are required for obligations classified as current liabilities or that may be used to pay construction costs are reported as current assets. See Note 7 for additional information on assets whose use limited.

Assets whose use is limited, are recorded at fair value. Fair values are determined based on readily determinable market values.

Goodwill

Goodwill represents the excess of the fair value of liabilities 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 $15,248. Accumulated amortization at December 31, 2024 was $4,175.

Scheduled amortization expense for the next five years is as follows:

Year Ending December 31,	Amount
2025	$ 2,178
2026	2,178
2027	2,178
2028	2,178
2029	2,178
Thereafter	183
Total	$ 11,073

(IN THOUSANDS)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Expenses

Net deferred expenses of $183 at December 31, 2024 are sales costs that are capitalized. These costs are amortized on a straight-line basis over the estimated life expectancy of the residents. The total sales costs are $200 and the accumulated amortization was $17 at December 31, 2024.

Deferred Entrance Fees

Greenfields 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.

Under the return-of-capital residency plan, a portion of the entrance fees (70% or 80%) 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:

Nonrefundable Entrance Fees	$	15,770
Refundable Entrance Fees		35,537
Total	$	51,307

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 Greenfields 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. Greenfields 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Performance obligations are determined based on the nature of the services provided by Greenfields. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. Greenfields 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. Greenfields 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 a material right to future services. Therefore, fees under this contract are recognized monthly as services are performed.

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

Greenfields determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, or residents. Greenfields 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 Greenfields'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 Greenfields. In addition, the contracts Greenfields has with commercial payors also provide for retroactive audit and review of claims.

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 Greenfields'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 2024.

Generally, residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. Greenfields 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 credit loss expense.

Greenfields 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.

(IN THOUSANDS)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Residency Plan Agreements	$ 14,874
Private Pay	1,562
Medicare	3,423
HMO/Managed Care	525
Other	391
Total	$ 20,775

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

The composition of resident care service revenue based on its lines of business are as follows:

Service Lines:	
Independent Living	$ 8,492
Skilled Nursing Facility	7,028
Assisted Living and Memory Care	5,040
Home Health	215
Total	$ 20,775

Greenfields 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. Greenfields'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, Greenfields 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 contract balances were:

	Accounts Receivables	Deferred Entrance Fees
Balances as of January 1, 2024	$ 684	$ 14,552
Balance as of December 31, 2024	884	15,770

(IN THOUSANDS)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deficit of Revenues Over Expenses

The statement 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 Greenfields. 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

Greenfields 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).

Greenfields 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. As of or during the year ended December 31, 2024, Greenfields has not recorded any such tax benefit or expense in the accompanying financial statements. No examinations are in progress or anticipated at this time. Greenfield's federal income tax returns are open to examination for the fiscal years ended March 31, 2022 through March 31, 2024.

Statements of Cash Flows

For purposes of the statement of cash flows, cash, cash equivalents and restricted cash represent investments with original maturities of three months or less.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the balance sheet that sum to the total of the same such amounts shown in the statement of cash flows.

Cash and Cash Equivalents	$ 2,611
Restricted Cash Included in Assets Whose use is Limited - Current	879
Restricted Cash Included in Assets Whose use is Limited - Noncurrent	3,125
Total Cash, Cash Equivalents and Restricted Cash Shown in the Statement of Cash Flows	$ 6,615

For the year ended December 31, 2024, Greenfields received interest income of $542, and paid interest charges of $4,219.

NOTE 2 SUMMARY OF 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 Obligation

Greenfields is obligated to provide future services to residents based upon the resident contracts in place. A liability recognizing an obligation to provide future services to residents is recorded if the present value of future cash outflows, adjusted for certain noncash items, exceeds the present value of future cash inflows, adjusted for unamortized deferred revenue. The discount rate used in this calculation is 5.5%. Greenfields has estimated it has a future service obligation liability of $718 at December 31, 2024.

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.

The following determinations were made by Greenfields 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 Greenfields 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 Greenfields. Unobservable inputs are inputs that reflect Greenfields'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.

NOTE 3 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

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 Greenfields's assumptions in determining the fair value of investments).

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction.

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 Greenfields in determining fair value is greatest for instruments categorized in Level 3.

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:

	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
ASSETS				
Money Market	$ 4,005	$ 4,005	$ -	$ -
Agencies	10,022	-	10,022	-
Total Assets	$ 14,027	$ 4,005	$ 10,022	$ -

There were no investments measured at fair value using significant unobservable inputs (Level 3) during the year ended December 31, 2024.

(IN THOUSANDS)

NOTE 4 INVESTMENTS AND ASSETS LIMITED AS TO USE

Greenfields 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 Greenfields's investment portfolio is as follows:

Money Market	$	4,005
U.S. Government and Federal Agencies		10,022
Total	$	14,027

The investments noted above are represented in the balance sheet in the following line items:

Assets Whose Use is Limited - Current	$	879
Assets Whose Use is Limited - Noncurrent		13,148
Total	$	14,027

Investment income is compromised of the following:

Dividend and Interest Income	$	542
Net Realized Gains (Losses) on Investments		81
Change in Unrealized Appreciation (Depreciation of Investments)		123
Total Investment Income	$	746

NOTE 5 LIQUIDITY AND AVAILABILITY

Greenfields 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, Greenfields 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.

(IN THOUSANDS)

NOTE 5 LIQUIDITY AND AVAILABILITY (CONTINUED)

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:

Cash and Cash Equivalents	$	2,611
Accounts Receivables, Trade		798
Accounts Receivables, Lifespace Communities		48
Assets Whose Use is Limited		14,027
Total Financial Assets		17,484
Less Amounts Unavailable to be Used Within One Year:		
Funds Held by Trustee		14,027
Entrance Fee Deposits		252
Total Unavailable Within One Year		14,279
Financial Expenditures Available to Meet Cash Needs within One Year	$	3,205

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 fee deposit. At December 31, 2024, deposits of $252 had been received from future residents who have signed residency agreements.

NOTE 7 FINANCING AGREEMENTS

The following is a summary of long-term debt payable:

Description		
Revenue Bonds, Series 2017, at fixed interest rate of 5.0%, maturing 2030.	$	60,860
Revenue Bonds, Series 2017, at fixed interest rate of 5.0%, maturing 2027.		10,115
Less: Net Unamortized Issuance Costs		(501)
Subtotal		70,474
Less: Amounts Due within One Year		605
Amounts Due after One Year	$	69,869

(IN THOUSANDS)

NOTE 7 FINANCING AGREEMENTS (CONTINUED)

Greenfields 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 Greenfields 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 Greenfields.

On November 17, 2017, Greenfields of Geneva issued Illinois Finance Authority Revenue Bonds (Greenfields of Geneva Project), Series 2017 in the aggregate principal amount of $65,000 bearing interest at rates ranging from 6.75% to 7.10%. On December 1, 2024 the Series 2017 bonds were extinguished through a modification to the trust indenture that reduced the interest rate to 5% with semi-annual payments through November 1, 2030. The reissued Series 2017 Revenue Bonds resulted in a gain on forgiveness of interest due to deferred interest payments of $1,139 being forgiven as a part of the reissuance and is reflected in the statement of operations for the year ended December 31, 2024.

On February 1, 2023, Greenfields of Geneva as a part of the acquisition by Lifespace Communities, Inc. assumed the Series 2017 taxable bonds that were issued by the previous sole member of Greenfields, Friendship Senior Options in November 2017. Lifespace Communities, Inc. assumed the full $10,115 of the taxable bonds and received escrows to pay down a portion of the bonds upon maturity. The escrows received include debt service fund, liquidity support accounts and funds received from the employee retention credit applied for by the predecessor. The bonds are interest only payments until maturity in 2027. Lifespace Communities, Inc. is only obligated for up to $2,800 in the event the escrows received do not cover the full the amount of the bonds outstanding upon maturity.

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 December 31,	Amount
2025	$ 605
2026	710
2027	10,860
2028	780
2029	820
Thereafter	57,200
Total	$ 70,975

(IN THOUSANDS)

NOTE 7 FINANCING AGREEMENTS (CONTINUED)

Restrictive Covenants

The provisions of the loan agreements contain various restrictive covenants pertaining to financial and operational requirements of the Greenfields. As of December 31, 2024, management was not aware of instances where the Greenfields was not in compliance with these covenants.

Liquidity Support Agreement

In February 2023, as part of the affiliation, Lifespace entered into a liquidity support agreement. As of December 31, 2024 the required amount is $5,000. No amounts have been drawn on this agreement as of December 31, 2024.

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:

Debt Service Reserve Fund	$ 5,448
Debt Service Funds	713
Operating Reserve Fund	4
Real Estate Tax Escrow Funds	116
Renewal and Replacement Reserve	47
Liquidity Support Fund	5,233
Bond Trust Fund ERC	2,466
Subtotal	14,027
Less: Current Portion	879
Total	$ 13,148

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 December 31, 2024 is $5,185.

Debt Service Funds

Greenfields 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.

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 Greenfields.

Real Estate Tax Escrow Funds

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

(IN THOUSANDS)

NOTE 7 FINANCING AGREEMENTS (CONTINUED)

Renewal and Replacement Reserve Funds

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

Liquidity Support Fund

Revenue bond proceeds are segregated in a separate bank account. The funds are restricted for payment of the 2017 taxable bonds in November 2027.

Bonds Trust Fund ERC

Proceeds from the employee retention credit application filed by Friendship Senior Options. These funds are restricted for payment of the 2017 taxable bonds in November 2027.

NOTE 8 RELATED PARTY TRANSACTIONS

Lifespace provides multiple services to Greenfields, including accounting, compliance construction management, corporate governance, financing, human resources, information technology, legal, management, marketing, risk management, and treasury. Greenfield's portion of the support center allocation was $1,110 for the year ended December 31, 2024. Greenfields owed $2,205 to Lifespace for services provided as of December 31, 2024. Greenfields made an equity transfer to Lifespace of $654 during the year ended December 31, 2024.

NOTE 9 FUNCTIONAL CLASSIFICATION OF EXPENSES

As discussed in Note 1, Greenfields provides housing, skilled care and ancillary services to residents. The functional classification of expenses related to providing these services consisted of the following:

	Program Services					Supporting Services	
	Independent Living	Home Health	Skilled Nursing	Assisted Living	Total Program Services	Management and General	Total
Salaries and Benefits	$ 3,513	$ 296	$ 2,785	$ 1,700	$ 8,294	$ 880	$ 9,174
General and Administrative	2,671	-	547	953	4,171	1,033	5,204
Plant Operations	766	-	239	417	1,422	-	1,422
Housekeeping	40	-	12	21	73	-	73
Dietary	1,873	-	584	1,018	3,475	-	3,475
Medical and Other Resident Care	62	12	490	207	771	-	771
Depreciation	1,465	-	456	796	2,717	143	2,860
Amortization	1,596	-	-	-	1,596	2,178	3,774
Interest	1,673	-	522	910	3,105	-	3,105
Total Expense	$ 13,659	$ 308	$ 5,635	$ 6,022	$ 25,624	$ 4,234	$ 29,858

NOTE 9 FUNCTIONAL CLASSIFICATION OF EXPENSES (CONTINUED)

Expenses which are not directly identifiable by program or supporting services are allocated based on the best estimates of management. The gain on forgiveness of interest and increase in obligation to provide future service is excluded for the year ended December 31, 2024. Fundraising expenses were not significant and were included with management and general for the year ended December 31, 2024.

NOTE 10 COMMITMENTS AND CONTINGENCIES

Health Care

The health care industry is subject to numerous laws and regulations by federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for resident services, and Medicare and Medical Assistance 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. Management is not aware of any violations of these laws and regulations that would have a material effect on Greenfields.

General and Professional Liability

Greenfields's management was not aware of general and professional liability claims that might have been asserted against Greenfields by certain claimants. Other claims may be asserted arising from services provided to residents in the past. Management believes that these claims, if asserted, would be settled at amounts that can be paid through normal operations and would not have a material effect on the financial position or operations.

NOTE 11 SUBSEQUENT EVENTS

Greenfields has evaluated events or transactions that may have occurred since December 31, 2024, that would merit recognition or disclosure in the financial statements. This evaluation was completed through April 18, 2025, 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.