

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2021 This Form is Open to Public Inspection
---	---	---

Part I	Annual Report Identification Information
For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	☐

Part II	Basic Plan Information—enter all requested information										
1a Name of plan <u>LEGACY SENIOR LIVING, LLC 401(K) PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/2017</u></td> </tr> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>20-5770211</u></td> </tr> <tr> <td colspan="2">2c Plan Sponsor's telephone number <u>423-478-8071</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>621399</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>01/01/2017</u>		2b Employer Identification Number (EIN) <u>20-5770211</u>		2c Plan Sponsor's telephone number <u>423-478-8071</u>		2d Business code (see instructions) <u>621399</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>										
1c Effective date of plan <u>01/01/2017</u>											
2b Employer Identification Number (EIN) <u>20-5770211</u>											
2c Plan Sponsor's telephone number <u>423-478-8071</u>											
2d Business code (see instructions) <u>621399</u>											
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>LEGACY SENIOR LIVING, LLC</u> <u>2235 CANDIES LANE NW</u> <u>CLEVELAND, TN 37312</u>											

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/07/2022	TOMMY HORST
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2021)
v. 210624

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN
		3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN
5 Total number of participants at the beginning of the plan year		5 678
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).		
a(1) Total number of active participants at the beginning of the plan year.....		6a(1) 637
a(2) Total number of active participants at the end of the plan year		6a(2) 546
b Retired or separated participants receiving benefits.....		6b 31
c Other retired or separated participants entitled to future benefits		6c 29
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 606
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 0
f Total. Add lines 6d and 6e		6f 606
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g 126
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h 15
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 3B 3D 3H 2T 2A		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☒ <u>1</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2021 Form M-1 annual report. If the plan was not required to file the 2021 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
--	--	--

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021	
A Name of plan LEGACY SENIOR LIVING, LLC 401(K) PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 LEGACY SENIOR LIVING, LLC	D Employer Identification Number (EIN) 20-5770211

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions	Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
--------	---	--

1 Coverage Information:

(a) Name of insurance carrier
TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
36-6071399	70688	602070-000	126	01/01/2021	12/31/2021

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	1048

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
ERISA SERVICES, INC.

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
0	1048	THIRD PARTY ADMINISTRATION	5

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end	4	
5	Current value of plan's interest under this contract in separate accounts at year end.....	5	1128899
6	Contracts With Allocated Funds:		
a	State the basis of premium rates ▶		
b	Premiums paid to carrier	6b	
c	Premiums due but unpaid at the end of the year	6c	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	
e	Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity (3) ☐ other (specify) ▶		
f	If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐		
7	Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)		
a	Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee (3) ☐ guaranteed investment (4) ☒ other ▶ STABLE VALUE OPTION		
b	Balance at the end of the previous year	7b	14904
c	Additions: (1) Contributions deposited during the year	7c(1)	5326
	(2) Dividends and credits.....	7c(2)	
	(3) Interest credited during the year.....	7c(3)	126
	(4) Transferred from separate account.....	7c(4)	1349
	(5) Other (specify below).....	7c(5)	1200
	▶ FORFEITURE CREDITS		
	(6) Total additions	7c(6)	8001
d	Total of balance and additions (add lines 7b and 7c(6))	7d	22905
e	Deductions:		
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	1048
	(2) Administration charge made by carrier.....	7e(2)	139
	(3) Transferred to separate account.....	7e(3)	167
	(4) Other (specify below).....	7e(4)	3386
	▶ ADMIN FEE- PER ACCT 15; ML FEE 3101 FORF WITHDRAWALS 250 TPA HARDSHIP WD FEE 20		
	(5) Total deductions	7e(5)	4740
f	Balance at the end of the current year (subtract line 7e(5) from line 7d).....	7f	18165

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
b ☐ Dental
c ☐ Vision
d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
f ☐ Long-term disability
g ☐ Supplemental unemployment
h ☐ Prescription drug
i ☐ Stop loss (large deductible)
j ☐ HMO contract
k ☐ PPO contract
l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received	9a(1)		
(2) Increase (decrease) in amount due but unpaid	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3))		9a(4)	
b Benefit charges (1) Claims paid	9b(1)		
(2) Increase (decrease) in claim reserves	9b(2)		
(3) Incurred claims (add (1) and (2))		9b(3)	
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount. Specify nature of costs.	10b	

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2021
		This Form is Open to Public Inspection.

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan LEGACY SENIOR LIVING, LLC 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 LEGACY SENIOR LIVING, LLC	D Employer Identification Number (EIN) 20-5770211	

Part I	Service Provider Information (see instructions)
---------------	--

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
TRANSAMERICA FINANCIAL LIFE INS CO
36-6071399

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

TRANSAMERICA FINANCIAL LIFE INS CO

36-6071399

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 37 52 62 64 67	RECORDKEEPER	9533	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

MERRILL LYNCH LIFE AGENCY

13-2808480

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	INVEST ADVISORY-PLAN	3101	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

ERISA SERVICES

62-1200951

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 37 64	RECORDKEEPER	1050	Yes ☒ No ☐	Yes ☒ No ☐	44	Yes ☐ No ☒

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection.
---	--	--

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan <u>LEGACY SENIOR LIVING, LLC 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>LEGACY SENIOR LIVING, LLC</u>	D Employer Identification Number (EIN) <u>20-5770211</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
---------------	--

a Name of MTIA, CCT, PSA, or 103-12 IE: <u>TA BLACKROCK LIFEPATH INDEX 2045</u>				
b Name of sponsor of entity listed in (a): <u>TRANSAMERICA FINANCIAL LIFE INSURANCE CO</u>				
c EIN-PN <u>36-6071399-306</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>1946</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>STATE STREET U.S. BOND INDEX</u>				
b Name of sponsor of entity listed in (a): <u>TRANSAMERICA FINANCIAL LIFE INSURANCE CO</u>				
c EIN-PN <u>36-6071399-416</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>21336</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>LORD ABBETT TOTAL RETURN</u>				
b Name of sponsor of entity listed in (a): <u>TRANSAMERICA FINANCIAL LIFE INSURANCE CO</u>				
c EIN-PN <u>36-6071399-122</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>22281</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>LORD ABBETT INCOME</u>				
b Name of sponsor of entity listed in (a): <u>TRANSAMERICA FINANCIAL LIFE INSURANCE CO</u>				
c EIN-PN <u>36-6071399-120</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>28319</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>TA VANGUARD REAL ESTATE INDEX</u>				
b Name of sponsor of entity listed in (a): <u>TRANSAMERICA FINANCIAL LIFE INSURANCE CO</u>				
c EIN-PN <u>36-6071399-130</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>35597</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>DWS ENHANCED COMMODITY STRATEGY RET</u>				
b Name of sponsor of entity listed in (a): <u>TRANSAMERICA FINANCIAL LIFE INSURANCE CO</u>				
c EIN-PN <u>36-6071399-101</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>2682</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>TA VANGUARD TOTAL STOCK MARKET INDE</u>				
b Name of sponsor of entity listed in (a): <u>TRANSAMERICA FINANCIAL LIFE INSURANCE CO</u>				
c EIN-PN <u>36-6071399-166</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>37239</u>		

a Name of MTIA, CCT, PSA, or 103-12 IE: STATE STREET INTERNATIONAL INDEX		
b Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE CO		
c EIN-PN 36-6071399-004	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 54685
a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN FUNDS EUROPACIFIC GROWTH		
b Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE CO		
c EIN-PN 36-6071399-051	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 53071
a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN FUNDS FUNDAMENTAL INVESTOR		
b Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE CO		
c EIN-PN 36-6071399-973	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 58350
a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN FUNDS WASHINGTON MUT INVES		
b Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE CO		
c EIN-PN 36-6071399-972	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 80002
a Name of MTIA, CCT, PSA, or 103-12 IE: INVESCO MAIN STREET MID CAP RET		
b Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE CO		
c EIN-PN 36-6071399-089	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 65479
a Name of MTIA, CCT, PSA, or 103-12 IE: STATE STREET RUSSELL SMALL CAP INDE		
b Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE CO		
c EIN-PN 36-6071399-437	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 89346
a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN FUNDS GROWTH FUND OF AMERI		
b Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE CO		
c EIN-PN 36-6071399-975	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 103936
a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN FUNDS BALANCED		
b Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE CO		
c EIN-PN 36-6071399-971	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 451021
a Name of MTIA, CCT, PSA, or 103-12 IE: TA BLACKROCK LIFEPATH INDEX 2030		
b Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE CO		
c EIN-PN 36-6071399-303	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 23609
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
--	--	---

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan LEGACY SENIOR LIVING, LLC 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 LEGACY SENIOR LIVING, LLC	D Employer Identification Number (EIN) 20-5770211	

Part I	Asset and Liability Statement
---------------	--------------------------------------

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions.....	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	997	0
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)	868414	1128899
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	14904	18165
(15) Other.....	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(1)	Employer securities.....	1d(1)	
(2)	Employer real property.....	1d(2)	
e	Buildings and other property used in plan operation	1e	
f	Total assets (add all amounts in lines 1a through 1e)	1f	884315 1147064
Liabilities			
g	Benefit claims payable	1g	
h	Operating payables	1h	
i	Acquisition indebtedness.....	1i	
j	Other liabilities.....	1j	
k	Total liabilities (add all amounts in lines 1g through 1j)	1k	0 0
Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	884315 1147064

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

		(a) Amount	(b) Total
Income			
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A)	25202
	(B) Participants	2a(1)(B)	191803
	(C) Others (including rollovers).....	2a(1)(C)	7097
(2)	Noncash contributions.....	2a(2)	
(3)	Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)	224102
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	
	(B) U.S. Government securities	2b(1)(B)	
	(C) Corporate debt instruments	2b(1)(C)	
	(D) Loans (other than to participants)	2b(1)(D)	
	(E) Participant loans.....	2b(1)(E)	22
	(F) Other	2b(1)(F)	
	(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)	22
(2)	Dividends: (A) Preferred stock.....	2b(2)(A)	
	(B) Common stock	2b(2)(B)	
	(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	
	(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)	0
(3)	Rents	2b(3)	
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	
	(B) Aggregate carrying amount (see instructions).....	2b(4)(B)	
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)	0
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	
	(B) Other	2b(5)(B)	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		155251
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		379375
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	103192	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		103192
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)	13434	
(3) Investment advisory and management fees.....	2i(3)		
(4) Other.....	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		13434
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		116626
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		262749
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☒ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: JOHNSON, HICKEY & MURCHISON

(2) EIN: 62-1046406

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

	Yes	No	Amount
4a		X	

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		114706
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			
5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... ☐ Yes ☒ No If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.			
5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)			
5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)	
5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.			

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection.
---	--	---

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan LEGACY SENIOR LIVING, LLC 401(K) PLAN	B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 LEGACY SENIOR LIVING, LLC	D Employer Identification Number (EIN) 20-5770211

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 36-6071399		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
----------------	---

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2021
v. 201209

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....

14a

b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14b

c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14c

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year.....

15a

b The corresponding number for the second preceding plan year.....

15b

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year.....

16a

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....

16b

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

- 20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

**LEGACY SENIOR LIVING, LLC
401(K) PLAN**

Cleveland, TN

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE**

Years Ended December 31, 2021 and 2020

JOHNSON, HICKEY & MURCHISON, P.C.
Certified Public Accountants
Chattanooga, Tennessee

TABLE OF CONTENTS

	<u>P a g e</u>
INDEPENDENT AUDITORS' REPORT	2-5
FINANCIAL STATEMENTS	
Statements of net assets available for benefits – modified cash basis	6
Statements of changes in net assets available for benefits – modified cash basis	7
Notes to financial statements	8-13
SUPPLEMENTAL SCHEDULE	
Schedule H, line 4i – schedule of assets (held at end of year)	15

INDEPENDENT AUDITORS' REPORT

**To the Trustees of
Legacy Senior Living, LLC 401(k) Plan**

Scope and Nature of the ERISA Section 103(a)(3)(C) for the 2021 Financial Statements

We have performed an audit of the accompanying financial statements of Legacy Senior Living, LLC 401(k) Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C). The financial statements comprise the statement of net assets available for benefits modified cash basis as of December 31, 2021, and the related statement of changes in net assets available for benefits modified cash basis for the year then ended, and the related notes to the financial statements (2021 Financial Statements).

Management, having determined it is permissible in the circumstances, has elected to have the audit of Legacy Senior Living, LLC 401(k) Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the 2021 Financial Statements section:

- the amounts and disclosures in the 2021 financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with the modified cash basis of accounting described in Note 2.
- the information in the 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2021 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of Legacy Senior Living, LLC 401(k) Plan 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 ERISA Section 103(a)(3)(C) audit opinion.

Emphasis of a Matter - Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the 2021 Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 2, 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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 Legacy Senior Living, LLC 401(k) Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments; administering the plan; and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the 2021 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements section of our report, 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Legacy Senior Living, LLC 401(k) Plan'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 Legacy Senior Living, LLC 401(k) Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of the modified cash basis of accounting described in Note 2.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance the modified cash basis of accounting described in Note 2.

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.

2021 Supplemental Schedules Required by ERISA

The supplemental schedule of Schedule H, Line 4i- Schedule of Assets (Held at End of Year) as of December 31, 2021 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all

material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Auditors' Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of Legacy Senior Living, LLC 401(k) Plan. As permitted by 29 CFR 2520. 103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed us not to perform and we did not perform, any audit procedures with respect to the information certified by a qualified institution. In our report dated October 7, 2021, we indicated that (a) because of the significance of information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion of the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statement other than that derived from the certified information were presented in compliance with the Department of Labor's Rules and regulations for Reporting and Disclosure under ERISA.

Johnson, Nicky & Meucham, P.C.

Chattanooga, Tennessee
September 29, 2022

LEGACY SENIOR LIVING, LLC 401(K) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS -
MODIFIED CASH BASIS
DECEMBER 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Investments		
Pooled separate accounts at fair value	\$ 1,128,899	\$ 868,414
Stable value fund at contract value	<u>18,165</u>	<u>14,904</u>
Total investments	<u>1,147,064</u>	<u>883,318</u>
Notes receivable from participants	<u>-</u>	<u>997</u>
Total assets	<u>1,147,064</u>	<u>884,315</u>

LIABILITIES

Liabilities	<u>-</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 1,147,064</u></u>	<u><u>\$ 884,315</u></u>

(The accompanying notes are an integral part of these statements.)

LEGACY SENIOR LIVING, LLC 401(K) PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS -
MODIFIED CASH BASIS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ADDITIONS TO NET ASSETS ATTRIBUTED TO		
Investment income		
Net appreciation in fair value of investments	\$ 155,251	\$ 113,262
Interest income from participant loans	<u>22</u>	<u>76</u>
Total investment income	<u>155,273</u>	<u>113,338</u>
Contributions		
Employer contributions	25,202	23,535
Participant contributions	191,803	162,145
Rollover contributions	<u>7,097</u>	<u>57,155</u>
Total contributions	<u>224,102</u>	<u>242,835</u>
Total additions	<u>379,375</u>	<u>356,173</u>
 DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO		
Benefits paid	103,192	142,323
Administrative expenses	<u>13,434</u>	<u>10,546</u>
Total deductions	<u>116,626</u>	<u>152,869</u>
 NET INCREASE	262,749	203,304
 NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	<u>884,315</u>	<u>681,011</u>
End of year	<u><u>\$ 1,147,064</u></u>	<u><u>\$ 884,315</u></u>

(The accompanying notes are an integral part of these statements.)

LEGACY SENIOR LIVING, LLC 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

(1) DESCRIPTION OF PLAN

The following description of the Legacy Senior Living, LLC 401(k) Plan (the Plan) provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General

Legacy Senior Living, LLC (Sponsor) adopted the multiple employer defined contribution plan covering all employees of Legacy Senior Living, LLC, Annandale Senior Services, Concordia Retirement Center (through February 28, 2022), Douglasville Senior Services, LLC, Jacksonville Senior Services, LLC, Moultrie Senior Services, LLC, Ocoee Sycamore Retirement, LLC (through December 31, 2021), Prattville Senior Services, LLC, Rome Senior Services, LLC, Providence Senior Living, LLC, Stanardsville Senior Services, Thomasville Senior Services, LLC, Tifton Senior Services, LLC, and Vero Beach Senior Services, LLC. Employees may enter the Plan on the first day of the month coinciding with or next following the completion of 90 days of credited service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Participants may voluntarily contribute up to the maximum percentage allowed not to exceed the limits of IRS Code Sections 401(k). The Sponsor makes a required matching contribution and may also make a discretionary profit sharing contribution. Participants may also contribute amounts from other qualified plans, i.e., rollovers, without the benefit of company matching contribution. Each employer contributes 25% of the first 4% of base compensation that a participant contributes to the Plan not to exceed 1% of total compensation. During the years ended December 31, 2021 and 2020, the employer matching contributions totaled \$25,202 and \$23,535, respectively. There were no discretionary profit sharing contributions made during 2021 and 2020.

Participant accounts

Each participant's account is credited with the participant's contribution, employer matching contributions, the allocation of any discretionary contribution, and investment earnings. Allocations are based on participant earnings or account balances, as defined. Participants direct the investments in their accounts into various investment options offered by the Plan. Participants have a pretax as well as a Roth deferral option. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contribution account plus actual earnings thereon and any rollovers. Vesting in the employee contributions are based on years of service. A participant is 100% vested after four years of credited service.

Payment of benefits

Upon termination of service due to retirement, disability, or death, a participant may elect to receive a lump sum amount equal to the value of the participant's vested interest in their account.

LEGACY SENIOR LIVING, LLC 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

(1) DESCRIPTION OF PLAN (continued)

Forfeitures

Forfeitures are created when participants terminate employment prior to becoming fully vested in the employer's contribution portion of their accounts. At December 31, 2021 and 2020, forfeited non-vested accounts totaled \$746 and \$2,898, respectively. These accounts will be used to reduce administrative expenses and matching employer contributions. During 2021 and 2020, forfeited accounts were used to reduce administrative expenses by \$3,351 and \$3,275, respectively.

Hardship withdrawals

The Plan permits distributions in the event of a hardship, as defined in the plan document. These distributions are taxable and subject to a tax penalty equal to 10% of the hardship distribution amount if the participant is younger than age 59 ½. Hardship withdrawals are not allowed for former employees at the time of the hardship distribution and are limited to the participant's vested pre-tax and Roth elective deferral account balance.

Notes receivable from participants

The Plan does not permit new loans to participants.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying financial statements of the Plan have been prepared using the modified cash basis of accounting. Under that basis, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. That basis differs from accounting principles generally accepted in the United States of America.

Use of estimates

The preparation of financial statements in conformity with modified cash basis of accounting requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Notes receivable from participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued interest. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

Investment valuation and income recognition

The Plan's investments are maintained by Transamerica Life Insurance Company (TLIC), and are stated at fair value of the underlying assets. Net appreciation or depreciation in fair value of investments includes the Plan's gains and losses on investments bought and sold, as well as held during the year. Purchases and sales are recorded on a trade date basis. Shares in pooled separate accounts are valued at the net asset value of shares held by the Plan at year end. Participant notes receivable are valued at cost which approximates fair value. Interest income is recorded on the accrual basis. The Transamerica Stable Value Core Option is presented at contract value, which approximates fair value.

Payment of benefits

Benefits are recorded when paid.

LEGACY SENIOR LIVING, LLC 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenses

Certain expenses of maintaining the Plan are paid directly by the plan sponsor and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation (depreciation) of fair value of investments.

(3) CERTIFIED INVESTMENTS AND INVESTMENT INCOME

The following information was certified as complete and accurate by TLIC, trustee, as of December 31, 2021 and 2020:

	2021	2020
Stable value fund	\$ 18,165	\$ 14,904
Pooled separate accounts	\$ 1,128,899	\$ 868,414
Notes receivable from participants	\$ -	\$ 997
Net appreciation of investments	\$ 155,251	\$ 113,262
Interest on participant loans	\$ 22	\$ 76

The Plan's independent auditors did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

(4) FAIR VALUE

FASB ASC 820-10 defines fair value as the price the Plan would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. FASB ASC 820-10 established a three tier hierarchy of inputs to establish a classification of fair value measurements for disclosure purposes. The three levels of the fair value hierarchy under FASB ASC 820-10 are described as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2

Inputs to the valuation methodology include (1) quoted prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in inactive markets; (3) inputs other than quoted market prices that are observable for the asset or liability; (4) inputs that are derived principally from corroborated observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

LEGACY SENIOR LIVING, LLC 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

(4) FAIR VALUE (continued)

The Plan uses the following methods and assumptions in estimating the fair values of the Plan's financial instruments:

Pooled separate accounts – Those pooled separate accounts investing in mutual funds or domestic equity securities are measured using quoted prices in active markets for identical assets and are classified as Level 1. Those pooled separate accounts directly investing in fixed maturity securities are measured based on pricing data provided by outside valuation service providers who in turn generally use the mean bid and ask prices but may also use alternative observable pricing inputs for certain securities. Those pooled separate accounts are classified as Level 2.

The categorization of fair value measurements of the Plan's assets by input level, at December 31, 2021 and 2020 is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>December 31, 2021</u>				
Pooled separate accounts	\$ 937,977	\$ 190,922	\$ -	\$ 1,128,899
<u>December 31, 2020</u>				
Pooled separate accounts	\$ 718,427	\$ 149,987	\$ -	\$ 868,414

Gains and losses included in changes in net assets available for benefits for the year ended December 31, 2021 and 2020 are reported in net appreciation or depreciation in fair value of investments.

The Plan's policy is to recognize transfers between Levels 1 and 2 and into and out of Level 3 as of the date of the event or change in circumstances that caused the transfer. For the years ended December 31, 2021 and 2020, there were no significant transfers between Levels 1 and 2 and no transfers into or out of Level 3.

(5) STABLE VALUE FUND

Transamerica's Stable Value Fund (SVF) complies with the Financial Accounting Standards Board's (FASB's) fully benefit-responsive requirements, and thus is reportable at contract value in the plan's financial statements.

Prior to January 1st and July 1st, the effective annual rate of interest is established for the corresponding six month period. Interest is credited, based upon the daily balance, at a rate that is the daily equivalent of the effective annual rate of interest applicable for the six month period. There is no stated minimum or maximum interest rate for the SVF.

LEGACY SENIOR LIVING, LLC 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

(5) STABLE VALUE FUND (continued)

The SVF is backed by the general account of TLIC or Transamerica Financial Life Insurance Company (TFLIC). While TLIC or TFLIC declare rates periodically and back the principal and interest of this investment choice, any guarantees are subject to the claims paying ability of the insurance company. This investment choice is not guaranteed by the FDIC or any other government agency. Although plan participants generally may withdraw assets from the SVF investment without restrictions, TLIC may impose a hold period at the contract level in the event of a full contract discontinuance or partial contract discontinuance.

The SVF, as a deposit liability of Transamerica with no underlying assets, would have no direct investments on behalf of the plan. The assets are based on the general unallocated account of Transamerica and the risk of investment is based on Transamerica's insurance ratings.

Certain events limit the Plan's ability to transact at contract value. Such events include the following: (a) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (b) changes to the plan's prohibition on competing investment options or deletion of equity wash provisions, (c) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the plan, or (d) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. Furthermore, certain events would allow the issuer to terminate the contract with the Plan and settle at an amount different from contract value. Examples of such events include (a) an uncured breach of the Plan's investment guidelines, (b) a material amendment to the contract without the issuer's consent, (c) a violation of a material obligation under the contract, or (d) a material misrepresentation. The Plan administrator does not believe that any events that would limit the Plan's ability to transact at contract value with Plan participants or the issuer are probable of occurring.

The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

(6) PARTIES IN INTEREST

Certain plan investments are shares of pooled separate accounts and a stable value fund managed by TLIC. TLIC is the trustee as defined by the Plan and, therefore, these transactions are considered as party-in-interest transactions. Fees paid by the Plan for the investment management and advisory services amounted to \$13,434 and \$10,546 for the years ended December 31, 2021 and 2020, respectively.

These party-in-interest transactions are exempt from the prohibited transaction rules of ERISA.

(7) PLAN TERMINATION

Although it has not expressed any intent to do so, the Sponsor has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their employer contributions.

LEGACY SENIOR LIVING, LLC 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

(8) INCOME TAX STATUS

The Sponsor adopted a defined contribution volume submitter plan and trust document sponsored by Transamerica Life Insurance Company. The volume submitter plan sponsor has received an opinion letter from the Internal Revenue Service as to the volume submitter plan's qualified status. The volume submitter plan opinion letter has been relied upon by the Plan. The plan administrative committee believes the Plan is designed and is being operated in compliance with the applicable provisions of the Internal Revenue Code and therefore believes that the plan is qualified and the related trust is tax-exempt. Current standards require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes the Plan is not subject to income tax examinations for years prior to 2018.

(9) RISKS AND UNCERTAINTIES

The Plan utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

During March 2020, a global pandemic was declared related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). The pandemic has significantly impacted the economic conditions across the nation as federal, state, and local governments react to the public health crisis, creating significant uncertainties in the economy. This situation is rapidly changing, and additional impacts may arise. While the disruption is currently expected to be temporary, there is uncertainty around its duration. The ultimate future impact, if any, of the pandemic on results of operations of the Plan Sponsor or investment securities held in the Plan cannot be reasonably estimated at this time.

(10) SUBSEQUENT EVENTS

Management noted no additional transaction that would provide evidence about material conditions that did not exist at the balance sheet date but arose subsequently, through the date these financial statements were available to be issued, September 29, 2022.

SUPPLEMENTAL SCHEDULE

LEGACY SENIOR LIVING, LLC 401(K) PLAN
EIN# 20-5770211
PLAN NUMBER 001
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2021

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
STABLE VALUE FUND			
*	Transamerica Stable Value Core	Cash Equivalents	\$ 18,165
POOLED SEPARATE ACCOUNTS			
*	American Funds American Balanced	Multi-Asset/Other	451,021
*	American Funds EuroPacific Growth	International Stocks	53,071
*	American Funds Fundamental Investment	Large-Cap Stocks	58,350
*	American Funds Growth Fund of America	Large-Cap Stocks	103,936
*	American Funds Washington Mutual Investors	Large-Cap Stocks	80,002
*	DWS Enhanced Commodity	Commodities	2,682
*	BlackRock LifePath Index 2030	Multi-Asset/Other	23,609
*	BlackRock LifePath Index 2045	Multi-Asset/Other	1,946
*	Lord Abbett Income	Interm./Long-Term Bond	28,319
*	Lord Abbett Total Return	Interm./Long-Term Bond	22,281
*	Oppenheimer Main Street Mid Cap	Small/Mid-Cap Stocks	65,479
*	State Street Russell Small Cap Index Return	Small/Mid-Cap Stocks	89,346
*	State Street International Index	International Stocks	54,685
*	State Street US Bond Index	Interm./Long-Term Bond	21,336
*	Vanguard REIT Index	Small/Mid-Cap Stocks	35,597
*	Vanguard Total Stock Market Index	Large-Cap Stocks	37,239
	Total pooled separate accounts		1,128,899
			\$ 1,147,064

* Represents a party-in-interest.

(d) Cost not required for participant directed plans.

**LEGACY SENIOR LIVING, LLC
401(K) PLAN**

Cleveland, TN

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE**

Years Ended December 31, 2021 and 2020

JOHNSON, HICKEY & MURCHISON, P.C.
Certified Public Accountants
Chattanooga, Tennessee

TABLE OF CONTENTS

	<u>P a g e</u>
INDEPENDENT AUDITORS' REPORT	2-5
FINANCIAL STATEMENTS	
Statements of net assets available for benefits – modified cash basis	6
Statements of changes in net assets available for benefits – modified cash basis	7
Notes to financial statements	8-13
SUPPLEMENTAL SCHEDULE	
Schedule H, line 4i – schedule of assets (held at end of year)	15

INDEPENDENT AUDITORS' REPORT

**To the Trustees of
Legacy Senior Living, LLC 401(k) Plan**

Scope and Nature of the ERISA Section 103(a)(3)(C) for the 2021 Financial Statements

We have performed an audit of the accompanying financial statements of Legacy Senior Living, LLC 401(k) Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C). The financial statements comprise the statement of net assets available for benefits modified cash basis as of December 31, 2021, and the related statement of changes in net assets available for benefits modified cash basis for the year then ended, and the related notes to the financial statements (2021 Financial Statements).

Management, having determined it is permissible in the circumstances, has elected to have the audit of Legacy Senior Living, LLC 401(k) Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the 2021 Financial Statements section:

- the amounts and disclosures in the 2021 financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with the modified cash basis of accounting described in Note 2.
- the information in the 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2021 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of Legacy Senior Living, LLC 401(k) Plan 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 ERISA Section 103(a)(3)(C) audit opinion.

Emphasis of a Matter - Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the 2021 Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 2, 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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 Legacy Senior Living, LLC 401(k) Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments; administering the plan; and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the 2021 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements section of our report, 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Legacy Senior Living, LLC 401(k) Plan'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 Legacy Senior Living, LLC 401(k) Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of the modified cash basis of accounting described in Note 2.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance the modified cash basis of accounting described in Note 2.

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.

2021 Supplemental Schedules Required by ERISA

The supplemental schedule of Schedule H, Line 4i- Schedule of Assets (Held at End of Year) as of December 31, 2021 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all

material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Auditors' Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of Legacy Senior Living, LLC 401(k) Plan. As permitted by 29 CFR 2520. 103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed us not to perform and we did not perform, any audit procedures with respect to the information certified by a qualified institution. In our report dated October 7, 2021, we indicated that (a) because of the significance of information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion of the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statement other than that derived from the certified information were presented in compliance with the Department of Labor's Rules and regulations for Reporting and Disclosure under ERISA.

Johnson, Nicky & Meacham, P.C.

Chattanooga, Tennessee
September 29, 2022

LEGACY SENIOR LIVING, LLC 401(K) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS -
MODIFIED CASH BASIS
DECEMBER 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Investments		
Pooled separate accounts at fair value	\$ 1,128,899	\$ 868,414
Stable value fund at contract value	<u>18,165</u>	<u>14,904</u>
Total investments	<u>1,147,064</u>	<u>883,318</u>
Notes receivable from participants	<u>-</u>	<u>997</u>
Total assets	<u>1,147,064</u>	<u>884,315</u>

LIABILITIES

Liabilities	<u>-</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 1,147,064</u>	<u>\$ 884,315</u>

(The accompanying notes are an integral part of these statements.)

LEGACY SENIOR LIVING, LLC 401(K) PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS -
MODIFIED CASH BASIS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ADDITIONS TO NET ASSETS ATTRIBUTED TO		
Investment income		
Net appreciation in fair value of investments	\$ 155,251	\$ 113,262
Interest income from participant loans	<u>22</u>	<u>76</u>
Total investment income	<u>155,273</u>	<u>113,338</u>
Contributions		
Employer contributions	25,202	23,535
Participant contributions	191,803	162,145
Rollover contributions	<u>7,097</u>	<u>57,155</u>
Total contributions	<u>224,102</u>	<u>242,835</u>
Total additions	<u>379,375</u>	<u>356,173</u>
 DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO		
Benefits paid	103,192	142,323
Administrative expenses	<u>13,434</u>	<u>10,546</u>
Total deductions	<u>116,626</u>	<u>152,869</u>
 NET INCREASE	262,749	203,304
 NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	<u>884,315</u>	<u>681,011</u>
End of year	<u><u>\$ 1,147,064</u></u>	<u><u>\$ 884,315</u></u>

(The accompanying notes are an integral part of these statements.)

LEGACY SENIOR LIVING, LLC 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

(1) DESCRIPTION OF PLAN

The following description of the Legacy Senior Living, LLC 401(k) Plan (the Plan) provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General

Legacy Senior Living, LLC (Sponsor) adopted the multiple employer defined contribution plan covering all employees of Legacy Senior Living, LLC, Annandale Senior Services, Concordia Retirement Center (through February 28, 2022), Douglasville Senior Services, LLC, Jacksonville Senior Services, LLC, Moultrie Senior Services, LLC, Ocoee Sycamore Retirement, LLC (through December 31, 2021), Prattville Senior Services, LLC, Rome Senior Services, LLC, Providence Senior Living, LLC, Stanardsville Senior Services, Thomasville Senior Services, LLC, Tifton Senior Services, LLC, and Vero Beach Senior Services, LLC. Employees may enter the Plan on the first day of the month coinciding with or next following the completion of 90 days of credited service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Participants may voluntarily contribute up to the maximum percentage allowed not to exceed the limits of IRS Code Sections 401(k). The Sponsor makes a required matching contribution and may also make a discretionary profit sharing contribution. Participants may also contribute amounts from other qualified plans, i.e., rollovers, without the benefit of company matching contribution. Each employer contributes 25% of the first 4% of base compensation that a participant contributes to the Plan not to exceed 1% of total compensation. During the years ended December 31, 2021 and 2020, the employer matching contributions totaled \$25,202 and \$23,535, respectively. There were no discretionary profit sharing contributions made during 2021 and 2020.

Participant accounts

Each participant's account is credited with the participant's contribution, employer matching contributions, the allocation of any discretionary contribution, and investment earnings. Allocations are based on participant earnings or account balances, as defined. Participants direct the investments in their accounts into various investment options offered by the Plan. Participants have a pretax as well as a Roth deferral option. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contribution account plus actual earnings thereon and any rollovers. Vesting in the employee contributions are based on years of service. A participant is 100% vested after four years of credited service.

Payment of benefits

Upon termination of service due to retirement, disability, or death, a participant may elect to receive a lump sum amount equal to the value of the participant's vested interest in their account.

LEGACY SENIOR LIVING, LLC 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

(1) DESCRIPTION OF PLAN (continued)

Forfeitures

Forfeitures are created when participants terminate employment prior to becoming fully vested in the employer's contribution portion of their accounts. At December 31, 2021 and 2020, forfeited non-vested accounts totaled \$746 and \$2,898, respectively. These accounts will be used to reduce administrative expenses and matching employer contributions. During 2021 and 2020, forfeited accounts were used to reduce administrative expenses by \$3,351 and \$3,275, respectively.

Hardship withdrawals

The Plan permits distributions in the event of a hardship, as defined in the plan document. These distributions are taxable and subject to a tax penalty equal to 10% of the hardship distribution amount if the participant is younger than age 59 ½. Hardship withdrawals are not allowed for former employees at the time of the hardship distribution and are limited to the participant's vested pre-tax and Roth elective deferral account balance.

Notes receivable from participants

The Plan does not permit new loans to participants.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying financial statements of the Plan have been prepared using the modified cash basis of accounting. Under that basis, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. That basis differs from accounting principles generally accepted in the United States of America.

Use of estimates

The preparation of financial statements in conformity with modified cash basis of accounting requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Notes receivable from participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued interest. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

Investment valuation and income recognition

The Plan's investments are maintained by Transamerica Life Insurance Company (TLIC), and are stated at fair value of the underlying assets. Net appreciation or depreciation in fair value of investments includes the Plan's gains and losses on investments bought and sold, as well as held during the year. Purchases and sales are recorded on a trade date basis. Shares in pooled separate accounts are valued at the net asset value of shares held by the Plan at year end. Participant notes receivable are valued at cost which approximates fair value. Interest income is recorded on the accrual basis. The Transamerica Stable Value Core Option is presented at contract value, which approximates fair value.

Payment of benefits

Benefits are recorded when paid.

LEGACY SENIOR LIVING, LLC 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenses

Certain expenses of maintaining the Plan are paid directly by the plan sponsor and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation (depreciation) of fair value of investments.

(3) CERTIFIED INVESTMENTS AND INVESTMENT INCOME

The following information was certified as complete and accurate by TLIC, trustee, as of December 31, 2021 and 2020:

	2021	2020
Stable value fund	\$ 18,165	\$ 14,904
Pooled separate accounts	\$ 1,128,899	\$ 868,414
Notes receivable from participants	\$ -	\$ 997
Net appreciation of investments	\$ 155,251	\$ 113,262
Interest on participant loans	\$ 22	\$ 76

The Plan's independent auditors did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

(4) FAIR VALUE

FASB ASC 820-10 defines fair value as the price the Plan would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. FASB ASC 820-10 established a three tier hierarchy of inputs to establish a classification of fair value measurements for disclosure purposes. The three levels of the fair value hierarchy under FASB ASC 820-10 are described as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2

Inputs to the valuation methodology include (1) quoted prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in inactive markets; (3) inputs other than quoted market prices that are observable for the asset or liability; (4) inputs that are derived principally from corroborated observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

LEGACY SENIOR LIVING, LLC 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

(4) FAIR VALUE (continued)

The Plan uses the following methods and assumptions in estimating the fair values of the Plan's financial instruments:

Pooled separate accounts – Those pooled separate accounts investing in mutual funds or domestic equity securities are measured using quoted prices in active markets for identical assets and are classified as Level 1. Those pooled separate accounts directly investing in fixed maturity securities are measured based on pricing data provided by outside valuation service providers who in turn generally use the mean bid and ask prices but may also use alternative observable pricing inputs for certain securities. Those pooled separate accounts are classified as Level 2.

The categorization of fair value measurements of the Plan's assets by input level, at December 31, 2021 and 2020 is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>December 31, 2021</u>				
Pooled separate accounts	\$ 937,977	\$ 190,922	\$ -	\$ 1,128,899
<u>December 31, 2020</u>				
Pooled separate accounts	\$ 718,427	\$ 149,987	\$ -	\$ 868,414

Gains and losses included in changes in net assets available for benefits for the year ended December 31, 2021 and 2020 are reported in net appreciation or depreciation in fair value of investments.

The Plan's policy is to recognize transfers between Levels 1 and 2 and into and out of Level 3 as of the date of the event or change in circumstances that caused the transfer. For the years ended December 31, 2021 and 2020, there were no significant transfers between Levels 1 and 2 and no transfers into or out of Level 3.

(5) STABLE VALUE FUND

Transamerica's Stable Value Fund (SVF) complies with the Financial Accounting Standards Board's (FASB's) fully benefit-responsive requirements, and thus is reportable at contract value in the plan's financial statements.

Prior to January 1st and July 1st, the effective annual rate of interest is established for the corresponding six month period. Interest is credited, based upon the daily balance, at a rate that is the daily equivalent of the effective annual rate of interest applicable for the six month period. There is no stated minimum or maximum interest rate for the SVF.

LEGACY SENIOR LIVING, LLC 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

(5) STABLE VALUE FUND (continued)

The SVF is backed by the general account of TLIC or Transamerica Financial Life Insurance Company (TFLIC). While TLIC or TFLIC declare rates periodically and back the principal and interest of this investment choice, any guarantees are subject to the claims paying ability of the insurance company. This investment choice is not guaranteed by the FDIC or any other government agency. Although plan participants generally may withdraw assets from the SVF investment without restrictions, TLIC may impose a hold period at the contract level in the event of a full contract discontinuance or partial contract discontinuance.

The SVF, as a deposit liability of Transamerica with no underlying assets, would have no direct investments on behalf of the plan. The assets are based on the general unallocated account of Transamerica and the risk of investment is based on Transamerica's insurance ratings.

Certain events limit the Plan's ability to transact at contract value. Such events include the following: (a) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (b) changes to the plan's prohibition on competing investment options or deletion of equity wash provisions, (c) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the plan, or (d) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. Furthermore, certain events would allow the issuer to terminate the contract with the Plan and settle at an amount different from contract value. Examples of such events include (a) an uncured breach of the Plan's investment guidelines, (b) a material amendment to the contract without the issuer's consent, (c) a violation of a material obligation under the contract, or (d) a material misrepresentation. The Plan administrator does not believe that any events that would limit the Plan's ability to transact at contract value with Plan participants or the issuer are probable of occurring.

The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

(6) PARTIES IN INTEREST

Certain plan investments are shares of pooled separate accounts and a stable value fund managed by TLIC. TLIC is the trustee as defined by the Plan and, therefore, these transactions are considered as party-in-interest transactions. Fees paid by the Plan for the investment management and advisory services amounted to \$13,434 and \$10,546 for the years ended December 31, 2021 and 2020, respectively.

These party-in-interest transactions are exempt from the prohibited transaction rules of ERISA.

(7) PLAN TERMINATION

Although it has not expressed any intent to do so, the Sponsor has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their employer contributions.

LEGACY SENIOR LIVING, LLC 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

(8) INCOME TAX STATUS

The Sponsor adopted a defined contribution volume submitter plan and trust document sponsored by Transamerica Life Insurance Company. The volume submitter plan sponsor has received an opinion letter from the Internal Revenue Service as to the volume submitter plan's qualified status. The volume submitter plan opinion letter has been relied upon by the Plan. The plan administrative committee believes the Plan is designed and is being operated in compliance with the applicable provisions of the Internal Revenue Code and therefore believes that the plan is qualified and the related trust is tax-exempt. Current standards require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes the Plan is not subject to income tax examinations for years prior to 2018.

(9) RISKS AND UNCERTAINTIES

The Plan utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

During March 2020, a global pandemic was declared related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). The pandemic has significantly impacted the economic conditions across the nation as federal, state, and local governments react to the public health crisis, creating significant uncertainties in the economy. This situation is rapidly changing, and additional impacts may arise. While the disruption is currently expected to be temporary, there is uncertainty around its duration. The ultimate future impact, if any, of the pandemic on results of operations of the Plan Sponsor or investment securities held in the Plan cannot be reasonably estimated at this time.

(10) SUBSEQUENT EVENTS

Management noted no additional transaction that would provide evidence about material conditions that did not exist at the balance sheet date but arose subsequently, through the date these financial statements were available to be issued, September 29, 2022.

SUPPLEMENTAL SCHEDULE

LEGACY SENIOR LIVING, LLC 401(K) PLAN
EIN# 20-5770211
PLAN NUMBER 001
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2021

(a)	(b)	(c)	(e)
	Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Current Value
	STABLE VALUE FUND		
*	Transamerica Stable Value Core	Cash Equivalents	\$ 18,165
	POOLED SEPARATE ACCOUNTS		
*	American Funds American Balanced	Multi-Asset/Other	451,021
*	American Funds EuroPacific Growth	International Stocks	53,071
*	American Funds Fundamental Investment	Large-Cap Stocks	58,350
*	American Funds Growth Fund of America	Large-Cap Stocks	103,936
*	American Funds Washington Mutual Investors	Large-Cap Stocks	80,002
*	DWS Enhanced Commodity	Commodities	2,682
*	BlackRock LifePath Index 2030	Multi-Asset/Other	23,609
*	BlackRock LifePath Index 2045	Multi-Asset/Other	1,946
*	Lord Abbett Income	Interm./Long-Term Bond	28,319
*	Lord Abbett Total Return	Interm./Long-Term Bond	22,281
*	Oppenheimer Main Street Mid Cap	Small/Mid-Cap Stocks	65,479
*	State Street Russell Small Cap Index Return	Small/Mid-Cap Stocks	89,346
*	State Street International Index	International Stocks	54,685
*	State Street US Bond Index	Interm./Long-Term Bond	21,336
*	Vanguard REIT Index	Small/Mid-Cap Stocks	35,597
*	Vanguard Total Stock Market Index	Large-Cap Stocks	37,239
	Total pooled separate accounts		1,128,899
			\$ 1,147,064

* Represents a party-in-interest.

(d) Cost not required for participant directed plans.

**LEGACY SENIOR LIVING, LLC
401(K) PLAN**

Cleveland, TN

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE**

Years Ended December 31, 2021 and 2020

JOHNSON, HICKEY & MURCHISON, P.C.
Certified Public Accountants
Chattanooga, Tennessee

TABLE OF CONTENTS

	<u>P a g e</u>
INDEPENDENT AUDITORS' REPORT	2-5
FINANCIAL STATEMENTS	
Statements of net assets available for benefits – modified cash basis	6
Statements of changes in net assets available for benefits – modified cash basis	7
Notes to financial statements	8-13
SUPPLEMENTAL SCHEDULE	
Schedule H, line 4i – schedule of assets (held at end of year)	15

INDEPENDENT AUDITORS' REPORT

**To the Trustees of
Legacy Senior Living, LLC 401(k) Plan**

Scope and Nature of the ERISA Section 103(a)(3)(C) for the 2021 Financial Statements

We have performed an audit of the accompanying financial statements of Legacy Senior Living, LLC 401(k) Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C). The financial statements comprise the statement of net assets available for benefits modified cash basis as of December 31, 2021, and the related statement of changes in net assets available for benefits modified cash basis for the year then ended, and the related notes to the financial statements (2021 Financial Statements).

Management, having determined it is permissible in the circumstances, has elected to have the audit of Legacy Senior Living, LLC 401(k) Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the 2021 Financial Statements section:

- the amounts and disclosures in the 2021 financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with the modified cash basis of accounting described in Note 2.
- the information in the 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2021 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of Legacy Senior Living, LLC 401(k) Plan 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 ERISA Section 103(a)(3)(C) audit opinion.

Emphasis of a Matter - Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the 2021 Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 2, 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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 Legacy Senior Living, LLC 401(k) Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments; administering the plan; and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the 2021 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements section of our report, 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Legacy Senior Living, LLC 401(k) Plan'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 Legacy Senior Living, LLC 401(k) Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of the modified cash basis of accounting described in Note 2.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance the modified cash basis of accounting described in Note 2.

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.

2021 Supplemental Schedules Required by ERISA

The supplemental schedule of Schedule H, Line 4i- Schedule of Assets (Held at End of Year) as of December 31, 2021 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all

material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Auditors' Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of Legacy Senior Living, LLC 401(k) Plan. As permitted by 29 CFR 2520. 103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed us not to perform and we did not perform, any audit procedures with respect to the information certified by a qualified institution. In our report dated October 7, 2021, we indicated that (a) because of the significance of information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion of the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statement other than that derived from the certified information were presented in compliance with the Department of Labor's Rules and regulations for Reporting and Disclosure under ERISA.

Johnson, Nicky & Meucham, P.C.

Chattanooga, Tennessee
September 29, 2022

LEGACY SENIOR LIVING, LLC 401(K) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS -
MODIFIED CASH BASIS
DECEMBER 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Investments		
Pooled separate accounts at fair value	\$ 1,128,899	\$ 868,414
Stable value fund at contract value	<u>18,165</u>	<u>14,904</u>
Total investments	<u>1,147,064</u>	<u>883,318</u>
Notes receivable from participants	<u>-</u>	<u>997</u>
Total assets	<u>1,147,064</u>	<u>884,315</u>

LIABILITIES

Liabilities	<u>-</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 1,147,064</u></u>	<u><u>\$ 884,315</u></u>

(The accompanying notes are an integral part of these statements.)

LEGACY SENIOR LIVING, LLC 401(K) PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS -
MODIFIED CASH BASIS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ADDITIONS TO NET ASSETS ATTRIBUTED TO		
Investment income		
Net appreciation in fair value of investments	\$ 155,251	\$ 113,262
Interest income from participant loans	<u>22</u>	<u>76</u>
Total investment income	<u>155,273</u>	<u>113,338</u>
Contributions		
Employer contributions	25,202	23,535
Participant contributions	191,803	162,145
Rollover contributions	<u>7,097</u>	<u>57,155</u>
Total contributions	<u>224,102</u>	<u>242,835</u>
Total additions	<u>379,375</u>	<u>356,173</u>
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO		
Benefits paid	103,192	142,323
Administrative expenses	<u>13,434</u>	<u>10,546</u>
Total deductions	<u>116,626</u>	<u>152,869</u>
NET INCREASE	262,749	203,304
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	<u>884,315</u>	<u>681,011</u>
End of year	<u><u>\$ 1,147,064</u></u>	<u><u>\$ 884,315</u></u>

(The accompanying notes are an integral part of these statements.)

LEGACY SENIOR LIVING, LLC 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

(1) DESCRIPTION OF PLAN

The following description of the Legacy Senior Living, LLC 401(k) Plan (the Plan) provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General

Legacy Senior Living, LLC (Sponsor) adopted the multiple employer defined contribution plan covering all employees of Legacy Senior Living, LLC, Annandale Senior Services, Concordia Retirement Center (through February 28, 2022), Douglasville Senior Services, LLC, Jacksonville Senior Services, LLC, Moultrie Senior Services, LLC, Ocoee Sycamore Retirement, LLC (through December 31, 2021), Prattville Senior Services, LLC, Rome Senior Services, LLC, Providence Senior Living, LLC, Stanardsville Senior Services, Thomasville Senior Services, LLC, Tifton Senior Services, LLC, and Vero Beach Senior Services, LLC. Employees may enter the Plan on the first day of the month coinciding with or next following the completion of 90 days of credited service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Participants may voluntarily contribute up to the maximum percentage allowed not to exceed the limits of IRS Code Sections 401(k). The Sponsor makes a required matching contribution and may also make a discretionary profit sharing contribution. Participants may also contribute amounts from other qualified plans, i.e., rollovers, without the benefit of company matching contribution. Each employer contributes 25% of the first 4% of base compensation that a participant contributes to the Plan not to exceed 1% of total compensation. During the years ended December 31, 2021 and 2020, the employer matching contributions totaled \$25,202 and \$23,535, respectively. There were no discretionary profit sharing contributions made during 2021 and 2020.

Participant accounts

Each participant's account is credited with the participant's contribution, employer matching contributions, the allocation of any discretionary contribution, and investment earnings. Allocations are based on participant earnings or account balances, as defined. Participants direct the investments in their accounts into various investment options offered by the Plan. Participants have a pretax as well as a Roth deferral option. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contribution account plus actual earnings thereon and any rollovers. Vesting in the employee contributions are based on years of service. A participant is 100% vested after four years of credited service.

Payment of benefits

Upon termination of service due to retirement, disability, or death, a participant may elect to receive a lump sum amount equal to the value of the participant's vested interest in their account.

LEGACY SENIOR LIVING, LLC 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

(1) DESCRIPTION OF PLAN (continued)

Forfeitures

Forfeitures are created when participants terminate employment prior to becoming fully vested in the employer's contribution portion of their accounts. At December 31, 2021 and 2020, forfeited non-vested accounts totaled \$746 and \$2,898, respectively. These accounts will be used to reduce administrative expenses and matching employer contributions. During 2021 and 2020, forfeited accounts were used to reduce administrative expenses by \$3,351 and \$3,275, respectively.

Hardship withdrawals

The Plan permits distributions in the event of a hardship, as defined in the plan document. These distributions are taxable and subject to a tax penalty equal to 10% of the hardship distribution amount if the participant is younger than age 59 $\frac{1}{2}$. Hardship withdrawals are not allowed for former employees at the time of the hardship distribution and are limited to the participant's vested pre-tax and Roth elective deferral account balance.

Notes receivable from participants

The Plan does not permit new loans to participants.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying financial statements of the Plan have been prepared using the modified cash basis of accounting. Under that basis, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. That basis differs from accounting principles generally accepted in the United States of America.

Use of estimates

The preparation of financial statements in conformity with modified cash basis of accounting requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Notes receivable from participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued interest. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

Investment valuation and income recognition

The Plan's investments are maintained by Transamerica Life Insurance Company (TLIC), and are stated at fair value of the underlying assets. Net appreciation or depreciation in fair value of investments includes the Plan's gains and losses on investments bought and sold, as well as held during the year. Purchases and sales are recorded on a trade date basis. Shares in pooled separate accounts are valued at the net asset value of shares held by the Plan at year end. Participant notes receivable are valued at cost which approximates fair value. Interest income is recorded on the accrual basis. The Transamerica Stable Value Core Option is presented at contract value, which approximates fair value.

Payment of benefits

Benefits are recorded when paid.

LEGACY SENIOR LIVING, LLC 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenses

Certain expenses of maintaining the Plan are paid directly by the plan sponsor and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation (depreciation) of fair value of investments.

(3) CERTIFIED INVESTMENTS AND INVESTMENT INCOME

The following information was certified as complete and accurate by TLIC, trustee, as of December 31, 2021 and 2020:

	2021	2020
Stable value fund	\$ 18,165	\$ 14,904
Pooled separate accounts	\$ 1,128,899	\$ 868,414
Notes receivable from participants	\$ -	\$ 997
Net appreciation of investments	\$ 155,251	\$ 113,262
Interest on participant loans	\$ 22	\$ 76

The Plan's independent auditors did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

(4) FAIR VALUE

FASB ASC 820-10 defines fair value as the price the Plan would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. FASB ASC 820-10 established a three tier hierarchy of inputs to establish a classification of fair value measurements for disclosure purposes. The three levels of the fair value hierarchy under FASB ASC 820-10 are described as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2

Inputs to the valuation methodology include (1) quoted prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in inactive markets; (3) inputs other than quoted market prices that are observable for the asset or liability; (4) inputs that are derived principally from corroborated observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

LEGACY SENIOR LIVING, LLC 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

(4) FAIR VALUE (continued)

The Plan uses the following methods and assumptions in estimating the fair values of the Plan's financial instruments:

Pooled separate accounts – Those pooled separate accounts investing in mutual funds or domestic equity securities are measured using quoted prices in active markets for identical assets and are classified as Level 1. Those pooled separate accounts directly investing in fixed maturity securities are measured based on pricing data provided by outside valuation service providers who in turn generally use the mean bid and ask prices but may also use alternative observable pricing inputs for certain securities. Those pooled separate accounts are classified as Level 2.

The categorization of fair value measurements of the Plan's assets by input level, at December 31, 2021 and 2020 is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>December 31, 2021</u>				
Pooled separate accounts	\$ 937,977	\$ 190,922	\$ -	\$ 1,128,899
<u>December 31, 2020</u>				
Pooled separate accounts	\$ 718,427	\$ 149,987	\$ -	\$ 868,414

Gains and losses included in changes in net assets available for benefits for the year ended December 31, 2021 and 2020 are reported in net appreciation or depreciation in fair value of investments.

The Plan's policy is to recognize transfers between Levels 1 and 2 and into and out of Level 3 as of the date of the event or change in circumstances that caused the transfer. For the years ended December 31, 2021 and 2020, there were no significant transfers between Levels 1 and 2 and no transfers into or out of Level 3.

(5) STABLE VALUE FUND

Transamerica's Stable Value Fund (SVF) complies with the Financial Accounting Standards Board's (FASB's) fully benefit-responsive requirements, and thus is reportable at contract value in the plan's financial statements.

Prior to January 1st and July 1st, the effective annual rate of interest is established for the corresponding six month period. Interest is credited, based upon the daily balance, at a rate that is the daily equivalent of the effective annual rate of interest applicable for the six month period. There is no stated minimum or maximum interest rate for the SVF.

LEGACY SENIOR LIVING, LLC 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

(5) STABLE VALUE FUND (continued)

The SVF is backed by the general account of TLIC or Transamerica Financial Life Insurance Company (TFLIC). While TLIC or TFLIC declare rates periodically and back the principal and interest of this investment choice, any guarantees are subject to the claims paying ability of the insurance company. This investment choice is not guaranteed by the FDIC or any other government agency. Although plan participants generally may withdraw assets from the SVF investment without restrictions, TLIC may impose a hold period at the contract level in the event of a full contract discontinuance or partial contract discontinuance.

The SVF, as a deposit liability of Transamerica with no underlying assets, would have no direct investments on behalf of the plan. The assets are based on the general unallocated account of Transamerica and the risk of investment is based on Transamerica's insurance ratings.

Certain events limit the Plan's ability to transact at contract value. Such events include the following: (a) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (b) changes to the plan's prohibition on competing investment options or deletion of equity wash provisions, (c) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the plan, or (d) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. Furthermore, certain events would allow the issuer to terminate the contract with the Plan and settle at an amount different from contract value. Examples of such events include (a) an uncured breach of the Plan's investment guidelines, (b) a material amendment to the contract without the issuer's consent, (c) a violation of a material obligation under the contract, or (d) a material misrepresentation. The Plan administrator does not believe that any events that would limit the Plan's ability to transact at contract value with Plan participants or the issuer are probable of occurring.

The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

(6) PARTIES IN INTEREST

Certain plan investments are shares of pooled separate accounts and a stable value fund managed by TLIC. TLIC is the trustee as defined by the Plan and, therefore, these transactions are considered as party-in-interest transactions. Fees paid by the Plan for the investment management and advisory services amounted to \$13,434 and \$10,546 for the years ended December 31, 2021 and 2020, respectively.

These party-in-interest transactions are exempt from the prohibited transaction rules of ERISA.

(7) PLAN TERMINATION

Although it has not expressed any intent to do so, the Sponsor has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their employer contributions.

LEGACY SENIOR LIVING, LLC 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

(8) INCOME TAX STATUS

The Sponsor adopted a defined contribution volume submitter plan and trust document sponsored by Transamerica Life Insurance Company. The volume submitter plan sponsor has received an opinion letter from the Internal Revenue Service as to the volume submitter plan's qualified status. The volume submitter plan opinion letter has been relied upon by the Plan. The plan administrative committee believes the Plan is designed and is being operated in compliance with the applicable provisions of the Internal Revenue Code and therefore believes that the plan is qualified and the related trust is tax-exempt. Current standards require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes the Plan is not subject to income tax examinations for years prior to 2018.

(9) RISKS AND UNCERTAINTIES

The Plan utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

During March 2020, a global pandemic was declared related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). The pandemic has significantly impacted the economic conditions across the nation as federal, state, and local governments react to the public health crisis, creating significant uncertainties in the economy. This situation is rapidly changing, and additional impacts may arise. While the disruption is currently expected to be temporary, there is uncertainty around its duration. The ultimate future impact, if any, of the pandemic on results of operations of the Plan Sponsor or investment securities held in the Plan cannot be reasonably estimated at this time.

(10) SUBSEQUENT EVENTS

Management noted no additional transaction that would provide evidence about material conditions that did not exist at the balance sheet date but arose subsequently, through the date these financial statements were available to be issued, September 29, 2022.

SUPPLEMENTAL SCHEDULE

LEGACY SENIOR LIVING, LLC 401(K) PLAN
EIN# 20-5770211
PLAN NUMBER 001
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2021

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
	STABLE VALUE FUND		
*	Transamerica Stable Value Core	Cash Equivalents	\$ 18,165
	POOLED SEPARATE ACCOUNTS		
*	American Funds American Balanced	Multi-Asset/Other	451,021
*	American Funds EuroPacific Growth	International Stocks	53,071
*	American Funds Fundamental Investment	Large-Cap Stocks	58,350
*	American Funds Growth Fund of America	Large-Cap Stocks	103,936
*	American Funds Washington Mutual Investors	Large-Cap Stocks	80,002
*	DWS Enhanced Commodity	Commodities	2,682
*	BlackRock LifePath Index 2030	Multi-Asset/Other	23,609
*	BlackRock LifePath Index 2045	Multi-Asset/Other	1,946
*	Lord Abbett Income	Interm./Long-Term Bond	28,319
*	Lord Abbett Total Return	Interm./Long-Term Bond	22,281
*	Oppenheimer Main Street Mid Cap	Small/Mid-Cap Stocks	65,479
*	State Street Russell Small Cap Index Return	Small/Mid-Cap Stocks	89,346
*	State Street International Index	International Stocks	54,685
*	State Street US Bond Index	Interm./Long-Term Bond	21,336
*	Vanguard REIT Index	Small/Mid-Cap Stocks	35,597
*	Vanguard Total Stock Market Index	Large-Cap Stocks	37,239
	Total pooled separate accounts		1,128,899
			\$ 1,147,064

* Represents a party-in-interest.

(d) Cost not required for participant directed plans.

**LEGACY SENIOR LIVING, LLC
401(K) PLAN**

Cleveland, TN

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE**

Years Ended December 31, 2021 and 2020

JOHNSON, HICKEY & MURCHISON, P.C.
Certified Public Accountants
Chattanooga, Tennessee

TABLE OF CONTENTS

	<u>P a g e</u>
INDEPENDENT AUDITORS' REPORT	2-5
FINANCIAL STATEMENTS	
Statements of net assets available for benefits – modified cash basis	6
Statements of changes in net assets available for benefits – modified cash basis	7
Notes to financial statements	8-13
SUPPLEMENTAL SCHEDULE	
Schedule H, line 4i – schedule of assets (held at end of year)	15



INDEPENDENT AUDITORS' REPORT

**To the Trustees of
Legacy Senior Living, LLC 401(k) Plan**

Scope and Nature of the ERISA Section 103(a)(3)(C) for the 2021 Financial Statements

We have performed an audit of the accompanying financial statements of Legacy Senior Living, LLC 401(k) Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C). The financial statements comprise the statement of net assets available for benefits modified cash basis as of December 31, 2021, and the related statement of changes in net assets available for benefits modified cash basis for the year then ended, and the related notes to the financial statements (2021 Financial Statements).

Management, having determined it is permissible in the circumstances, has elected to have the audit of Legacy Senior Living, LLC 401(k) Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the 2021 Financial Statements section:

- the amounts and disclosures in the 2021 financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with the modified cash basis of accounting described in Note 2.
- the information in the 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2021 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of Legacy Senior Living, LLC 401(k) Plan 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 ERISA Section 103(a)(3)(C) audit opinion.

Emphasis of a Matter - Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the 2021 Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 2, 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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 Legacy Senior Living, LLC 401(k) Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments; administering the plan; and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the 2021 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements section of our report, 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Legacy Senior Living, LLC 401(k) Plan'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 Legacy Senior Living, LLC 401(k) Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of the modified cash basis of accounting described in Note 2.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance the modified cash basis of accounting described in Note 2.

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.

2021 Supplemental Schedules Required by ERISA

The supplemental schedule of Schedule H, Line 4i- Schedule of Assets (Held at End of Year) as of December 31, 2021 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all

material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Auditors' Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of Legacy Senior Living, LLC 401(k) Plan. As permitted by 29 CFR 2520. 103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed us not to perform and we did not perform, any audit procedures with respect to the information certified by a qualified institution. In our report dated October 7, 2021, we indicated that (a) because of the significance of information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion of the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statement other than that derived from the certified information were presented in compliance with the Department of Labor's Rules and regulations for Reporting and Disclosure under ERISA.

Johnson, Nicky & Meucham, P.C.

Chattanooga, Tennessee
September 29, 2022

LEGACY SENIOR LIVING, LLC 401(K) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS -
MODIFIED CASH BASIS
DECEMBER 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Investments		
Pooled separate accounts at fair value	\$ 1,128,899	\$ 868,414
Stable value fund at contract value	<u>18,165</u>	<u>14,904</u>
Total investments	<u>1,147,064</u>	<u>883,318</u>
Notes receivable from participants	<u>-</u>	<u>997</u>
Total assets	<u>1,147,064</u>	<u>884,315</u>

LIABILITIES

Liabilities	<u>-</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 1,147,064</u></u>	<u><u>\$ 884,315</u></u>

(The accompanying notes are an integral part of these statements.)

LEGACY SENIOR LIVING, LLC 401(K) PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS -
MODIFIED CASH BASIS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ADDITIONS TO NET ASSETS ATTRIBUTED TO		
Investment income		
Net appreciation in fair value of investments	\$ 155,251	\$ 113,262
Interest income from participant loans	<u>22</u>	<u>76</u>
Total investment income	<u>155,273</u>	<u>113,338</u>
Contributions		
Employer contributions	25,202	23,535
Participant contributions	191,803	162,145
Rollover contributions	<u>7,097</u>	<u>57,155</u>
Total contributions	<u>224,102</u>	<u>242,835</u>
Total additions	<u>379,375</u>	<u>356,173</u>
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO		
Benefits paid	103,192	142,323
Administrative expenses	<u>13,434</u>	<u>10,546</u>
Total deductions	<u>116,626</u>	<u>152,869</u>
NET INCREASE	262,749	203,304
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	<u>884,315</u>	<u>681,011</u>
End of year	<u><u>\$ 1,147,064</u></u>	<u><u>\$ 884,315</u></u>

(The accompanying notes are an integral part of these statements.)

LEGACY SENIOR LIVING, LLC 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

(1) DESCRIPTION OF PLAN

The following description of the Legacy Senior Living, LLC 401(k) Plan (the Plan) provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General

Legacy Senior Living, LLC (Sponsor) adopted the multiple employer defined contribution plan covering all employees of Legacy Senior Living, LLC, Annandale Senior Services, Concordia Retirement Center (through February 28, 2022), Douglasville Senior Services, LLC, Jacksonville Senior Services, LLC, Moultrie Senior Services, LLC, Ocoee Sycamore Retirement, LLC (through December 31, 2021), Prattville Senior Services, LLC, Rome Senior Services, LLC, Providence Senior Living, LLC, Stanardsville Senior Services, Thomasville Senior Services, LLC, Tifton Senior Services, LLC, and Vero Beach Senior Services, LLC. Employees may enter the Plan on the first day of the month coinciding with or next following the completion of 90 days of credited service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Participants may voluntarily contribute up to the maximum percentage allowed not to exceed the limits of IRS Code Sections 401(k). The Sponsor makes a required matching contribution and may also make a discretionary profit sharing contribution. Participants may also contribute amounts from other qualified plans, i.e., rollovers, without the benefit of company matching contribution. Each employer contributes 25% of the first 4% of base compensation that a participant contributes to the Plan not to exceed 1% of total compensation. During the years ended December 31, 2021 and 2020, the employer matching contributions totaled \$25,202 and \$23,535, respectively. There were no discretionary profit sharing contributions made during 2021 and 2020.

Participant accounts

Each participant's account is credited with the participant's contribution, employer matching contributions, the allocation of any discretionary contribution, and investment earnings. Allocations are based on participant earnings or account balances, as defined. Participants direct the investments in their accounts into various investment options offered by the Plan. Participants have a pretax as well as a Roth deferral option. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contribution account plus actual earnings thereon and any rollovers. Vesting in the employee contributions are based on years of service. A participant is 100% vested after four years of credited service.

Payment of benefits

Upon termination of service due to retirement, disability, or death, a participant may elect to receive a lump sum amount equal to the value of the participant's vested interest in their account.

LEGACY SENIOR LIVING, LLC 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

(1) DESCRIPTION OF PLAN (continued)

Forfeitures

Forfeitures are created when participants terminate employment prior to becoming fully vested in the employer's contribution portion of their accounts. At December 31, 2021 and 2020, forfeited non-vested accounts totaled \$746 and \$2,898, respectively. These accounts will be used to reduce administrative expenses and matching employer contributions. During 2021 and 2020, forfeited accounts were used to reduce administrative expenses by \$3,351 and \$3,275, respectively.

Hardship withdrawals

The Plan permits distributions in the event of a hardship, as defined in the plan document. These distributions are taxable and subject to a tax penalty equal to 10% of the hardship distribution amount if the participant is younger than age 59 $\frac{1}{2}$. Hardship withdrawals are not allowed for former employees at the time of the hardship distribution and are limited to the participant's vested pre-tax and Roth elective deferral account balance.

Notes receivable from participants

The Plan does not permit new loans to participants.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying financial statements of the Plan have been prepared using the modified cash basis of accounting. Under that basis, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. That basis differs from accounting principles generally accepted in the United States of America.

Use of estimates

The preparation of financial statements in conformity with modified cash basis of accounting requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Notes receivable from participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued interest. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

Investment valuation and income recognition

The Plan's investments are maintained by Transamerica Life Insurance Company (TLIC), and are stated at fair value of the underlying assets. Net appreciation or depreciation in fair value of investments includes the Plan's gains and losses on investments bought and sold, as well as held during the year. Purchases and sales are recorded on a trade date basis. Shares in pooled separate accounts are valued at the net asset value of shares held by the Plan at year end. Participant notes receivable are valued at cost which approximates fair value. Interest income is recorded on the accrual basis. The Transamerica Stable Value Core Option is presented at contract value, which approximates fair value.

Payment of benefits

Benefits are recorded when paid.

LEGACY SENIOR LIVING, LLC 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenses

Certain expenses of maintaining the Plan are paid directly by the plan sponsor and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation (depreciation) of fair value of investments.

(3) CERTIFIED INVESTMENTS AND INVESTMENT INCOME

The following information was certified as complete and accurate by TLIC, trustee, as of December 31, 2021 and 2020:

	2021	2020
Stable value fund	\$ 18,165	\$ 14,904
Pooled separate accounts	\$ 1,128,899	\$ 868,414
Notes receivable from participants	\$ -	\$ 997
Net appreciation of investments	\$ 155,251	\$ 113,262
Interest on participant loans	\$ 22	\$ 76

The Plan's independent auditors did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

(4) FAIR VALUE

FASB ASC 820-10 defines fair value as the price the Plan would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. FASB ASC 820-10 established a three tier hierarchy of inputs to establish a classification of fair value measurements for disclosure purposes. The three levels of the fair value hierarchy under FASB ASC 820-10 are described as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2

Inputs to the valuation methodology include (1) quoted prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in inactive markets; (3) inputs other than quoted market prices that are observable for the asset or liability; (4) inputs that are derived principally from corroborated observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

LEGACY SENIOR LIVING, LLC 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

(4) FAIR VALUE (continued)

The Plan uses the following methods and assumptions in estimating the fair values of the Plan's financial instruments:

Pooled separate accounts – Those pooled separate accounts investing in mutual funds or domestic equity securities are measured using quoted prices in active markets for identical assets and are classified as Level 1. Those pooled separate accounts directly investing in fixed maturity securities are measured based on pricing data provided by outside valuation service providers who in turn generally use the mean bid and ask prices but may also use alternative observable pricing inputs for certain securities. Those pooled separate accounts are classified as Level 2.

The categorization of fair value measurements of the Plan's assets by input level, at December 31, 2021 and 2020 is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>December 31, 2021</u>				
Pooled separate accounts	\$ 937,977	\$ 190,922	\$ -	\$ 1,128,899
<u>December 31, 2020</u>				
Pooled separate accounts	\$ 718,427	\$ 149,987	\$ -	\$ 868,414

Gains and losses included in changes in net assets available for benefits for the year ended December 31, 2021 and 2020 are reported in net appreciation or depreciation in fair value of investments.

The Plan's policy is to recognize transfers between Levels 1 and 2 and into and out of Level 3 as of the date of the event or change in circumstances that caused the transfer. For the years ended December 31, 2021 and 2020, there were no significant transfers between Levels 1 and 2 and no transfers into or out of Level 3.

(5) STABLE VALUE FUND

Transamerica's Stable Value Fund (SVF) complies with the Financial Accounting Standards Board's (FASB's) fully benefit-responsive requirements, and thus is reportable at contract value in the plan's financial statements.

Prior to January 1st and July 1st, the effective annual rate of interest is established for the corresponding six month period. Interest is credited, based upon the daily balance, at a rate that is the daily equivalent of the effective annual rate of interest applicable for the six month period. There is no stated minimum or maximum interest rate for the SVF.

LEGACY SENIOR LIVING, LLC 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

(5) STABLE VALUE FUND (continued)

The SVF is backed by the general account of TLIC or Transamerica Financial Life Insurance Company (TFLIC). While TLIC or TFLIC declare rates periodically and back the principal and interest of this investment choice, any guarantees are subject to the claims paying ability of the insurance company. This investment choice is not guaranteed by the FDIC or any other government agency. Although plan participants generally may withdraw assets from the SVF investment without restrictions, TLIC may impose a hold period at the contract level in the event of a full contract discontinuance or partial contract discontinuance.

The SVF, as a deposit liability of Transamerica with no underlying assets, would have no direct investments on behalf of the plan. The assets are based on the general unallocated account of Transamerica and the risk of investment is based on Transamerica's insurance ratings.

Certain events limit the Plan's ability to transact at contract value. Such events include the following: (a) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (b) changes to the plan's prohibition on competing investment options or deletion of equity wash provisions, (c) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the plan, or (d) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. Furthermore, certain events would allow the issuer to terminate the contract with the Plan and settle at an amount different from contract value. Examples of such events include (a) an uncured breach of the Plan's investment guidelines, (b) a material amendment to the contract without the issuer's consent, (c) a violation of a material obligation under the contract, or (d) a material misrepresentation. The Plan administrator does not believe that any events that would limit the Plan's ability to transact at contract value with Plan participants or the issuer are probable of occurring.

The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

(6) PARTIES IN INTEREST

Certain plan investments are shares of pooled separate accounts and a stable value fund managed by TLIC. TLIC is the trustee as defined by the Plan and, therefore, these transactions are considered as party-in-interest transactions. Fees paid by the Plan for the investment management and advisory services amounted to \$13,434 and \$10,546 for the years ended December 31, 2021 and 2020, respectively.

These party-in-interest transactions are exempt from the prohibited transaction rules of ERISA.

(7) PLAN TERMINATION

Although it has not expressed any intent to do so, the Sponsor has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their employer contributions.

LEGACY SENIOR LIVING, LLC 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

(8) INCOME TAX STATUS

The Sponsor adopted a defined contribution volume submitter plan and trust document sponsored by Transamerica Life Insurance Company. The volume submitter plan sponsor has received an opinion letter from the Internal Revenue Service as to the volume submitter plan's qualified status. The volume submitter plan opinion letter has been relied upon by the Plan. The plan administrative committee believes the Plan is designed and is being operated in compliance with the applicable provisions of the Internal Revenue Code and therefore believes that the plan is qualified and the related trust is tax-exempt. Current standards require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes the Plan is not subject to income tax examinations for years prior to 2018.

(9) RISKS AND UNCERTAINTIES

The Plan utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

During March 2020, a global pandemic was declared related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). The pandemic has significantly impacted the economic conditions across the nation as federal, state, and local governments react to the public health crisis, creating significant uncertainties in the economy. This situation is rapidly changing, and additional impacts may arise. While the disruption is currently expected to be temporary, there is uncertainty around its duration. The ultimate future impact, if any, of the pandemic on results of operations of the Plan Sponsor or investment securities held in the Plan cannot be reasonably estimated at this time.

(10) SUBSEQUENT EVENTS

Management noted no additional transaction that would provide evidence about material conditions that did not exist at the balance sheet date but arose subsequently, through the date these financial statements were available to be issued, September 29, 2022.

SUPPLEMENTAL SCHEDULE

LEGACY SENIOR LIVING, LLC 401(K) PLAN
EIN# 20-5770211
PLAN NUMBER 001
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2021

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
STABLE VALUE FUND			
*	Transamerica Stable Value Core	Cash Equivalents	\$ 18,165
POOLED SEPARATE ACCOUNTS			
*	American Funds American Balanced	Multi-Asset/Other	451,021
*	American Funds EuroPacific Growth	International Stocks	53,071
*	American Funds Fundamental Investment	Large-Cap Stocks	58,350
*	American Funds Growth Fund of America	Large-Cap Stocks	103,936
*	American Funds Washington Mutual Investors	Large-Cap Stocks	80,002
*	DWS Enhanced Commodity	Commodities	2,682
*	BlackRock LifePath Index 2030	Multi-Asset/Other	23,609
*	BlackRock LifePath Index 2045	Multi-Asset/Other	1,946
*	Lord Abbett Income	Interm./Long-Term Bond	28,319
*	Lord Abbett Total Return	Interm./Long-Term Bond	22,281
*	Oppenheimer Main Street Mid Cap	Small/Mid-Cap Stocks	65,479
*	State Street Russell Small Cap Index Return	Small/Mid-Cap Stocks	89,346
*	State Street International Index	International Stocks	54,685
*	State Street US Bond Index	Interm./Long-Term Bond	21,336
*	Vanguard REIT Index	Small/Mid-Cap Stocks	35,597
*	Vanguard Total Stock Market Index	Large-Cap Stocks	37,239
	Total pooled separate accounts		1,128,899
			\$ 1,147,064

* Represents a party-in-interest.

(d) Cost not required for participant directed plans.

