

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 2023 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023	
A	This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____ ☐ 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 STEERE HOUSE NURSING AND REHABILITATION CENTER 401(K) SAVINGS PLAN
1b	Three-digit plan number (PN) ▶ 001
1c	Effective date of plan 02/01/1997
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) STEERE HOUSE NURSING AND REHABILITATION CENTER 100 BORDEN ST PROVIDENCE, RI 02903-4803
2b	Employer Identification Number (EIN) 05-0258880
2c	Plan Sponsor's telephone number 401-454-7970
2d	Business code (see instructions) 623000

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.	10/08/2024	ANGELA CHATMAN
	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

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	5 132
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 a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 105 6a(2) 114 6b 0 6c 19 6d 133 6e 0 6f 133 6g(1) 122 6g(2) 127 6h 9
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 2S 2T 3D

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
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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
- (4)** ☐ **DCG** (Individual Plan Information) – Number Attached 0
- (5)** ☐ **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☒ **A** (Insurance Information) – Number Attached 1
- (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 2023 Form M-1 annual report. If the plan was not required to file the 2023 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 2023 This Form is Open to Public Inspection
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For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023	
A Name of plan STEERE HOUSE NURSING AND REHABILITATION CENTER 401(K) SAVINGS PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 STEERE HOUSE NURSING AND REHABILITATION CENTER	D Employer Identification Number (EIN) 05-0258880

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.
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1 Coverage Information:

(a) Name of insurance carrier
PRINCIPAL 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
42-0127290	61271	427821	133	01/01/2023	12/31/2023

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 4826	(b) Total amount of fees paid 0
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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
LPL FINANCIAL LLC
ATTN ACCOUNTS RECEIVABLE
4707 EXECUTIVE DR
SAN DIEGO, CA 92121-3091

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
4826	0		3

(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	0
5 Current value of plan's interest under this contract in separate accounts at year end.....	5	1174488

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.**6d**

Specify nature of costs ▶

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 ▶ **FLEXIBLE INVESTMENT ANNUITY**

b Balance at the end of the previous year**7b****c** Additions: (1) Contributions deposited during the year**7c(1)**

(2) Dividends and credits

7c(2)

(3) Interest credited during the year

7c(3)

(4) Transferred from separate account.....

7c(4)

(5) Other (specify below)

7c(5)

▶

(6) Total additions.....

7c(6)**d** Total of balance and additions (add lines **7b** and **7c(6)**)**7d****e** Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year

7e(1)

(2) Administration charge made by carrier

7e(2)

(3) Transferred to separate account.....

7e(3)

(4) Other (specify below)

7e(4)

▶

(5) Total deductions.....

7e(5)**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**)**7f****0**

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	10b	

Specify nature of costs.

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
		2023
		This Form is Open to Public Inspection.

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan STEERE HOUSE NURSING AND REHABILITATION CENTER 401(K) SAVINGS PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 STEERE HOUSE NURSING AND REHABILITATION CENTER	D Employer Identification Number (EIN) 05-0258880	

Part I	Service Provider Information (see instructions)
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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
PRINCIPAL LIFE INSURANCE COMPANY
42-0127290

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

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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)

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(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?
13 37 50 64	CONTRACT ADMINISTRATOR	3814	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

LPL FINANCIAL LLC

95-2834236

(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?
49 55	OTHER SERVICES	0	Yes ☒ No ☐	Yes ☐ No ☒	8368	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
LPL FINANCIAL LLC	49 55	8368
(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.	
PRINCIPAL LIFE INSURANCE COMPANY 42-0127290	COMMISSIONS	

(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 2023 This Form is Open to Public Inspection.
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For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

A Name of plan <u>STEERE HOUSE NURSING AND REHABILITATION CENTER 401(K) SAVINGS 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>STEERE HOUSE NURSING AND REHABILITATION CENTER</u>	D Employer Identification Number (EIN) <u>05-0258880</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)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN MIDCAP SEP ACCT-R3</u>				
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>				
c EIN-PN <u>42-0127290-020</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>173662</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN LIQUID ASSETS SEP ACCT-R3</u>				
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>				
c EIN-PN <u>42-0127290-024</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>351721</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN LGCAP S&P 500 INDEX SA-R3</u>				
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>				
c EIN-PN <u>42-0127290-016</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>294127</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN SMCAP S&P 600 INDEX SA-R3</u>				
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>				
c EIN-PN <u>42-0127290-028</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>101438</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN LIFETIME HY 2020 CIT Z85</u>				
b Name of sponsor of entity listed in (a): <u>PRINCIPAL GLOBAL INVESTORS TRUST CO</u>				
c EIN-PN <u>26-6447574-003</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>106660</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN LIFETIME HY 2025 CIT Z85</u>				
b Name of sponsor of entity listed in (a): <u>PRINCIPAL GLOBAL INVESTORS TRUST CO</u>				
c EIN-PN <u>26-6447574-004</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>57582</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN LIFETIME HY 2030 CIT Z85</u>				
b Name of sponsor of entity listed in (a): <u>PRINCIPAL GLOBAL INVESTORS TRUST CO</u>				
c EIN-PN <u>26-6447574-005</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>898797</u>		

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HY 2035 CIT Z85		
b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO		
c EIN-PN 26-6447574-006	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 283731
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HY 2040 CIT Z85		
b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO		
c EIN-PN 26-6447574-007	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 316763
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HY 2045 CIT Z85		
b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO		
c EIN-PN 26-6447574-008	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 128497
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HY 2050 CIT Z85		
b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO		
c EIN-PN 26-6447574-009	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 217408
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HY 2055 CIT Z85		
b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO		
c EIN-PN 26-6447574-010	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 96558
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HY INC CIT Z85		
b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO		
c EIN-PN 26-6447574-011	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 811
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN CORE FIX INC SEP ACCT-R3		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-118	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 128673
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN INTL EQUITY INDEX SA-R3		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-121	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 93907
a Name of MTIA, CCT, PSA, or 103-12 IE: PRINCIPAL BOND MKT INDEX SA-R3		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-122	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 30960
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HY 2060 CIT Z85		
b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO		
c EIN-PN 26-6447574-012	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 19031

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HY 2065 CIT Z85

b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO

c EIN-PN 26-6447574-013	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 5287
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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)
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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)
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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)
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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)
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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)
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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)
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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)
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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)
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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)
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Part II Information on Participating Plans (to be completed by DFEs, other than DCGs)

(Complete as many entries as needed to report all participating plans. DCGs must report each participating plan using Schedule DCG.)

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
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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 2023 This Form is Open to Public Inspection
	For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023	

A Name of plan STEERE HOUSE NURSING AND REHABILITATION CENTER 401(K) SAVINGS PLAN	B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 STEERE HOUSE NURSING AND REHABILITATION CENTER	
D Employer Identification Number (EIN) 05-0258880	

Part I	Asset and Liability Statement
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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)	18319	20201
(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)	207380	222750
(9) Value of interest in common/collective trusts	1c(9)	1739720	2131125
(10) Value of interest in pooled separate accounts	1c(10)	1041925	1174488
(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)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(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	3007344	3548564
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	3007344	3548564

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.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	82229	
(B) Participants	2a(1)(B)	336818	
(C) Others (including rollovers)	2a(1)(C)	8738	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		427785
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)	14496	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		14496
(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)		
(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)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		278281
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		144770
(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)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		865332

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	320298	
(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)		320298
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees.....	2i(2)	3814	
(3) Recordkeeping fees.....	2i(3)		
(4) IQPA audit fees.....	2i(4)		
(5) Investment advisory and investment management fees	2i(5)		
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)		
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		3814
j Total expenses. Add all expense amounts in column (b) and enter total	2j		324112

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		541220
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: CITRIN COOPERMAN & COMPANY LLP

(2) EIN: 22-2428965

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) ☐ This form is filed for a CCT, PSA, DCG 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. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
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.)		☒	
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.)		☒	
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.)		☒	
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.)		☒	
e Was this plan covered by a fidelity bond?	☒		400000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		☒	
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?		☒	
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?		☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	☒		
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.)		☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		☒	
l Has the plan failed to provide any benefit when due under the plan?		☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		☒	
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.			

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 2023 This Form is Open to Public Inspection.
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For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan STEERE HOUSE NURSING AND REHABILITATION CENTER 401(K) SAVINGS PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 STEERE HOUSE NURSING AND REHABILITATION CENTER	D Employer Identification Number (EIN) 05-0258880	

Part I	Distributions
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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): 42-0127290		
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.)
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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
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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
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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.
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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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (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
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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) and (b):	
a Enter the percentage of plan assets held as: Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____% High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____%	
b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets: ☐ 0-5 years ☐ 5-10 years ☐ 10-15 years ☐ 15 years or more	
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. _____	

Part VII	IRS Compliance Questions
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21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? ☐ Yes ☒ No	
21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).	
☐ Design-based safe harbor method	
☒ "Prior year" ADP test	
☐ "Current year" ADP test	
☐ N/A	
22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter <u>06 / 30 / 2020</u> (MM/DD/YYYY) and the Opinion Letter serial number <u>Q702476A</u> .	

**STEERE HOUSE NURSING &
REHABILITATION CENTER
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

**STEERE HOUSE NURSING & REHABILITATION CENTER
FOR THE YEAR ENDED DECEMBER 31, 2023**

Table of Contents

	<u>Page</u>
Independent Accountant's Review Report	1 - 2
Financial Statements	
Balance sheet	3
Statement of operations and changes in net assets	4
Statement of functional expenses	5
Statement of cash flows	6 - 7
Notes to financial statements	8 - 25

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Steere House Nursing and Rehabilitation Center
Providence, Rhode Island

We have reviewed the accompanying financial statements of Steere House Nursing and Rehabilitation Center (the "Center"), which comprise the balance sheet as of December 31, 2023, and the related statements of operations and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Center management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America ("GAAP"). We believe that the results of our procedures provide a reasonable basis for our conclusion.

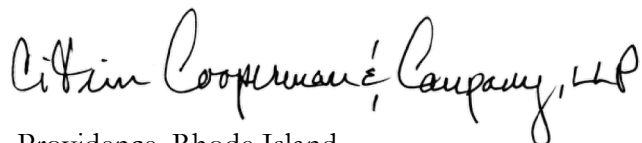
We are required to be independent of the Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Basis for Qualified Conclusion

As discussed in Note 1, Steere House Foundation (the "Foundation"), a nonprofit corporation of which the Center is the sole member was dissolved in 2023 and its net assets were transferred to the Center. The Center's financial statements do not include the revenue, gains and other support and expenses of the Foundation. GAAP requires the consolidation of the Foundation through the date of dissolution and transfer to the Center. The effect of this departure from GAAP resulted in a decrease to the Center's change in net assets of \$278,619.

Qualified Conclusion

Based on our review, except for the effect of the matter described in the Basis for Qualified Conclusion paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with GAAP.



Providence, Rhode Island

June 10, 2024

"Citrin Cooperman" is the brand under which Citrin Cooperman & Company, LLP, a licensed independent CPA firm, and Citrin Cooperman Advisors LLC serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure. The entities of Citrin Cooperman & Company, LLP and Citrin Cooperman Advisors LLC are independent member firms of the Moore North America, Inc. (MNA) Association, which is itself a regional member of Moore Global Network Limited (MGNI). All the firms associated with MNA are independently owned and managed entities. Their membership in, or association with, MNA should not be construed as constituting or implying any partnership between them.

STEERE HOUSE NURSING & REHABILITATION CENTER
BALANCE SHEET
DECEMBER 31, 2023

ASSETS

Current assets:	
Cash	\$ 367,545
Accounts receivable, patient services, less allowance for doubtful accounts of \$107,472	1,961,770
Investments	12,986,955
Prepaid expenses and other	<u>297,560</u>
Total current assets	15,613,830
Property and equipment, net	4,055,458
Operating lease right-of-use asset, net	5,982,621
Cash restricted for property and equipment	215,326
Investment, other	<u>1,431,486</u>
TOTAL ASSETS	\$ <u>27,298,721</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Current portion of operating lease liability	\$ 44,540
Accounts payable	399,499
Accrued expenses	<u>859,382</u>
Total current liabilities	1,303,421
Operating lease liability, less current portion	<u>5,938,081</u>
Total liabilities	<u>7,241,502</u>
Commitments and contingencies (Notes 10, 12 and 14)	
Net assets:	
Without donor restrictions	18,836,790
With donor restrictions	<u>1,220,429</u>
Total net assets	<u>20,057,219</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>27,298,721</u>

See independent accountant's review report and accompanying notes to financial statements.

STEERE HOUSE NURSING & REHABILITATION CENTER
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue, gains and other support:			
Net patient service revenue	\$ 12,452,066	\$ -	\$ 12,452,066
Net investment and interest income	2,296,910	-	2,296,910
Contributions	381,049	5,514	386,563
Grant revenue	182,371	-	182,371
Other	<u>44,268</u>	<u>-</u>	<u>44,268</u>
Total revenue, gains and other support	<u>15,356,664</u>	<u>5,514</u>	<u>15,362,178</u>
Operating expenses:			
Program	13,666,270	-	13,666,270
Management and general	<u>2,047,560</u>	<u>-</u>	<u>2,047,560</u>
Total operating expenses	<u>15,713,830</u>	<u>-</u>	<u>15,713,830</u>
Excess (deficiency) of revenue over expenses before gain in equity of joint venture	(357,166)	5,514	(351,652)
Gain on investment, other	<u>627,937</u>	<u>-</u>	<u>627,937</u>
Excess of revenue over expenses	270,771	5,514	276,285
Change in net unrealized gains on debt securities	36,858	-	36,858
Change in fair value of interest rate swap contract	(32,898)	-	(32,898)
Contributions for property and equipment	<u>-</u>	<u>163,000</u>	<u>163,000</u>
Change in net assets	274,731	168,514	443,245
Contribution of net assets from Steere House Foundation (Note 1)	1,220,185	989,325	2,209,510
Net assets - beginning	<u>17,341,874</u>	<u>62,590</u>	<u>17,404,464</u>
NET ASSETS - ENDING	<u>\$ 18,836,790</u>	<u>\$ 1,220,429</u>	<u>\$ 20,057,219</u>

See independent accountant's review report and accompanying notes to financial statements.

STEERE HOUSE NURSING & REHABILITATION CENTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Program Services</u>	<u>Management and General</u>	<u>Total Expenses</u>
Payroll	\$ 6,671,072	\$ 630,960	\$ 7,302,032
Payroll taxes and employee benefits	1,075,979	101,768	1,177,747
Contracted dietary	1,012,477	-	1,012,477
Contracted laundry	132,053	-	132,053
Contracted housekeeping	462,985	-	462,985
Contracted maintenance	89,528	-	89,528
Contracted therapy	622,753	-	622,753
Other contracted services	250,806	123,812	374,618
Depreciation	-	485,337	485,337
Food and dietary	403,947	-	403,947
Insurance, including workers' compensation	231,127	273,500	504,627
Interest	185,294	-	185,294
Provider assessment	662,589	-	662,589
Provision for losses on accounts receivable	-	222,449	222,449
Nursing supplies and medical	689,600	-	689,600
Leases	287,492	14,263	301,755
Supplies and other expenses	599,890	195,471	795,361
Utilities	288,678	-	288,678
	<u>\$ 13,666,270</u>	<u>\$ 2,047,560</u>	<u>\$ 15,713,830</u>

See independent accountant's review report and accompanying notes to financial statements.

STEERE HOUSE NURSING & REHABILITATION CENTER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

Cash flows from operating activities:	
Change in net assets	\$ 443,245
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	485,337
Amortization of debt issuance costs	69,482
Change in fair value of interest rate swap contract	32,898
Provision for losses on accounts receivable	222,449
Net gains on investments	(1,854,242)
Gain on investment, other	(627,937)
Proceeds from restricted contributions	(168,514)
Changes in operating assets and liabilities:	
Receivable, patient services	(611,120)
Receivable, Employee Retention Tax Credit	1,899,053
Prepaid expenses and other	12,399
Accounts payable	107,277
Accrued expenses	12,384
Unearned ARPA funds	<u>(144,963)</u>
Net cash used in operating activities	<u>(122,252)</u>
Cash flows from investing activities:	
Purchases of:	
Property and equipment	(271,173)
Investments and reinvested earnings	(1,364,884)
Proceeds from sales of investments	<u>5,442,932</u>
Net cash provided by investing activities	<u>3,806,875</u>
Cash flows from financing activities:	
Principal payments on long-term debt	(3,632,999)
Proceeds from restricted contributions	<u>168,514</u>
Net cash used in financing activities	<u>(3,464,485)</u>
Net increase in cash and restricted cash	220,138
Cash and restricted cash - beginning	<u>362,733</u>
CASH AND RESTRICTED CASH - ENDING	<u>\$ 582,871</u>

See independent accountant's review report and accompanying notes to financial statements.

STEERE HOUSE NURSING & REHABILITATION CENTER
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

Supplemental disclosure of cash flows information:

Interest paid	\$ <u>129,705</u>
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Supplemental schedule for noncash investing and financing activities:

The following assets and liabilities were recorded in connection with the contribution of net assets from the Foundation:

Cash	\$ 227
Investments	2,192,760
Other assets	<u>16,523</u>
Net assets	\$ <u>2,209,510</u>

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

Cash	\$ 367,545
Cash restricted for property and equipment	<u>215,326</u>
Total cash and restricted cash	\$ <u>582,871</u>

See independent accountant's review report and accompanying notes to financial statements.

STEERE HOUSE NURSING & REHABILITATION CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of organization

Steere House Nursing and Rehabilitation Center (the "Center"), is a nonprofit, nonstock corporation created under the laws of the State of Rhode Island (the "State"). The Center operates a 120-bed nursing facility and provides services to residents, principally from the metropolitan Providence area. The Center receives payments for services from third-party payors (principally Rhode Island Medicaid and federal Medicare), and from residents who are responsible for their own financial obligations.

Steere House Foundation (the "Foundation") is a nonprofit, nonstock Rhode Island corporation organized to support the mission and purpose of its exempt sole member organization, the Center. Effective December 7, 2023, the Foundation was dissolved and its net assets were transferred to the Center. The Center's accompanying financial statement do not include the Foundation's revenue, gain (losses) and other support of (\$23,963) and expenses of \$254,656 through the date of transfer, as required with accounting principles generally accepted in the United States of America ("U.S. GAAP")

Through its dissolution the Foundation reimbursed the Center for certain operating expenses, including payroll and payroll-related expenses paid by the Center on its behalf.

The Foundation made unrestricted donations of \$108,812 to the Center during the year ended December 31, 2023.

Recently adopted accounting pronouncement

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments—Credit Losses (Topic 326)* Accounting Standards Codification ("ASC") ("ASC 326"), along with subsequently issued related ASUs, which requires financial assets (or groups of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected, among other provisions. ASC 326 eliminates the probable initial threshold for recognition of credit losses for financial assets recorded at amortized cost, which could result in earlier recognition of credit losses. It utilizes a lifetime expected credit loss measurement model for the recognition of credit losses at the time the financial asset is originated or acquired.

The Center's financial instruments include receivables for patient services. The expected credit losses are adjusted each period for changes in expected lifetime credit losses.

The Center adopted ASC 326 using the modified retrospective method as of January 1, 2023, and it did not have a material impact on the financial statements.

STEERE HOUSE NURSING & REHABILITATION CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The allowance for doubtful accounts, useful lives assigned to property and equipment, and workers' compensation costs for reported claims and claims incurred but not reported are significant estimates used in the preparation of the accompanying financial statements.

Basis of financial statement presentation

The financial statements of the Center include the following net asset classifications:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service.

The Center reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

Revenue, gains and other support are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions or by law. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments or other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

STEERE HOUSE NURSING & REHABILITATION CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and grant revenue

Contributions of cash and other assets are presented as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of operations and changes in net assets.

Contributions and grants received with donor-imposed restrictions that are fulfilled in the same year as received are reported as support without donor restrictions.

Contributions and grants of assets other than cash are reported at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment of potential defaults.

Grants are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which might arise out of these audits is not considered by the Center to be material.

Contributed services

Contributed services received by the Center are not recognized as support since these services either do not require specialized skills or would not typically be purchased if not provided by donation.

Excess of revenue over expenses

The statement of operations and changes in net assets includes the caption "excess of revenue over expenses." Changes in net assets which are excluded from excess of revenue over expenses, consistent with industry practice, include the change in net unrealized gains on debt securities, changes in fair value of the interest rate swap contract and contributions for property and equipment.

Net patient service revenue

Revenue is measured based on consideration specified in a contract with a customer, and excludes any amounts collected on behalf of third parties. The Center recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. The majority of the Center's revenue originates from contracts with customers to provide various healthcare services.

STEERE HOUSE NURSING & REHABILITATION CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net patient service revenue (continued)

The majority of the Center's services represent a bundle of services that are not capable of being distinct and as such, are treated as a single performance obligation that is satisfied over time as the services are rendered. The Center's standard payment terms are within 30 days from billing.

The Center determines the transaction price based on contractually agreed upon rates, adjusted for estimates of variable consideration, such as implicit price concessions. Variable consideration also exists as the Center's third-party revenue is paid principally at prospectively determined rates. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered such that net patient service revenues are only recorded to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur in the future. Any differences between the estimated amounts accrued, and interim and final settlements are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews and investigations.

Disaggregation of revenues

The Center operates as a skilled nursing facility and provides services to residents, who have third-party financial coverage (principally Rhode Island Medicaid), as well as to other patients who are responsible for their own financial obligations. Therefore, the Center's viability is dependent on a number of factors such as licensed bed capacity, occupancy rates, mix of patient by payor and case type, the rates of reimbursement, changes to Medicaid and other third-parties programs, and the Center's ability to collect on its contracts. All of the Center's net patient service revenue for financial reporting purposes are recorded over time as the services are rendered.

Net patient service revenue from private and third-party payors totaled \$2,887,616 and \$9,564,450, respectively, for the year ended December 31, 2023.

Significant risks and uncertainties

Laws and regulations governing Medicare, Medicaid and other governmental reimbursement programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates could change by a material amount in the near term. It is management's opinion that the Center is in compliance with applicable laws and regulations; however, the possibility of government review and interpretation exists. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action; failure to comply with such laws and regulations can result in fines, penalties and exclusion from Medicare and Medicaid programs.

STEERE HOUSE NURSING & REHABILITATION CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurements

The financial reporting framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Under the standard, fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date.

The three levels of the fair value hierarchy 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 Center has the ability to access.

Level 2 inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and, inputs that are derived principally from or corroborated by 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.

The estimated fair value of the Center's short-term financial instruments, including patient receivables and payables arising in the ordinary course of business, approximate their carrying amounts due to their short-term maturities.

Cash and cash equivalents

The Center considers all highly liquid investments with original maturities of three months or less to be cash equivalents, excluding money market funds included in the investment portfolio. The Center considers temporary cash invested in money market accounts as part of its investment portfolio to be investments for financial statement presentation purposes. The Center had no cash equivalents at December 31, 2023.

At December 31, 2023, the Center had approximately \$435,750 of cash in excess of amounts insured by the Federal Deposit Insurance Corporation.

STEERE HOUSE NURSING & REHABILITATION CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts receivable

Patient services accounts receivable are stated at the amount the Center expects to collect.

Under Rhode Island General Law Title 40, Chapter 8, Section 6.1(b)(2), *Human Services, Medical Assistance Provider Care During Pendency of Application, Uncompensated Care While Determination is Overdue*, upon the Center's request, the State is required to make payments to the Center for charges related to a patient that the Center has determined should be eligible for Medicaid and for whom a completed application (as defined) for Medicaid benefits filed with the State has been pending for 90 days or more ("advance payments"); such advance payments may not be recovered, offset or recouped by the State upon a subsequent determination by the State that the patient is not eligible for Medicaid. As of December 31, 2023, there are no outstanding advanced payments from the State.

The Center maintains an allowance for doubtful accounts and changes in it are included in the provision for losses on accounts receivable in the statement of functional expenses. In determining the amount of the allowance for doubtful accounts, management considers historical collectibility and makes judgments about the creditworthiness of the pool of customers based on credit evaluations. Current market conditions and reasonable and supportable forecasts of future economic conditions adjust the historical losses to determine the appropriate allowance for doubtful accounts. Uncollectible accounts are written off when all collection efforts have been exhausted.

Under the prior accounting rules, the Center evaluated the following factors when determining the collectability of specific patient accounts: the payor and patient creditworthiness, past transaction history with the payor and patient, current economic industry trends, and changes in payor and patient payment terms.

The allowance for doubtful accounts for the year ended December 31, 2023, is comprised of the following:

Beginning balance	\$ 21,695
Provisions, adjustments and recoveries	<u>85,777</u>
Ending balance	<u><u>\$ 107,472</u></u>

At December 31, 2023, approximately 54% of the Center's accounts receivable, for which no collateral is obtained, is due from the State of Rhode Island Medicaid program.

At December 31, 2023 and 2022, accounts receivable was \$2,069,242 and \$1,594,794, respectively.

STEERE HOUSE NURSING & REHABILITATION CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Equity securities are classified as investment in equity securities with readily determinable fair values. Debt securities are classified as trading securities. Unrealized holding gains and losses on equity securities are reported as a component of net investment income. Realized gains and losses are computed based on the specific identification method for the securities sold.

The Center's investments are maintained in a professionally managed portfolio and are exposed to various risks such as interest rate, market and credit risk. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risk in the near term would materially affect investment balances and the amounts reported in the financial statements.

The Center evaluates its debt securities for other-than-temporary impairment on an ongoing basis. A decline in the fair value of a trading debt security below cost that is deemed to be other than temporary results in a new cost basis for the security which is equivalent to its fair value. Other-than-temporary declines are included in net investment income in the accompanying statement of operations and changes in net assets. In evaluating other-than-temporary impairment, the Center considers its intent and ability to hold the investment until recovery and other relevant factors.

The Center's endowment consists of an individual fund designated by the Board to function as an endowment. Net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Investment, other

The Center's investment in Ocean State Assisted Living ("OSAL"), a nonprofit organization, is accounted for using the equity method of accounting. The Center and an unrelated not-for-profit organization are members of OSAL. The investment is increased or decreased by the Center's proportionate share of OSAL's undistributed earnings or losses and for distributions received.

Property and equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, ranging from five years to 40 years. Depreciation expense totaled \$485,337 for the year ended December 31, 2023.

STEERE HOUSE NURSING & REHABILITATION CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment (continued)

The Center evaluates long-lived assets held and used by the Center for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recognized if the sum of the expected undiscounted future cash flows from the use and disposition of the asset is less than its carrying amount. Generally, the amount of impairment loss is measured as the difference between the carrying amount of the asset and the estimated fair value of the asset. The Center did not record any impairment losses during the year ended December 31, 2023.

Leases

The Center has an operating lease agreement for land through October 2088. The Center determines if an arrangement is a lease at the inception of the contract. At the lease commencement date, each lease is evaluated to determine whether it will be classified as an operating or finance lease. For leases with a lease term of 12 months or less (a "short-term" lease), any fixed lease payments are recognized on a straight-line basis over such term, and are not recognized on the balance sheet.

The lease term includes the noncancellable portion of the underlying lease along with any reasonably certain lease periods associated with available renewal periods, termination options, and purchase options. The Center uses the risk-free discount rate when the rate implicit in the lease is not readily determinable at the commencement date in determining the present value of lease payments.

The Center's lease contains fixed and determinable escalation clauses for which the Center recognizes rental expense under these leases on the straight-line basis over the lease term. The lease agreement does not contain any material residual value guarantees or material restrictive covenants.

Leases with an initial term of 12 months or less are not recorded on the statement of statement of operations and changes in net assets; the Center recognizes lease expense for these leases on a straight-line basis over the lease term.

Debt issuance costs

Debt issuance costs are amortized over the period of the related financing using the straight-line method, which approximates the effective interest method. Amortization of debt issuance costs, included in interest expense, totaled \$69,482 for the year ended December 31, 2023, and were fully amortized as of December 31, 2023, due to the payoff of long-term debt in September 2023.

STEERE HOUSE NURSING & REHABILITATION CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derivatives and hedging

Derivative instruments are required to be recorded in the financial statements as either an asset or a liability and measured at fair value. The Center had an interest rate swap contract ("swap") that was considered to be an economic hedge of future interest rate fluctuations. The Center designated the swap as a hedging instrument. The Center did not enter into derivative instruments for speculative purposes. The interest rate swap contracted was terminated in September 2023 upon full payment of the remaining long-term debt.

Functional allocation of expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of operations and changes in net assets. The statement of functional expenses presents the natural classification detail of expenses by function.

Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Payroll	Time and effort
Payroll taxes and employee benefits	Salaries and wages
Insurance, including workers' compensation	Salaries and wages
Leases	Square footage

Workers' compensation self-insurance costs

The provision for workers' compensation self-insurance costs includes estimates of the ultimate costs for both reported claims and claims incurred but not reported. It is the Center's policy to fund workers' compensation insurance costs based on covered payroll.

Income taxes

The Center qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. As a not-for-profit entity, the Center is subject to unrelated business income tax ("UBIT"), if applicable. In accordance with FASB ASC 740, *Income Taxes*, the Center applies the "more likely than not" threshold to the recognition and derecognition of tax positions for its financial statements. Management has evaluated the Center's tax positions and has concluded that there were no uncertain tax positions that qualified for either recognition or disclosure in these financial statements.

The Center files a tax return in the U.S. federal jurisdiction.

STEERE HOUSE NURSING & REHABILITATION CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent events

The Center has evaluated subsequent events through June 10, 2024, the date that the accompanying financial statements were available to be issued. Except as disclosed in Notes 3 and 12, there were no material subsequent events that required recognition or disclosure in these financial statements.

NOTE 2. LIQUIDITY AND AVAILABILITY

The following represents the Center's financial assets as of December 31, 2023:

Financial assets at year-end:

Cash	\$ 367,545
Accounts receivable, patient services, net	1,961,770
Investments	12,986,955
Cash restricted for property and equipment	<u>215,326</u>

Total financial assets at year-end 15,531,596

Less amounts not available:

Net assets with donor restrictions	1,220,429
Board-designated investments	<u>11,997,630</u>

Financial assets available to meet general expenditures over the next
12 months after board designations \$ 2,313,537

The Center's goal is generally to maintain financial assets to meet 60 days of operating expenses (approximately \$2,455,000). For additional operating assistance, management has the ability to obtain Board approval for a drawdown from the investment endowment.

NOTE 3. INVESTMENTS

Assets and liabilities are measured at fair value based on one or more of the following valuation techniques:

- (a) *Market approach*: Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- (b) *Cost approach*: Amount that would be required to replace the service capacity of an asset (replacement cost); and
- (c) *Income approach*: Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing and excess earnings models).

STEERE HOUSE NURSING & REHABILITATION CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3. INVESTMENTS (CONTINUED)

The following table summarizes the Center's investments measured at fair value on a recurring basis, categorized within the valuation hierarchy, as of December 31, 2023:

Description	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total	Valuation Technique
Cash equivalents:					
Money market funds	\$ 21,323	\$ -	\$ -	\$ 21,323	(a)
Corporate and government obligations:					
AAA	-	95,324	-	95,324	(a)
A through A3	-	243,682	-	243,682	(a)
Other, including unrated	-	7,541	-	7,541	(a)
	-	346,547	-	346,547	
Mutual funds:					
Infrastructure	107,795	-	-	107,795	(a)
Commodities	205,686	-	-	205,686	(a)
Emerging markets	459,618	-	-	459,618	(a)
Fixed income	4,041,943	-	-	4,041,943	(a)
International	1,740,746	-	-	1,740,746	(a)
Real estate	265,257	-	-	265,257	(a)
Large cap	838,761	-	-	838,761	(a)
Mid cap	652,853	-	-	652,853	(a)
Small cap	495,195	-	-	495,195	(a)
	8,807,854	-	-	8,807,854	
Common stock:					
Consumer cyclical	356,641	-	-	356,641	(a)
Consumer staples	257,950	-	-	257,950	(a)
Energy	273,521	-	-	273,521	(a)
Finance	445,547	-	-	445,547	(a)
Healthcare	528,570	-	-	528,570	(a)
Industrials	315,904	-	-	315,904	(a)
Real estate	28,060	-	-	28,060	(a)
Materials	98,575	-	-	98,575	(a)
Telecommunication	245,174	-	-	245,174	(a)
Technology	1,232,911	-	-	1,232,911	(a)
	3,782,853	-	-	3,782,853	
Accrued interest	28,378	-	-	28,378	(a)
Total	\$ 12,640,408	\$ 346,547	\$ -	\$ 12,986,955	

During the year ended December 31, 2023, there were no transfers between levels of the fair value hierarchy.

STEERE HOUSE NURSING & REHABILITATION CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3. INVESTMENTS (CONTINUED)

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate that value:

Corporate and government obligations: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Mutual and money market funds: Valued at the daily closing prices as reported by the fund.

Common stock: Valued at the closing price reported on the active market on which the individual securities are traded.

Endowment

Changes in the Center's endowment net assets for the year ended December 31, 2023, consist of the following:

	Without donor restrictions (Board- designated)	With donor restrictions	Total
Endowment net assets, beginning of year	\$ 13,018,001	\$ -	\$ 13,018,001
Investment return:			
Investment income, net	296,925	-	296,925
Net appreciation, realized and unrealized	1,854,242	-	1,854,242
Total investment return	2,151,167	-	2,151,167
Contributions	76,267	-	76,267
Contribution from Steere House Foundation	1,203,435	989,325	2,192,760
Appropriations for expenditure	(4,451,240)	-	(4,451,240)
Endowment net assets, end of year	\$ 11,997,630	\$ 989,325	\$ 12,986,955

The Center has established the Board-Designated Fund as a perpetual endowment meant to provide annual drawdowns from total return to supplement the Center's operating budget, as well as capital for extraordinary uses from time to time. The Center's goal is to ensure that the fund will grow sufficiently to meet annual operating requirements and at least maintain the historic dollar value and purchasing power of its endowment assets over the investment horizon. Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to achieve a total return, net of fees, that exceeds the total return of the market index, or blended market index, selected and agreed upon by the Finance Team that most closely corresponds to the style of investment management. The Center expects its endowment funds, over time, to provide an average rate of return of approximately 5.5% annually plus inflation. Actual returns in any given year may vary from this amount. Appropriations for expenditure are subject to Board approval. During 2023, \$834,690 was withdrawn to supplement the Center's operating budget with an additional \$3,616,550 withdrawn to pay off the Center's long-term debt as discussed in Note 6.

STEERE HOUSE NURSING & REHABILITATION CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3. INVESTMENTS (CONTINUED)

Endowment (continued)

In 2024, the Board of Directors has approved a withdrawal of \$300,000 to assist with operations.

In the event of a significant market decline, the Center will consider all factors relevant to the stated goal in determining any change to the appropriation as allowed by the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). From time to time, the fair value of asset associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Center to retain as a fund of perpetual declaration. The Center has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no funds with deficiencies at December 31, 2023.

The Board has adopted investment objectives and spending policies to ensure a total return of capital necessary to preserve and enhance the principal of the funds and, at the same time, provide a dependable source of income for current operations and programs. The investments are structured for long-term growth with a broadly diversified mix of asset classes.

To satisfy its long-term rate-of-return objectives, the Center relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Center targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

NOTE 4. PROPERTY AND EQUIPMENT

Building and improvements	\$ 12,818,183
Equipment	2,521,676
Motor vehicles	<u>141,641</u>
	15,481,500
Less: accumulated depreciation	<u>(11,426,042)</u>
	\$ <u><u>4,055,458</u></u>

NOTE 5. INVESTMENT, OTHER

The Center maintains a 50% equity investment in OSAL, an 84-unit assisted living community, as of December 31, 2023, located in East Greenwich, Rhode Island. OSAL was capitalized with \$2,256,000 of contributions from its sponsors. A summary of the financial position and operating results of OSAL at December 31, 2023, and for the year then ended, is approximately as follows:

Total assets	\$ 17,672,000
Total liabilities, including bond payable of \$6,906,000	<u>14,809,000</u>
Net assets	\$ <u><u>2,863,000</u></u>
Revenues	\$ <u><u>7,204,000</u></u>
Change in net assets	\$ <u><u>1,256,000</u></u>

STEERE HOUSE NURSING & REHABILITATION CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5. INVESTMENT, OTHER (CONTINUED)

OSAL is obligated under an \$8,901,000 long-term, tax-exempt bond issued through the Rhode Island Health and Educational Building Corporation ("RIHEBC"), which were purchased directly by another bank. Agreements related to the bond issue contain restrictive covenants relating to, among others, maintenance of certain financial ratios. OSAL was in compliance with the debt service coverage ratio at December 31, 2023.

The bond agreements are secured by an open-end mortgage deed covering substantially all assets of OSAL.

During 2023 OSAL did not make any distributions to its sponsors.

NOTE 6. LONG-TERM DEBT

In 2011, the Center entered into tax-exempt bond financing, in which RIHEBC issued \$5,340,000 of long-term, tax-exempt bonds which were guaranteed by the Foundation. The bonds, which were set to mature in 2036, were purchased directly by the Center's primary bank. Concurrent with the bond issuance, the Center entered into various agreements with RIHEBC and the bank.

The Center had entered into an interest rate swap contract related to the RIHEBC bond financing. Pursuant to the swap contract, effective through August 31, 2023, the Center paid the bank a fixed rate of interest of 2.25% on the outstanding bond financing. The bank paid/earned the difference between the fixed rate of 2.25% and the variable rate on the bond.

In September 2023, the Center paid-off the outstanding bond financing balance of approximately \$3,633,000.

NOTE 7. CONTRIBUTIONS WITHOUT DONOR RESTRICTIONS AND NET ASSETS

Contributions without donor restrictions were received from the following sources:

Estates	\$ 252,710
Steere House Foundation	108,812
Individuals and others	<u>19,527</u>
	<u>\$ 381,049</u>

Net assets without donor restrictions are comprised of the following:

Board-designated (Note 3)	\$ 11,997,630
Undesignated	<u>6,839,160</u>
	<u>\$ 18,836,790</u>

NOTE 8. ASSETS HELD IN TRUSTS

During 1996 the Center was named as a beneficiary of a permanent endowment fund held by The Rhode Island Foundation. The designated fund was established through the dissolution of a trust. Twenty percent of the available income earned by the fund will be paid to the Center, in perpetuity, although distribution decisions are made at the discretion of The Rhode Island Foundation's Board of Directors. Annual distributions amounted to \$55,454 in 2023 and can be used for general operating purposes.

STEERE HOUSE NURSING & REHABILITATION CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8. ASSETS HELD IN TRUSTS (CONTINUED)

During 2003 the Center was named as a beneficiary of a permanent endowment fund held by The Rhode Island Foundation. The Center will receive distributions from the fund, totaling approximately 4.5% of its market value, in perpetuity, although distribution decisions are made at the discretion of The Rhode Island Foundation's Board of Directors. Annual distributions amounted to \$4,306 in 2023 and can be used for general operating purposes.

Since the assets of the above funds are administered at the discretion of The Rhode Island Foundation, which has the unilateral power to redirect the use of the assets to another beneficiary, the assets are not included in the Center's balance sheet at December 31, 2023. Distributions from the trusts are included in contribution income in the accompanying statement of operations and changes in net assets.

NOTE 9. RETIREMENT PLAN

The Center sponsors a defined contribution plan ("retirement plan") covering employees meeting certain age and length of service requirements. Employer contributions to the retirement plan are at the discretion of the Board. For the year ended December 31, 2023, the Center contributed an amount equal to 25% of each eligible employee's contribution up to the first 15% of the respective employee's salary. Operations have been charged with \$91,045 for contributions made under the retirement plan for the year ended December 31, 2023.

NOTE 10. WORKERS' COMPENSATION INSURANCE

The Center is a participant in a pooled self-insurance workers' compensation trust (the "Plan") with other unrelated not-for-profit nursing and assisted living facilities. The Plan provides for the payment of premiums based on the workers' compensation rates established by the State and each facility's individual experience. Premium rates are intended to cover the operating costs, including claims and risk management costs, of the Plan, as well as reserves for future claims.

Participating facilities are required to make specified monthly premium payments to the Plan. The Center's estimated premiums totaled \$241,172 for the year ended December 31, 2023. The Plan's reserve is held in trust and invested by the Plan's trustee. The Plan maintains excess liability insurance coverage with a commercial insurance carrier to protect the Plan's assets from individual losses in excess of \$500,000. Participating facilities are jointly and severally liable for the claims of the Plan.

The Plan trustee maintains separate accountability for each participating facility's portion of contributions, costs, losses and cumulative reserve for future claims. Should any facility's premiums be inadequate for its share of operating costs, the remaining facilities' portion of the Plan assets can be used to satisfy the obligations of that facility. In the event of Plan termination, any assets remaining in the Plan in excess of amounts needed to fund operating costs and reserves will be returned to the participating facilities based upon their pro rata shares.

STEERE HOUSE NURSING & REHABILITATION CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 11. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes:

Front parking lot improvements	\$ 36,409
ECG monitor	9,300
Passenger van	11,617
Alzheimer's activities	4,791
Resident seating	3,608
Art decor	1,653
Building management system	158,000
Other	5,726
Maintenance and upkeep of Alton Place Gardens	116,567
Chaplaincy program	698,927
Kameny Lectureship	<u>173,831</u>
	<u>\$ 1,220,429</u>

NOTE 12. COMMITMENTS, CONTINGENCIES, RELATED-PARTY TRANSACTIONS AND SUBSEQUENT EVENTS

Land lease

The Center entered into a land lease ("Lease") dated October 19, 1989 with Rhode Island Hospital (the "Hospital"), a Rhode Island non-profit corporation. The Lease provides for the lease of land on which the Center operates, adjacent to the Hospital. The Lease extends for a period of ninety-nine years, with the annual rent reassessed every five-years by both parties based upon market value.

Total operating lease expense incurred under the Lease for the year ended December 31, 2023, was \$165,000. The Center entered into an amendment effective January 1, 2024 at an annual lease amount of \$169,950 through December 31, 2028.

STEERE HOUSE NURSING & REHABILITATION CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 12. COMMITMENTS, CONTINGENCIES, RELATED-PARTY TRANSACTIONS AND SUBSEQUENT EVENTS (CONTINUED)

Land lease (continued)

Maturities of lease liabilities as of December 31, 2023, are as follows:

<u>Years</u>	<u>Amount</u>
2024	\$ 165,000
2025	165,000
2026	165,000
2027	165,000
2028	165,000
Thereafter	<u>9,858,750</u>
Net minimum lease payments	10,683,750
Less: interest	<u>4,701,129</u>
Present value of lease liability	5,982,621
Less: current portion	<u>44,540</u>
Lease liability, net of current portion	<u>\$ 5,938,081</u>

The discount rate used for the Center's operating lease is the risk free rate, coinciding closest to the remaining lease term of 66 years (2.01%).

Parking lot lease

Subsequent to year end, the Center entered into a new operating lease for a parking lot commencing January 1, 2024. The lease expires December 31, 2026 and requires monthly payments of \$9,500 that increase by 5% each year.

CareLink, Inc.

The Center is a member of CareLink, Inc. ("CareLink"), a not-for-profit membership organization whose mission is to provide support functions to member facilities. Membership fees amounted to \$27,863 for the year ended December 31, 2023. Included in contracted services in the accompanying statement of operations and changes in net assets are therapy services provided to the Center by CareLink totaling approximately \$623,000.

Unidine

The Center has an agreement with Unidine to provide contracted dietary, housekeeping, laundry and maintenance services which expired on September 30, 2013, but continues under annual one-year extension periods unless terminated earlier by either party.

In 2023 the Center entered into an agreement with Unidine, in which Unidine will invest \$100,000 towards improvements within the dining services department and \$13,000 towards the housekeeping, laundry and maintenance departments. Title to these improvements will vest in the Center after five years. If the agreement between the Center and Unidine is terminated prior to completion of the five-year period, the Center is required to reimburse Unidine for a pro-rata portion of the improvements, plus interest.

STEERE HOUSE NURSING & REHABILITATION CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 13. MEDICAID ELIGIBILITY DETERMINATION DELAYS

Since early 2016, the State has been significantly delayed in rendering Medicaid eligibility determinations with respect to patients that the Center has determined are eligible for Medicaid and for whom an application for Medicaid benefits has been filed with the State. The Center provides services to these patients and recognizes related revenue during the period in which the State has not made a determination related to a completed application filed with the State ("Medicaid Pending Application"). Amounts reported as patient services receivables related to Medicaid Pending Applications that have been pending for less than 90 days and those that have been pending for 90 days or more for which the Center has not requested an advance payment (see Note 1) may be subject to subsequent denial by the State at some future date. Management believes that the State will ultimately determine that patients for whom a Medicaid Pending Application exists are eligible for Medicaid and that any potential loss related to Medicaid Pending Applications subsequently denied by the State will not have a material adverse effect on the Center's financial position.

NOTE 14. UNEARNED ARPA FUNDS AND GRANT REVENUE

During the year ended December 31, 2022, the Center received \$380,000 in State Fiscal Recovery Fund distributions provided for under the ARPA from the State. The distribution from the ARPA is not subject to repayment provided the Center is able to attest to and comply with the terms and conditions of the distribution, including demonstrating that the funds received have been used for direct care-related payments and benefits (as defined by the State). Such distribution under the ARPA is recognized on a systematic and rational basis once there is reasonable assurance that the applicable terms and conditions required to retain the funds have been met. The Center continues to monitor compliance with the terms and conditions of the ARPA distribution. If it is determined that the use of funds were not within the guidelines established by the ARPA program, the Center could be required to reimburse these funds.

The Center was required to report on the use of the ARPA distribution as of December 31, 2023 through periodic reporting to the State. For the year ended December 31, 2023, the Center has recognized \$182,371 as grant income in the statement of operations and changes in net assets as reasonable assurance has been obtained that the applicable terms and conditions of the grant has been met.

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

S H N R C

EIN 05 0258880
 PLAN NUMBER 001
 PLAN YEAR 01/01/2023 TO 12/31/2023

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Core Fix Inc Sep Acct-R3	\$ 0.00	\$ 128,673.28
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Intl Equity Index SA-R3	\$ 0.00	\$ 93,906.81
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LgCap S&P 500 Index SA-R3	\$ 0.00	\$ 294,127.29
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hy 2020 CIT Z85	\$ 0.00	\$ 106,660.48
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hy 2025 CIT Z85	\$ 0.00	\$ 57,582.25
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hy 2030 CIT Z85	\$ 0.00	\$ 898,796.78
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hy 2035 CIT Z85	\$ 0.00	\$ 283,730.50
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hy 2040 CIT Z85	\$ 0.00	\$ 316,762.53
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hy 2045 CIT Z85	\$ 0.00	\$ 128,497.22
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hy 2050 CIT Z85	\$ 0.00	\$ 217,407.56
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hy 2055 CIT Z85	\$ 0.00	\$ 96,558.11
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hy 2060 CIT Z85	\$ 0.00	\$ 19,030.64
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hy 2065 CIT Z85	\$ 0.00	\$ 5,287.25
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Liquid Assets Sep Acct-R3	\$ 0.00	\$ 351,720.88
*	Principal Life Insurance Company	Pooled Separate Accounts Prin MidCap Sep Acct-R3	\$ 0.00	\$ 173,661.79

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

S H N R C
EIN 05 0258880
PLAN NUMBER 001
PLAN YEAR 01/01/2023 TO 12/31/2023

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
*	Principal Life Insurance Company	Pooled Separate Accounts Prin SmCap S&P 600 Index SA-R3	\$ 0.00	\$ 101,438.12
*	Principal Life Insurance Company	Pooled Separate Accounts Principal Bond Mkt Index SA-R3	\$ 0.00	\$ 30,960.28
*	Principal Global Investors Trust Co	Common/Collective Trust PRIN LIFETIME HY INC CIT Z85	\$ 0.00	\$ 811.38
*	Participant Loans	Range of Interest Rates Rates Range From 5.25% To 10.50%	\$ 0.00	\$ 222,750.00

Steere House Nursing and Rehabilitation Center 401(k) Savings Plan

Financial Statements and Supplemental Schedule

December 31, 2023 and 2022

Steere House Nursing and Rehabilitation Center 401(k) Savings Plan

December 31, 2023 and 2022

Table of Contents

Independent Auditor's Report	1
Statements of Net Assets Available for Benefits	5
Statement of Changes in Net Assets Available for Benefits	6
Notes to the Financial Statements	7
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)	13

Independent Auditor's Report

To the Plan Administrator of
Steere House Nursing and Rehabilitation Center 401(k) Savings Plan

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the accompanying financial statements of Steere House Nursing and Rehabilitation Center 401(k) Savings 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) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2023 and 2022, and the related statement of changes in net assets available for benefits for the year ended December 31, 2023, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of Steere House Nursing and Rehabilitation Center 401(k) Saving 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 (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits 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 December 31, 2023 and 2022, and for the year ended December 31, 2023, stating that the certified investment information, as described in Note 9 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section:

- the amounts and disclosures in the 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 accounting principles generally accepted in the United States of America.

- the information in the accompanying financial statements referred to above 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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Steere House Nursing and Rehabilitation Center 401(k) Savings Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. 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 Steere House Nursing and Rehabilitation Center 401(k) Savings Plan's ability to continue as a going concern for one year following the date that 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 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Steere House Nursing and Rehabilitation Center 401(k) Savings 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 Steere House Nursing and Rehabilitation Center 401(k) Savings Plan's ability to continue as a going concern for a reasonable period of time.

Our audits 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 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 accounting principles generally accepted in the United States of America.

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 with accounting principles generally accepted in the United States of America.

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.

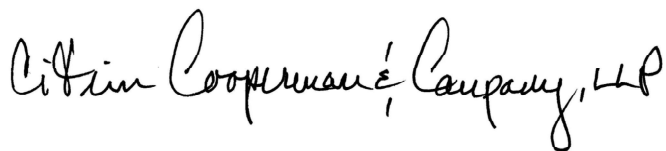
Other Matter - Supplemental Schedules Required by ERISA

The supplemental schedule H, line 4i - schedule of assets (held at end of year) as of December 31, 2023, 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 audits 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 GAAS. For information included in the supplemental schedule 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, are 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).



Providence, Rhode Island
October 7, 2024

Steere House Nursing and Rehabilitation Center 401(k) Savings Plan

Statements of Net Assets Available for Benefits

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Investments		
Investments at fair value	\$ 3,305,613	\$ 2,781,645
Receivables		
Employer contributions	20,201	18,319
Notes receivable from participants	222,750	207,380
Total receivables	<u>242,951</u>	<u>225,699</u>
Total assets	<u>3,548,564</u>	<u>3,007,344</u>
 Net assets available for benefits	 <u><u>\$ 3,548,564</u></u>	 <u><u>\$ 3,007,344</u></u>

See accompanying notes to the financial statements.

Steere House Nursing and Rehabilitation Center 401(k) Savings Plan

Statement of Changes in Net Assets Available for Benefits

For the Year Ended December 31, 2023

Additions

Investment income

Net appreciation in fair value of investments \$ 423,051

Interest income on notes receivable from participants 14,496

Contributions

Participant contributions 336,818

Employer contributions 82,229

Rollovers 8,738

Total contributions 427,785

Total additions 865,332

Deductions

Benefits paid to participants 320,298

Administrative expenses 3,814

Total deductions 324,112

Net increase 541,220

Net assets available for benefits:

Beginning of year 3,007,344

End of year \$ 3,548,564

See accompanying notes to the financial statements.

Steere House Nursing and Rehabilitation Center 401(k) Savings Plan

Notes to the Financial Statements

December 31, 2023 and 2022

1. DESCRIPTION OF PLAN

The following description of the Steere House Nursing and Rehabilitation Center 401(k) Savings 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 - The Plan is a defined contribution plan established effective December 11, 1997, as restated November 16, 2022. The Plan covers all employees of Steere House Nursing and Rehabilitation Center (the Organization) who have completed 90 days and are age 21 or older. Entry to the Plan commences on the first day of the month following the attainment of eligibility. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Board of Directors is responsible for oversight of the Plan. The Plan's finance committee determines the appropriateness of the Plan's investment offerings, monitors investment performance, and reports to the Plan's Board of Directors.

Contributions - Each year, participants may contribute a percentage of pretax annual compensation, as defined in the Plan document, up to the maximum limits of the Internal Revenue Code (IRC). Participants also may designate all or a portion of their deferral contributions as after-tax contributions into a Roth account. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. Participants also may contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan includes an automatic enrollment provision whereby all newly eligible employees are automatically enrolled in the Plan unless they affirmatively elect not to participate in the Plan. Automatically enrolled participants have their deferral rate set at 2 percent of eligible compensation and their contributions invested in a designated balanced fund until changed by the participant. Additional discretionary amounts may be contributed by the Organization at the option of the Board of Directors. For the year ended December 31, 2023, the Organization approved a discretionary matching contribution equal to 25 percent of participants' elective deferrals, not to exceed 15 percent of total eligible employee wages. Contributions are subject to certain Internal Revenue Service (IRS) limitations.

Participant accounts. Each participant's account is credited with the participant's contributions, allocations of the Organization's discretionary matching contributions and an allocation of the Plan's earnings (losses). Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Steere House Nursing and Rehabilitation Center 401(k) Savings Plan

Notes to the Financial Statements

December 31, 2023 and 2022

Vesting - Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Organization's contribution portion of their accounts is based on years of continuous service. A participant is 25 percent vested after two years of credited service and continues to vest in increments of 25 percent until 100 percent vested after five years of credited service. Employees who incur a break in service of less than five years and return to employment retain credit for their pre-break years of service subject to certain rules. Participants become fully vested upon death, disability, or attaining normal retirement age.

Notes receivable from participants - Participants may borrow from their fund accounts a minimum of \$500 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. A participant is permitted to have five loans approved in any 12-month period, with only one loan outstanding at any point in time. The loans are secured by the balance in the participant's account. The loan interest rates (5.25%-10.50% as of December 31, 2023), determined daily, is set at the rate available for similar loans from commercial lending institutions, as defined. Principal and interest are paid ratably through weekly payroll deductions. Terms range up to five years or greater for the purchase of a primary residence.

Payment of benefits - On termination of service due to death, disability, retirement, or other reasons, a participant may elect to receive a lump sum amount equal to the value of the participant's vested interest in his or her account. In addition, the Plan allows for hardship distributions if certain criteria are met.

Forfeited accounts - At December 31, 2023 and 2022, forfeited nonvested accounts totaled \$436 and \$1,121, respectively. These accounts will be used to reduce future employer contributions or to pay Plan administrative expenses. During 2023, employer contributions were reduced by \$2,244, from forfeited nonvested accounts, in accordance with Plan provisions.

2. SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting - The financial statements of the Plan are prepared on the accrual basis of accounting.

Use of Estimates - The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition - Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's finance committee determines the Plan's valuation policies utilizing information provided by the investment advisers, custodians and insurance company, as applicable. See Note 3 for discussion of fair value measurements.

Steere House Nursing and Rehabilitation Center 401(k) Savings Plan

Notes to the Financial Statements

December 31, 2023 and 2022

The investments in pooled separate accounts and common collective trust funds are valued at the net asset value (the NAV) per unit, as determined by the trustee at year-end. The NAV is used as the practical expedient to estimate fair value and is based on the fair value of the underlying investment held by the fund, less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants - Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed as incurred.

Payment of Benefits - Benefits are recorded when paid.

Expenses - Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Organization. Expenses that are paid by the Organization 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) in fair value of investments.

Subsequent Events - Subsequent events were evaluated through October 7, 2024, the date the financial statements were available to be issued.

3. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurement*, are described as follows:

Level 1 - Inputs to the valuation technique 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 technique include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Steere House Nursing and Rehabilitation Center 401(k) Savings Plan

Notes to the Financial Statements

December 31, 2023 and 2022

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 technique are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation technique used for assets measured at fair value. There have been no changes in the techniques used at December 31, 2023 and 2022.

Investments measured at NAV: Consisting of pooled separate accounts and common collective trust funds, valued at the NAV of units of a bank collective trust. The NAV, as provided by the agent of the Plan's trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the pooled separate accounts and common collective trust funds, the investment adviser reserves the right to temporarily delay withdrawal from the trust in order to ensure that liquidations will be carried out in an orderly business manner.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2023 and 2022:

Assets at Fair Value as of

December 31, 2023

	Level 1	Level 2	Level 3	Total
Total assets in the fair value hierarchy	\$ -	\$ -	\$ -	\$ -
Investments measured at NAV (a)	-	-	-	3,305,613

Assets at Fair Value as of

December 31, 2022

	Level 1	Level 2	Level 3	Total
Total assets in the fair value hierarchy	\$ -	\$ -	\$ -	\$ -
Investments measured at NAV (a)	-	-	-	2,781,645

(a) In accordance with FASB ASC 820, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the Statements of Net Assets Available for Benefits.

Steere House Nursing and Rehabilitation Center 401(k) Savings Plan

Notes to the Financial Statements December 31, 2023 and 2022

Fair Value of Investments that Calculate NAV

The following table summarizes investments measured at fair value based on NAV per share as of December 31, 2023 and 2022. There are no participant redemption restrictions for pooled separate accounts; the redemption notice period is applicable only to the Plan. Common collective trust funds have a redemption restriction of one purchase and redemption within a 30-day period.

December 31, 2023	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Pooled separate accounts	\$ 1,174,488	\$ -	Daily	None
Common collective trust funds	2,131,125	-	Daily	None

December 31, 2022	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Pooled separate accounts	\$ 1,041,925	\$ -	Daily	None
Common collective trust funds	1,739,720	-	Daily	None

4. CONCENTRATIONS

AT December 31, 2023 and 2022, investments in three funds represented 47 percent and 45 percent of total plan assets, respectively.

5. RELATED-PARTY AND PARTY IN INTEREST TRANSACTIONS

Certain Plan investments are managed by Principal Life Insurance Company (Principal Life), and therefore, these transactions qualify as party in interest transactions.

Additionally, the Plan issues loans to participants, which are secured by the participant's account balances. These transactions qualify as party in interest transactions.

Certain administrative functions of the Plan are performed by officers or employees of the Organization. No such officer or employee receives compensation from the Plan.

6. PLAN TERMINATION

Although it has not expressed any intent to do so, the Organization has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100 percent vested in their employer contributions.

Steere House Nursing and Rehabilitation Center 401(k) Savings Plan

Notes to the Financial Statements

December 31, 2023 and 2022

7. TAX STATUS

The Plan adopted a pre-approved plan offered by Principal Life Insurance Company. The pre-approved plan received an IRS Opinion Letter dated June 30, 2020, which stated that the Plan and related trust are designed in accordance with the applicable sections of the IRC. Although the Plan has been amended since receiving the IRS Opinion Letter, the Plan administrator believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC, and, therefore believes that the Plan is qualified, and the related trust is tax exempt.

Plan management is required to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

8. RISKS AND UNCERTAINTIES

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

9. INFORMATION CERTIFIED BY TRUSTEE

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA for 2023 and 2022. Accordingly, Principal Life the agent of the Trustee of the Plan, has certified to the completeness and accuracy of all investments reported in the accompanying statements of net assets available for benefits as of December 31, 2023 and 2022, and the supplemental Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2023, and the related investment activity reported in the statement of changes in net assets Available for Benefits for the year ended December 31, 2023. Principal Life certifies the pooled separate accounts held by the Plan. Principal Life, as recordkeeper for Principal Global Investors Trust Company (Principal Global), has been granted authority by Principal Global, trustee of the common collective trust funds to certify the accuracy and completeness of the investment information regarding the common collective trust funds held by the Plan.

Supplemental Schedule

Steere House Nursing and Rehabilitation Center 401(k) Savings Plan

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

EIN: 22-2958309 Plan Number: 001

December 31, 2023

(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	(d) Cost	(e) Current value
Investments at fair value:				
*	Principal Life Insurance Company	LifeTime Hybrid 2020 CIT Z85	**	\$ 106,661
*	Principal Life Insurance Company	LifeTime Hybrid 2025 CIT Z85	**	57,582
*	Principal Life Insurance Company	LifeTime Hybrid 2030 CIT Z85	**	898,797
*	Principal Life Insurance Company	LifeTime Hybrid 2035 CIT Z85	**	283,730
*	Principal Life Insurance Company	LifeTime Hybrid 2040 CIT Z85	**	316,763
*	Principal Life Insurance Company	LifeTime Hybrid 2045 CIT Z85	**	128,497
*	Principal Life Insurance Company	LifeTime Hybrid 2050 CIT Z85	**	217,408
*	Principal Life Insurance Company	LifeTime Hybrid 2055 CIT Z85	**	96,558
*	Principal Life Insurance Company	LifeTime Hybrid 2060 CIT Z85	**	19,031
*	Principal Life Insurance Company	LifeTime Hybrid 2065 CIT Z85	**	5,287
*	Principal Life Insurance Company	LifeTime Hybrid Income CIT Z85	**	811
*	Principal Life Insurance Company	Bond Market Index Separate Account - R3	**	30,960
*	Principal Life Insurance Company	Core Fixed Income Separate Account-R3	**	128,673
*	Principal Life Insurance Company	International Equity Index Separate Account-R3	**	93,907
*	Principal Life Insurance Company	LargeCap S&P 500 Index Separate Account-R3	**	294,127
*	Principal Life Insurance Company	Liquid Assets Separate Account-R3	**	351,721
*	Principal Life Insurance Company	MidCap Separate Account-R3	**	173,662
*	Principal Life Insurance Company	SmallCap S&P 600 Index Separate Account-R3	**	101,438
				3,305,613
*	Participant loans	Interest rates from 5.25 - 10.5%	**	222,750
				\$ 3,528,363

*Denotes a party in interest as defined by ERISA.

** Cost information is not required for participant-directed investments.

See independent auditor's report.