

CHRISTIAN LIVING COMMUNITIES
CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEARS ENDED DECEMBER 31, 2024 AND 2023



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**CHRISTIAN LIVING COMMUNITIES
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YEARS ENDED DECEMBER 31, 2024 AND 2023**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Christian Living Communities
Greenwood Village, Colorado

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Christian Living Communities (the Organization), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the related consolidated statements of operations, functional expenses, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2024 and 2023, and the results of their operations, changes in their net assets, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on consolidated the financial statements as a whole. The consolidating balance sheets, statements of operations, changes in net assets, and cash flows along with the consolidating balance sheets – obligated group, statements of operations – obligated group, changes in net assets – obligated group, and cash flows – obligated group are presented for purposes of additional analysis and is not a required part of the consolidated financial statements. 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
May 17, 2025

**CHRISTIAN LIVING COMMUNITIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 19,578,752	\$ 16,351,168
Short-Term Investments	5,695,536	4,808,724
Current Portion of Assets Limited as to Use	6,963,548	6,852,750
Resident Accounts Receivable	2,332,309	2,797,617
Other Receivables	779,539	866,931
Supply Inventories	229,075	235,342
Prepaid Expenses	1,784,471	2,540,755
Total Current Assets	<u>37,363,230</u>	<u>34,453,287</u>
ASSETS LIMITED AS TO USE		
Held by Trustee Under Indenture Agreement	21,773,014	23,725,984
Resident Funds and Deposits	112,239	100,066
457 Plan Assets	762,281	648,302
Endowment Fund	1,513,782	1,421,236
Less: Current Portion	<u>(6,963,548)</u>	<u>(6,852,750)</u>
Total Assets Limited as to Use, Net of Current Portion	17,197,768	19,042,838
PROPERTY AND EQUIPMENT		
Land and Land Improvements	9,073,647	9,073,647
Building and Leasehold Improvements	244,825,473	230,884,982
Furniture, Equipment, and Vehicles	17,854,799	17,439,467
Construction in Progress	4,016,157	10,088,335
Total Property and Equipment	275,770,076	267,486,431
Less: Accumulated Depreciation	<u>(113,785,375)</u>	<u>(105,085,209)</u>
Property and Equipment, Net	161,984,701	162,401,222
OTHER ASSETS		
Right-of-Use Assets Under Operating Lease Agreements	6,075,060	6,763,624
Investments	36,093,030	34,465,276
Investment in Affiliates	199,226	199,226
Investment in Joint Venture	704,915	1,125,317
Intangible Assets, Net	283,667	375,667
Goodwill	968,976	968,976
Total Other Assets	<u>44,324,874</u>	<u>43,898,086</u>
 Total Assets	 <u><u>\$ 260,870,573</u></u>	 <u><u>\$ 259,795,433</u></u>

See accompanying Notes to Consolidated Financial Statements.

CHRISTIAN LIVING COMMUNITIES
CONSOLIDATED BALANCE SHEETS (CONTINUED)
DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	\$ 26,062,982	\$ 4,956,318
Accounts Payable	2,085,404	3,326,979
Accrued Expenses	3,557,102	3,428,993
Accrued Interest	2,495,126	2,591,980
Current Portion of Refundable Advance Fees	10,146,000	10,099,000
Current Portion of Operating Lease Liabilities	662,346	654,710
Deposits from Residents and Clients	2,693,179	2,310,111
Total Current Liabilities	<u>47,702,139</u>	<u>27,368,091</u>
 LONG-TERM DEBT, NET OF CURRENT MATURITIES AND DEFERRED FINANCING COSTS, NET	 109,699,447	 135,697,449
 OTHER LIABILITIES		
Operating Lease Liabilities, Net of Current Portion	5,732,718	6,395,064
Refundable Advance Fees	104,022,550	100,877,202
Deferred Revenue from Advance Fees	13,395,649	11,931,707
Total Other Liabilities	<u>123,150,917</u>	<u>119,203,973</u>
 Total Liabilities	 280,552,503	 282,269,513
 NET ASSETS		
Net Assets Without Donor Restrictions	(21,854,648)	(24,521,565)
Net Assets With Donor Restrictions	2,172,718	2,047,485
Total Net Assets	<u>(19,681,930)</u>	<u>(22,474,080)</u>
 Total Liabilities and Net Assets	 <u><u>\$ 260,870,573</u></u>	 <u><u>\$ 259,795,433</u></u>

See accompanying Notes to Consolidated Financial Statements.

CHRISTIAN LIVING COMMUNITIES
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
REVENUES AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS		
Resident and Client Services Revenue	\$ 81,069,693	\$ 76,540,517
Amortization of Advance Fees	2,169,120	1,513,727
Other Revenue	3,610,543	3,370,800
Contributions	233,587	400,688
Net Assets Released from Restrictions Used for Operations	324,923	304,790
Total Revenues and Other Support Without Donor Restrictions	<u>87,407,866</u>	<u>82,130,522</u>
EXPENSES		
Salaries and Benefits	41,259,311	37,995,155
Purchased Services	7,447,607	7,915,559
Medical Supplies and Drugs	941,424	987,472
Dietary Expenses	12,605,839	11,721,505
Administrative Expenses	5,550,544	4,968,025
Management Fees	36,051	34,287
Insurance	1,039,829	1,319,883
Bond Fees	134,903	138,557
Utilities	2,075,939	2,244,967
Depreciation and Amortization	9,387,746	9,080,746
Interest	5,433,714	5,692,576
Other	2,310,523	2,452,581
Provision for Credit Losses	494,574	340,762
Total Expenses	<u>88,718,004</u>	<u>84,892,075</u>
OPERATING LOSS	(1,310,138)	(2,761,553)
OTHER INCOME (LOSS)		
Interest Income, Net of Investment Fees	2,082,652	1,782,127
Realized Gains on Investments	925,084	816,850
Unrealized Gains on Investments	1,043,894	2,330,423
Loss on Investment in Joint Venture	(14,021)	(72,565)
Loss on Disposal of Property and Equipment	(60,554)	-
Total Other Income	<u>3,977,055</u>	<u>4,856,835</u>
EXCESS OF REVENUES OVER EXPENSES	<u><u>\$ 2,666,917</u></u>	<u><u>\$ 2,095,282</u></u>

See accompanying Notes to Consolidated Financial Statements.

CHRISTIAN LIVING COMMUNITIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Expenses				General and Administrative	Fund Raising	Total
	Independent Living	Assisted Living	Skilled Nursing	Home Care			
Salaries and Benefits	\$ 5,219,623	\$ 13,315,624	\$ 15,868,540	\$ 1,690,642	\$ 4,971,140	\$ 193,742	\$ 41,259,311
Purchased Services	984,670	2,511,963	3,767,044	96,714	71,733	15,483	7,447,607
Medical Supplies and Drugs	24,060	180,454	736,582	328	-	-	941,424
Dietary Expenses	5,139,864	3,389,895	4,076,080	-	-	-	12,605,839
Administrative Expenses	1,072,041	450,535	452,845	42,628	3,522,449	10,046	5,550,544
Management Fees	-	-	-	-	36,051	-	36,051
Insurance	321,941	239,802	367,179	9,354	101,553	-	1,039,829
Bond Fees	75,950	12,236	46,717	-	-	-	134,903
Utilities	1,231,406	448,997	395,536	-	-	-	2,075,939
Depreciation and Amortization	4,799,781	764,979	2,920,752	2,921	899,313	-	9,387,746
Interest	2,833,158	433,734	1,656,032	-	510,790	-	5,433,714
Other	710,817	298,727	300,259	12,605	472,158	515,957	2,310,523
Provision for Credit Losses	62,465	166,573	187,395	78,141	-	-	494,574
Total Expenses	<u>\$ 22,475,776</u>	<u>\$ 22,213,519</u>	<u>\$ 30,774,961</u>	<u>\$ 1,933,333</u>	<u>\$ 10,585,187</u>	<u>\$ 735,228</u>	<u>\$ 88,718,004</u>

See accompanying Notes to Consolidated Financial Statements.

CHRISTIAN LIVING COMMUNITIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program Expenses				General and Administrative	Fund Raising	Total
	Independent Living	Assisted Living	Skilled Nursing	Home Care			
Salaries and Benefits	\$ 4,818,950	\$ 12,293,481	\$ 14,539,279	\$ 1,462,441	\$ 4,695,865	\$ 185,139	\$ 37,995,155
Purchased Services	1,078,927	2,752,420	3,926,415	72,693	52,201	32,903	7,915,559
Medical Supplies and Drugs	24,581	184,361	778,530	-	-	-	987,472
Dietary Expenses	4,815,992	3,147,178	3,758,335	-	-	-	11,721,505
Administrative Expenses	904,466	380,110	382,059	60,293	3,240,776	321	4,968,025
Management Fees	-	-	-	-	34,287	-	34,287
Insurance	402,596	299,879	445,288	9,148	162,972	-	1,319,883
Bond Fees	78,008	12,567	47,982	-	-	-	138,557
Utilities	1,331,601	485,592	427,774	-	-	-	2,244,967
Depreciation and Amortization	4,503,780	725,564	2,777,069	4,126	1,070,207	-	9,080,746
Interest	2,729,244	439,685	1,874,479	-	649,168	-	5,692,576
Other	432,021	181,561	176,417	14,870	1,039,981	607,731	2,452,581
Provision for Credit Losses	34,023	90,727	102,068	113,944	-	-	340,762
Total Expenses	<u>\$ 21,154,189</u>	<u>\$ 20,993,125</u>	<u>\$ 29,235,695</u>	<u>\$ 1,737,515</u>	<u>\$ 10,945,457</u>	<u>\$ 826,094</u>	<u>\$ 84,892,075</u>

See accompanying Notes to Consolidated Financial Statements.

CHRISTIAN LIVING COMMUNITIES
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
#NAME?	\$ (26,616,847)	\$ 1,841,082	\$ (24,775,765)
Excess of Revenues Over Expenses	2,095,282	-	2,095,282
Contributions	-	467,251	467,251
Interest Income	-	43,942	43,942
Net Assets Released from Restrictions	-	(304,790)	(304,790)
Change in Net Assets	<u>2,095,282</u>	<u>206,403</u>	<u>2,301,685</u>
#NAME?	(24,521,565)	2,047,485	(22,474,080)
Excess of Revenues Over Expenses	2,666,917	-	2,666,917
Contributions	-	385,434	385,434
Interest Income	-	64,722	64,722
Net Assets Released from Restrictions	-	(324,923)	(324,923)
Change in Net Assets	<u>2,666,917</u>	<u>125,233</u>	<u>2,792,150</u>
NET ASSETS - DECEMBER 31, 2024	<u><u>\$ (21,854,648)</u></u>	<u><u>\$ 2,172,718</u></u>	<u><u>\$ (19,681,930)</u></u>

See accompanying Notes to Consolidated Financial Statements.

CHRISTIAN LIVING COMMUNITIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 2,792,150	\$ 2,301,685
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation and Amortization	9,387,746	9,080,746
Interest Expense - Amortization on Deferring Financing Costs	195,728	195,728
Loss on Disposal of Property and Equipment	60,554	-
Amortization on Bond Premium, Net	(694,871)	(694,873)
Amortization of Advance Fees	(2,169,120)	(1,513,727)
Provision for Credit Losses	494,574	340,762
Realized Gains on Investments	(925,084)	(816,850)
Unrealized Gains on Investments	(1,043,894)	(2,330,423)
Loss on Investment in Joint Venture	14,021	72,565
Noncash Lease Expense	688,564	711,377
(Increase) Decrease in:		
Resident Accounts Receivable	(20,620)	(272,713)
Other Receivables	1,022,806	60,488
Prepaid Expenses and Supply Inventories	762,551	(1,130,181)
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	(1,956,114)	728,389
Operating Lease Liabilities	(654,710)	(665,730)
Deposits from Residents	383,068	(90,922)
Net Cash Provided by Operating Activities	<u>8,337,349</u>	<u>5,976,321</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(1,336,217)	(9,386,752)
Proceeds from Sale of Investments	452,381	9,124,446
Purchase of Property and Equipment	(9,138,045)	(11,551,886)
Investment in Joint Venture	(159,619)	-
Proceeds from Return of Investment in Affiliate	566,000	242,762
Investment in Joint Venture	-	(33,655)
Net Change in Assets Limited as to Use	<u>2,084,693</u>	<u>3,992,126</u>
Net Cash Used by Investing Activities	<u>(7,530,807)</u>	<u>(7,612,959)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Long-Term Debt	(4,392,195)	(4,207,489)
Proceeds from Entrance Fees, Net of Refunds	<u>6,825,410</u>	<u>9,605,862</u>
Net Cash Provided by Financing Activities	<u>2,433,215</u>	<u>5,398,373</u>
NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	3,239,757	3,761,735
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	<u>16,451,234</u>	<u>12,689,499</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH -		
END OF YEAR	<u><u>\$ 19,690,991</u></u>	<u><u>\$ 16,451,234</u></u>

See accompanying Notes to Consolidated Financial Statements.

CHRISTIAN LIVING COMMUNITIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH TO THE CONSOLIDATED BALANCE SHEETS		
Cash and Cash Equivalents	\$ 19,578,752	\$ 16,351,168
Resident Funds and Deposits	<u>112,239</u>	<u>100,066</u>
Total Cash, Cash Equivalents, and Restricted Cash	<u><u>\$ 19,690,991</u></u>	<u><u>\$ 16,451,234</u></u>
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid on Long-Term Debt	<u><u>\$ 6,142,103</u></u>	<u><u>\$ 6,330,678</u></u>
 SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Property and Equipment Included in Accounts Payable	<u><u>\$ 94,010</u></u>	<u><u>\$ 292,276</u></u>

See accompanying Notes to Consolidated Financial Statements.

CHRISTIAN LIVING COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The mission of Christian Living Communities is: Christian Living Communities ministers to senior adults through a continuum of services and care that reflects Christian love, respect, and compassion, and that enriches the quality and dignity of life for each individual.

The consolidated financial statements of Christian Living Communities include the following controlled entities and divisions:

Controlled Entities:

- Christian Living Neighborhoods (CLN)
- Christian Living Services dba: Cappella Living Solutions (CLS)
- CLC Dayspring Villa, LLC
- Cappella Pueblo West, LLC
- Cappella Grand Junction, LLC
- Rhythms Home Care, LLC (Rhythms)
- CLC Eagle Pointe Holding, LLC

Divisions of Christian Living Neighborhoods include:

- Management
- Someren Glen
- Clermont Park
- Holly Creek
- Adult Day Services
- Donor Relations

The services and activities of the various entities and divisions are as follows:

- Management provides administrative services for the other entities.
- Someren Glen provides housing, health care, and other related services to residents.
- Clermont Park and Holly Creek are a continuing care retirement communities that provide housing, health care, and other related services to residents.
- Someren Glen and Clermont Park provide adult day services.
- CLS provides management and consulting services on a contract basis for owner/operators of other senior communities.
- CLC Dayspring Villa, LLC provides assisted living services to senior adults.
- Cappella Pueblo West, LLC provides assisted living services to senior adults.
- Cappella Grand Junction, LLC provides assisted living services to senior adults.

CHRISTIAN LIVING COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nature of Operations (Continued)

- Donor relations solicits and receives charitable contributions for the purpose of enhancing the mission, ministry, and the financial viability of Christian Living Communities.
- Rhythms provides homecare services to senior adults.
- CLC Eagle Point Holding, Inc. owns the home office for Christian Living Communities and leases space to outside entities.

During 2024 and 2023, upon the approval of the Communities' Board of Directors, Christian Living Neighborhoods transferred approximately \$1,600,000 and \$3,162,000 respectively, to Christian Living Communities. The purpose of the transfers were to capitalize the Christian Living Communities and provide funds for growth opportunities. The transfers are eliminated in the consolidation of the financial statements.

The Obligated Group for the outstanding tax-exempt bonds payable consists of Christian Living Neighborhoods.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Christian Living Communities, Christian Living Neighborhoods, CLC Dayspring Villa LLC, Christian Living Services dba: Cappella Living Solutions, Rhythms Home Care, LLC, Cappella Pueblo West, LLC, Cappella Grand Junction, LLC, and CLC Eagle Point Holding, LLC (the Organization). Intercompany accounts and transactions have been eliminated in consolidation.

Tax Status

Christian Living Communities and Christian Living Neighborhoods are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision for state law. However, the Christian Living Communities and Christian Living Neighborhoods are subject to federal income tax on any unrelated business taxable income. These three organizations are not aware of any activities that would jeopardize their tax-exempt status. Christian Living Communities is the sole member of CLC Dayspring Villa LLC, Rhythms Home Care, LLC, Cappella Grand Junction, LLC, and CLC Eagle Point Holding, LLC, which are considered a disregarded entities for income tax purposes.

CLS is a C corporation for federal income tax purposes. The provision for income taxes is based on amounts currently payable and those deferred because of temporary differences between the consolidated financial statements and the tax basis of assets and liabilities. Any income tax provision is included in other expenses on the consolidated statements of operations. CLS is the sole member of Cappella Pueblo West, LLC, which is considered a disregarded entity for income tax purposes.

CHRISTIAN LIVING COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

Net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Include net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. At times, the governing board can designate, from net assets without donor restrictions, net assets for a board-designated endowment or other purposes. At December 31, 2024 and 2023, the governing board has designated net assets of \$193,049. These funds consist of a board-designated endowment to support operations and amounts set aside for resident care.

Net Assets With Donor Restrictions – Include 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. At December 31, 2024 and 2023, the Organization held donor-imposed restrictions that were both temporary and perpetual in nature. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource has been fulfilled, or both.

Use of Estimates

The preparation of financial statements in conformity with auditing standards 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 disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all money market accounts and certificates of deposit with original maturity dates of three months or less to be cash equivalents. Certificates of deposit are stated at cost, which approximates market value. The Organization deposits its temporary cash investments in financial institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation insurance limit.

Resident Accounts Receivable

The Organization reports resident accounts receivable for services rendered at the estimated transaction price due from third-party payors, residents, and others. An allowance for credit losses is provided based upon the review of outstanding receivables, historical collection information, and existing and future economic conditions. As a service to the resident, the Organization bills third-party payors directly and bills the resident when the resident's liability is determined. Resident accounts receivable are due in full when billed. Accounts are considered delinquent and subsequently written off as credit losses based on individual credit evaluation and specific circumstances of the account.

CHRISTIAN LIVING COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident Accounts Receivable (Continued)

Management believes the composition of receivables at year-end is consistent with historical conditions as credit terms and practices and the customer base has not changed significantly. As of December 31, 2024 and 2023, the allowance for credit losses was approximately \$345,000 and \$364,000, respectively.

	2024	2023
Allowance for Credit Losses		
Balance, Beginning of Year	\$ 364,170	\$ 219,424
Provision for Credit Losses	494,574	340,762
Amounts Written Off	(513,622)	(196,016)
Balance, End of Year	<u>\$ 345,122</u>	<u>\$ 364,170</u>

Assets Limited as to Use

Assets limited as to use includes assets held by trustees, assets that are to be used by the residents of the Organization, board-designated funds, security, and other deposits being held for residents, and assets limited as to use by donors. Amounts required to meet current liabilities of the Organization are included in current assets.

Supply Inventories

Supply inventories are stated at the lower of cost or net realizable value, determined using the first-in, first-out method.

Investments and Investment Income

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets. The Organization classifies their investments as trading securities and accordingly investment income or loss (including realized and unrealized gains and losses on investments, interest, dividends, and fees) is included in excess of revenues over expenses unless the income or loss is restricted by donor or law.

Property and Equipment

Property and equipment are recorded at cost and depreciated over their estimated useful lives by the straight-line method of depreciation. Assets under finance leases, if any, and leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives. Assets are depreciated over their estimated useful lives, which range from 5 to 40 years for buildings and leasehold improvements and 3 to 15 years for furniture, equipment, and vehicles. The Organization capitalizes fixed assets with a cost greater than \$1,500 and a useful life greater than one year.

**CHRISTIAN LIVING COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)

Gifts of long-lived assets such as land, buildings, or equipment are reported as additions to net assets without donor restrictions, and are excluded from excess of revenues over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when donated or when acquired long-lived assets are placed in service.

Construction in Progress

Construction in progress as of December 31, 2024 is primarily related to master planning, remodeling, and information technology upgrades for Someren Glen, and renovations and information technology upgrades at Holly Creek and Clermont Park. The Someren Glen master planning project is expected to cost \$68,000,000. The project is expected to be completed in July of 2029 and to be funded through an anticipated debt financing and internal funds. The Someren Glen remodeling and information technology costs are being funded internally and are expected to be completed in the Spring of 2025 at a total cost of approximately \$165,000. The Holly Creek renovations and information technology upgrades are being funded internally and are expected to be completed in the Spring of 2025 at a total cost of approximately \$1,400,000. The Clermont Park renovations and information technology upgrades are expected to be completed in late 2025 at a cost of approximately \$1,100,000.

Deferred Financing Costs

Total financing costs of \$4,305,898 are shown net of accumulated amortization of \$1,193,903 and \$998,175 as of December 31, 2024 and 2023, respectively. The deferred financing costs are being amortized using the effective interest method. Amortization expense for the years ended December 31, 2024 and 2023 was \$195,728.

Investment in Joint Venture

The investment in joint venture is accounted for using the equity method of accounting. Under the equity method the Organization recognizes the original investment in the joint venture adjusted by the Organization's percentage of the joint ventures profit or loss and any contributions and distributions.

Goodwill

Goodwill relates to the acquisitions of Rhythms and Cappella Grand Junction, LLC by the Organization and represents the excess of the purchase price of the acquired business over the fair value of the assets acquired and liabilities assumed. Goodwill is not amortized, but instead tested for impairment at least annually. Measurement of goodwill impairment is based on the excess of the carrying value, including goodwill, over the fair value. The Organization has not determined there to be any goodwill impairment for Rhythms as of December 31, 2024 and 2023.

CHRISTIAN LIVING COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits from Residents

Deposits from residents represent amounts received from prospective residents who either are holding signed agreements reserving a particular apartment or waiting for a specific type of apartment to become available. These deposits are recorded under the deposit method until the applicant signs a residency agreement and moves into the facility.

Deferred Revenue from Advance Fees

At Holly Creek Retirement Community and Clermont Park Retirement Community, fees paid by a resident upon entering into a resident contract, net of the portion thereof that is refundable, are recorded as deferred revenue and are amortized to income using the straight-line method over the life expectancy of the resident. The period of amortization is adjusted annually based on the actuarially determined remaining life expectancy of each individual resident or on the joint and last survivor life expectancy of each pair of residents occupying the same unit. The Organization relies upon an external actuary to calculate and track the entrance fees.

In consideration for an entrance fee and, thereafter, monthly service fees, the Organization provides individuals with a residence for the remainder of their lives. The original resident contract provided for a 90% refundable entrance fee upon death or move-out from the Independent Living Unit, after the first 10 months of residency. The contract offered a refund benefit that declined at 1% per month, but not to exceed 90% of the original entry fee. This refund was offered upon the earlier of (a) re-occupancy of the unit or (b) 180 days after the unit was vacated, whichever came first.

The contract was revised for all new residents, effective January 1, 2010. This revision changed the terms of the 90% refundable entrance fee upon death or move-out from Holly Creek, which defers refunding when the resident moves to a higher level of care. The contracts are refundable upon the earlier of re-occupancy of the unit or 180 days; unless upon death which it is refundable upon re-occupancy. Entrance fees are not refundable until a resident leaves their highest level of care at the Organization.

Clermont Park opened in February 2013 and residents were offered two contract options. The contract included a 50% or 90% refundable entrance fee option. The remaining terms of these contracts are consistent with the revised contract previously mentioned.

Should residents need to temporarily or permanently relocate to a higher level of care, they shall receive a discounted rate at Holly Creek, Clermont Park, or an alternative Christian Living Neighborhoods facility. The first 10 days at any higher level of care are free to Holly Creek and Clermont Park residents.

In the event of death or move-out after the above time period, the unamortized balance of the nonrefundable entrance fee is recognized as income. The estimated liability for refundable entrance fees is recorded based upon the Organization's experience of refunding such fees.

CHRISTIAN LIVING COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue from Advance Fees (Continued)

Future revenues are dependent on various actuarial assumptions, occupancy rates, and other matters that are subject to change.

The state of Colorado requires that the Organization refund the residents refundable fees within 180 days of termination of the agreement and not just on re-occupancy of the unit. When a refund is due to a resident's estate and the unit has been re-occupied within 180 days, the Organization will refund the balance owed to the estate in less than 180 days.

Management has estimated a current portion of the amount of the remaining refundable balances as of December 31, 2024 and 2023 to be \$10,146,000 and \$10,099,000, respectively, based on the average refunds payable over prior years. This estimate includes actual refunds subsequent to year-end.

Obligation to Provide Future Services

The Organization has calculated the present value of the net cost of future services and use of facilities to be provided to current residents and compared that amount with the balance of deferred revenue from advance fees. If the present value of the net cost of future services and use of facilities exceeds the deferred revenue from advance fees, a liability is recorded (obligation to provide future service) with the corresponding charge to income. The obligation is discounted at 5.5% as of December 31, 2024 and 2023. The Organization's calculation indicated no liability needed to be recorded as of December 31, 2024 and 2023.

Advertising Expenses

Advertising expenses approximated \$496,000 and \$522,000 for the years ended December 31, 2024 and 2023, respectively. Advertising costs are expensed when incurred.

Expense Allocations

The costs of providing various programs have been summarized on a functional basis in the consolidated statements of functional expenses. Whenever feasible, expenses are charged directly to the appropriate program. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs are allocated using statistics (i.e. number of employees, square footage, etc.) that are related to the expenses incurred.

Excess of Revenues over Expenses

The consolidated statements of operations includes excess of revenues over expenses. Changes in net assets without donor restrictions which are excluded from excess of revenues over expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which, by donor restriction, were to be used for the purposes of acquiring such assets) and transfers of net assets.

Charity Care

Christian Living Communities strives to enhance life of seniors through offering high quality care and support through their retirement living communities and facilities. The Organization provides services to residents and the community regardless of their ability to pay for those services.

**CHRISTIAN LIVING COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Charity Care (Continued)

The Organization defines and measures this “investment in” and “partnership with” the community primarily through its benevolent care and community benefits programs. The Organization provides care to residents and clients who meet certain criteria under its financial assistance policy without charge. The key element used to determine eligibility is assessing the residents need based on a review of their assets and their monthly revenues and expenses. Because the Organization does not pursue collection of amounts determined to qualify for financial assistance, they are not reported as revenue.

The Organization has estimated its direct and indirect costs of providing charity care under its financial assistance policy. In order to estimate the cost of providing such care, management has used actual costs and operational projections. Using this methodology, the Organization has estimated the costs foregone for services and supplies furnished under the Organization’s financial assistance policy aggregated approximately \$1,147,000 and \$1,213,000 for the years ended December 31, 2024 and 2023, respectively.

The Organization receives donations under its benevolent care program and other fundraising efforts. For the years ended December 31, 2024 and 2023, the Organization received donations of approximately \$619,000 and \$868,000, respectively.

Uncompensated Balances

The Organization provided care to residents under the Medicaid program for which the costs to provide such care exceeds reimbursement. The Organization funds this difference through its operations. The shortfall associated for care provided under this program for the years ended December 31, 2024 and 2023 was approximately \$808,000 and \$862,000, respectively.

Fair Value of Financial Instruments

Fair value measurement applies to reported balances that are required or permitted to be measured at fair value under an existing accounting standard. The Organization emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

CHRISTIAN LIVING COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments (Continued)

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Additionally, from time to time, the Organization may be required to record at fair value other assets on a nonrecurring basis in accordance with accounting principles generally accepted in the United States of America. These adjustments to fair value usually result from the application of the lower-of-cost-or-market accounting or write-down of individual assets.

The Organization also adopted the policy of valuing certain financial instruments at fair value. This accounting policy allows entities the irrevocable option to elect fair value for the initial and subsequent measurement for certain financial assets and liabilities on an instrument-by-instrument basis. The Organization has not elected to measure any existing financial instruments at fair value, however, may elect to measure newly acquired financial instruments at fair value.

Subsequent Events

In preparing these consolidated financial statements, the Organization has considered events and transactions that have occurred through May 17, 2025, the date the consolidated financial statements were available for issuance.

NOTE 2 LIQUIDITY AND AVAILABILITY

The following table represents financial assets available for general expenditures within one year on December 31:

	2024	2023
Cash and Cash Equivalents	\$ 19,578,752	\$ 16,351,168
Short-Term Investments	5,695,536	4,808,724
Resident Accounts Receivable	2,332,309	2,797,617
Other Receivables	779,539	866,931
Total	<u>\$ 28,386,136</u>	<u>\$ 24,824,440</u>

The Organization has certain donor-restricted assets limited as to use which are available for general expenditure within one year in the normal course of operations. Accordingly, the assets have been included in the qualitative information above for financial assets to meet general expenditures within one year.

As part of the Organization's liquidity management plan, cash in excess of daily requirements are invested in short-term and long-term investments.

CHRISTIAN LIVING COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 3 INTANGIBLE ASSETS

Intangible assets consisted of the following at December 31:

	2024		
	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Referral Relationships	<u>\$ 920,000</u>	<u>\$ (636,333)</u>	<u>\$ 283,667</u>
	2023		
	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Referral Relationships	<u>\$ 920,000</u>	<u>\$ (544,333)</u>	<u>\$ 375,667</u>

Total intangible assets amortization expense for the years ended December 31, 2024 and 2023 was \$92,000, and is included in depreciation and amortization expense on the consolidated statements of operations.

The future amortization of intangible assets as of December 31, 2024 is as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ 92,000
2026	92,000
2027	92,000
2028	7,667
Total	<u>\$ 283,667</u>

NOTE 4 INVESTMENTS AND ASSETS LIMITED AS TO USE

Investments

Investments at December 31 are carried at market value as follows:

	2024	2023
Cash and Cash Equivalents	\$ 2,368,996	\$ 1,494,531
Certificates of Deposit	3,326,540	3,314,193
Total Short-Term Investments	<u>\$ 5,695,536</u>	<u>\$ 4,808,724</u>
Equity Securities	\$ 2,060,672	\$ 1,970,784
Equity Funds	20,007,181	17,016,493
Fixed Income Funds	9,633,204	12,303,988
U.S. Treasury Obligations	1,499,894	2,677,988
Corporate Bonds	2,892,079	496,023
Total Investments	<u>\$ 36,093,030</u>	<u>\$ 34,465,276</u>

CHRISTIAN LIVING COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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

Assets Limited as to Use

Assets limited as to use at December 31 are carried at market value as follows:

	2024	2023
Held by Trustee Under Indenture Agreement:		
U.S. Treasury Obligations	\$ 6,284,728	\$ 5,658,162
U.S. Government Securities	1,565,699	1,709,851
U.S. Government Money Funds	9,108,987	8,691,511
Corporate Bonds	4,706,874	7,556,234
Interest Receivable	106,726	110,226
Subtotal	21,773,014	23,725,984
Resident Funds and Deposits:		
Cash	112,239	100,066
457 Plan Assets:		
Mutual Funds	762,281	648,302
Endowment Fund:		
Cash	125,885	158,268
Equity Funds	1,387,897	1,262,968
Subtotal	1,513,782	1,421,236
Total Assets Limited as to Use	24,161,316	25,895,588
Less: Current Portion	(6,963,548)	(6,852,750)
Assets Limited as to Use, Net of Current Portion	<u>\$ 17,197,768</u>	<u>\$ 19,042,838</u>

Investment Income

Investment income and gains for cash and cash equivalents, assets limited as to use, and investments are comprised of the following for the years ended December 31:

	2024	2023
Interest Income, Net of Investment Fees	\$ 2,147,374	\$ 1,826,069
Realized Gains on Investments	925,084	816,850
Unrealized Gains on Investments	1,043,894	2,330,423
Total Investment Income	<u>\$ 4,116,352</u>	<u>\$ 4,973,342</u>

NOTE 5 INVESTMENT IN AFFILIATES

The Organization's investment in affiliates balance consists of the following at December 31:

	2024	2023
Investment in Caring Communities	<u>\$ 199,226</u>	<u>\$ 199,226</u>

CHRISTIAN LIVING COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 5 INVESTMENT IN AFFILIATES (CONTINUED)

Caring Communities

On January 1, 2017, the Organization entered into a claims-made policy for professional liability through Caring Communities, a Reciprocal Risk Retention Group (Caring Communities) domiciled in the District of Columbia, USA, which provides professional liability, general liability, employee benefits liability, and excess employer's liability insurance to its members. The Organization was required to make capital contributions totaling \$-0- during 2024 and 2023. The capital contributions are recorded as an investment using the cost method on the consolidated balance sheets. Investments recorded at cost are assessed for impairment each year.

The Organization also pays annual amounts to Caring Communities for their professional liability insurance coverage. The policy calls for a \$-0- deductible per occurrence and liability limits of \$1,000,000 per occurrence and \$3,000,000 in the aggregate. Depending on loss history and adequacy of capital, Caring Communities may, but is not obligated, to return a portion of premiums paid. Conversely, the Organization may be called upon to contribute additional funds to maintain adequate capital in Caring Communities.

NOTE 6 INVESTMENT IN JOINT VENTURE

In December 2019, the Organization became a 25% owner-member of the Perennial Consortium, LLC (Perennial). The primary purpose of Perennial is to develop provider-owned institutional-based Medicare Advantage special needs plans in Colorado and Ohio. Perennial has three other unrelated 25% owners including Ally Align Health, a for-profit company primarily responsible for guiding the development, marketing, and all other third-party administration responsibilities required to operate a Medicare Advantage special needs plan. Certain prescribed funding commitments from all owners were established in the operating agreement. In 2024, the Organization sold its 25% interest in the Perennial Consortium for \$566,000. As part of the sale the Organization recognized a gain of \$57,585 that is included in loss on investment in joint venture on the consolidated statements of operations. The Organization still retains its ownership stake of 39% of Perennial Advantage of Colorado.

Perennial Advantage of Colorado and Ohio began covering members lives on January 1, 2021. Total capital contributions to Perennial and Perennial Advantage of Colorado as of December 31, 2024 and 2023 totaled \$1,407,997 and \$1,832,856, respectively. During fiscal years 2024 and 2023, the Organization recognized its share of the Perennial and Perennial Advantage of Colorado losses from operations in the amount of \$14,021 and \$72,565, respectively. There were no distributions received by the Organization from Perennial and Perennial Advantage of Colorado during 2024 and 2023.

CHRISTIAN LIVING COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 7 LONG-TERM DEBT

At December 31, long-term debt consisted of the following:

	2024	2023
Bonds Payable, Series 2021	\$ 31,210,000	\$ 31,870,000
Bonds Payable, Series 2019	20,925,000	22,265,000
Bonds Payable, Series 2019 (Grand Junction)	21,495,000	21,495,000
Bonds Payable, Series 2016	52,165,000	54,420,000
Mortgage Payable	3,739,463	3,850,781
Total Long-Term Debt	129,534,463	133,900,781
 Add: Unamortized Premium on Series 2021 Bonds	 2,760,521	 2,923,218
Add: Unamortized Premium on Series 2019 Bonds	1,967,468	2,119,098
Add: Unamortized Premium on Series 2019 Bonds	313,122	323,610
Add: Unamortized Premium on Series 2016 Bonds	4,298,850	4,694,783
Less: Deferred Financing Costs, Net	(3,111,995)	(3,307,723)
Less: Current Maturities	(26,062,982)	(4,956,318)
Total Long-Term Debt, Less Current Maturities	<u>\$ 109,699,447</u>	<u>\$ 135,697,449</u>

Bonds Payable, Series 2021 (Obligated Group)

On October 1, 2021, the Organization issued tax-exempt revenue refunding and improvement bonds, Series 2021 in the amount of \$32,500,000. The net proceeds of the Series 2021 Bonds were used to refund \$8,085,000 of the Series 2011 Bonds and \$18,375,000 of the Series 2012 Bonds. Proceeds were also used to pay issuance costs, fund a project fund in the amount of \$11,848,452, and fund a common reserve fund for \$597,400, and release cash to the Organization of \$2,524,183. The Series 2021 Bonds have principal payments due in varying amounts through January 1, 2042. Interest is payable semi-annually at 4.00%.

Bonds Payable, Series 2019 (Obligated Group)

On October 1, 2019, the Organization issued tax-exempt revenue refunding and improvement bonds, Series 2019 in the amount of \$25,770,000. The net proceeds of the Series 2019 Bonds were used to refund \$20,635,000 of the Series 2012 Bonds. Proceeds were also used to pay issuance costs, fund a project fund in the amount of \$6,700,000, and fund a reserve fund for the Series 2019 Bonds. The Series 2019 Bonds have principal payments due in varying amounts through January 1, 2038. Interest is payable semi-annually at 4.00 to 5.00%.

CHRISTIAN LIVING COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 7 LONG-TERM DEBT (CONTINUED)

Bonds Payable, Series 2019 (Grand Junction)

On November 1, 2019, Cappella Grand Junction, LLC issued tax-exempt revenue bonds, Series 2019 (Grand Junction) in the amount of \$22,240,000. These bonds are secured under an Indenture of Trust separate from the Christian Living Neighborhoods Obligated Group. The net proceeds of the Series 2019 Bonds (Grand Junction) were used to acquire an assisted living facility in Grand Junction, Colorado. Proceeds were also used to pay issuance costs, fund a working capital fund, and fund a reserve fund for the Series 2019 Bonds (Grand Junction). The Series 2019 Bonds (Grand Junction) have principal payments due in varying amounts through December 1, 2054. Interest is payable semi-annually at 3.625% to 5.00%.

Bonds Payable, Series 2016 (Obligated Group)

On October 1, 2016, the Organization issued tax-exempt revenue refunding bonds, Series 2016 in the amount of \$66,610,000. The net proceeds of the Series 2016 Bonds were used to refund the Series 2006 A Bonds and refund \$16,360,000 of the Series 2011 A Bonds. Proceeds were also used to pay issuance costs and fund a reserve fund for the Series 2016 Bonds. The Series 2016 Bonds have principal payments due in varying amounts through January 1, 2037. Interest is payable semi-annually at 1.25% to 5.00%.

The outstanding bonds, except for the Series 2019 Grand Junction bonds, are secured under the master trust indenture by a deed of trust, the assignment of leases and rents, and the gross revenues of the obligated group.

Mortgage Payable

On April 12, 2018, the Organization entered into a mortgage note payable for \$4,450,000 with a financial institution for the acquisition of land and building. The mortgage note payable bears interest at a fixed rate of 5.25% and matures on April 12, 2028. Principal and interest payments are due monthly in the amount of \$26,478. The mortgage note payable is secured by the property acquired under the mortgage note payable.

Aggregate annual maturities of long-term debt are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>
2025	\$ 26,062,982
2026	4,774,982
2027	4,980,691
2028	8,460,808
2029	5,315,000
Thereafter	79,940,000
Total	<u>\$ 129,534,463</u>

CHRISTIAN LIVING COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 7 LONG-TERM DEBT (CONTINUED)

Restrictive Covenants

The provisions of the debt agreements of the bonds payable for the Christian Living Neighborhoods Obligated Group described above contain various restrictive covenants that limit the occurrence of additional debt and require certain measures of financial performance be satisfied as long as the bonds are outstanding. Management is not aware of any noncompliance with such financial covenants at December 31, 2024.

The provisions of the Cappella Grand Junction, LLC Series 2019 Indenture of Trust described above contain various restrictive covenants that require certain measures of financial performance be satisfied as long as the bonds are outstanding. Cappella Grand Junction, LLC did not meet its debt service coverage or days cash on hand requirements in fiscal years 2024 and 2023 which is an event of default under the Indenture of Trust. Cappella Grand Junction, LLC entered into a forbearance agreement which grants forbearance through the earlier of November 7, 2025, or an event of termination. The forbearance is subject to certain terms and conditions set forth in the agreement. As a result of the forbearance agreement expiring in fiscal year 2025 and Cappella Grand Junction projecting to not meet the original covenants upon expiration of the forbearance agreement the Cappella Grand Junction outstanding debt has been shown in current liabilities in the consolidated balance sheets. Management plans on negotiating a new forbearance agreement with bondholders prior to expiration of the agreement.

The provisions of the mortgage payable described above requires certain measures of financial performance be satisfied as long as the mortgage payable is outstanding. Management is not aware of any noncompliance with such financial covenants at December 31, 2024.

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

At December 31, the Organization had net assets with donor restrictions for the following purposes:

	2024	2023
Subject to Expenditure for Specific Purpose:		
Benevolent Care	\$ 1,023,250	\$ 1,082,083
Scholarships	57,370	76,754
Other Resident Needs	401,824	198,374
Total	<u>1,482,444</u>	<u>1,357,211</u>
Not Subject to Appropriation or Expenditure:		
Operating Endowment	<u>690,274</u>	<u>690,274</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 2,172,718</u></u>	<u><u>\$ 2,047,485</u></u>

CHRISTIAN LIVING COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

The Organization's endowment consists of funds not subject to appropriation or expenditure that were established to support the operations of the Organization. The endowment consists of donor-restricted endowment funds. As required by accounting principles generally accepted in the United States, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Organization is subject to the Colorado Uniform Prudent Management of Institutional Funds Act (the Act) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions to be held in perpetuity and requiring the preservation of the fair value of the original gift as of the date of the gift of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets not subject to appropriation or expenditure: (1) the original value of gifts donated to the perpetual endowment, (2) the original value of subsequent gifts to the perpetual endowment, and (3) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets not subject to appropriation or expenditure is classified as net assets subject to expenditure until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed in the Act. In accordance with the Act, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

The following is the changes in endowment net assets for the years ended December 31:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of the Year	\$ 193,049	\$ 690,274	\$ 883,323
Investment Income	-	55,727	55,727
Released from Restrictions	-	(55,727)	(55,727)
Endowment Net Assets - End of the Year	<u>\$ 193,049</u>	<u>\$ 690,274</u>	<u>\$ 883,323</u>

CHRISTIAN LIVING COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Interpretation of Relevant Law (Continued)

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of the Year	\$ 193,049	\$ 690,274	\$ 883,323
Investment Income	-	35,864	35,864
Released from Restrictions	-	(35,864)	(35,864)
Endowment Net Assets - End of the Year	<u>\$ 193,049</u>	<u>\$ 690,274</u>	<u>\$ 883,323</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the Act requires the Organization to retain as a fund of perpetual duration. So-called underwater endowment funds (i.e., donor-restricted endowment funds for which the fair value of the fund is less than either the original gift amount or the amount required to be maintained by the donor or law) the aggregate amount by which funds are underwater, to be classified as part of net assets with donor restrictions. As of December 31, 2024 and 2023, there were no deficiencies reported in net assets without donor restrictions.

Return Objectives and Risk Parameters

The Organization has adopted an investment policy for their investment funds, including the permanent endowments that attempt to provide a balance of maintenance of adequate cash reserves, preservation of principal for funds designated as cash reserves, and growth of remaining assets within reasonable and prudent levels of risk. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results that provide a total return, growth in income, and a predictive and dependable source of income.

Strategies Employed for Achieving Results

To satisfy its capital appreciation and expected results, the Organization 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 Organization targets a diversified asset allocation that places a balance of equity-based investments and fixed income investments to achieve its objectives within the risk constraints.

Spending Policy

The Organization has a policy (the spending policy) of appropriating for expenditure each year the investment return on the endowment funds. In establishing this policy, the Organization considered the long-term expected return on its endowment. This is consistent with the Organization's objective to maintain the purchasing power of endowment assets held in perpetuity or for a specified term.

CHRISTIAN LIVING COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 9 PENSION PLANS

Qualified Plan

The Organization has a 403(b) tax sheltered retirement plan covering substantially all employees. After two years of service, the employer has discretion to make contributions to the plan. The employer typically contributes a set percentage on an eligible employee's contributions. Pension expense was approximately \$294,000 and \$243,000 for the years ended December 31, 2024 and 2023, respectively.

The Organization has a 457(b) deferred compensation plan for eligible members of management. There is no vesting period for the contributions made by the Organization to the plan. The Organization may make contributions to the plan as approved by the board of directors, whereby contributions can be made to the plan but are not to exceed the maximum deferral limit in a traditional 403(b) plan. The Organization typically contributes a set percentage on an eligible employee's contributions. The Organization contributed approximately \$45,000 and \$88,000 for the years ended December 31, 2024 and 2023, respectively.

NOTE 10 SIGNIFICANT CONCENTRATIONS AND CREDIT RISK

The Organization grants credit without collateral to its residents. The mix of accounts receivable from residents and third-party payors at December 31 was:

	2024	2023
Medicare	15 %	11 %
Medicaid	26	22
Private Pay	31	43
Other Third-Party Payors	28	24
Total	100 %	100 %

NOTE 11 RESIDENT AND CLIENT SERVICES REVENUE

Resident and Client Services Revenue

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

CHRISTIAN LIVING COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 11 RESIDENT AND CLIENT SERVICES REVENUE (CONTINUED)

Resident and Client Services Revenue (Continued)

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Organization believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to residents in the facility receiving skilled nursing services or housing residents receiving services in the facility. The Organization considers daily services provided to residents of the skilled nursing facility, and monthly rental for housing services as a separate performance obligation and measures this on a monthly basis, or upon move-out within the month, whichever is shorter. Nonrefundable entrance fees are considered to contain a material right associated with access to future services, which is the related performance obligation. Revenue from nonrefundable entrance fees is recognized ratably in future periods covering a resident's life expectancy using a time-based measurement.

The opening and closing contract balances were as follows:

	Resident Receivables
Balance as of January 1, 2023	\$ 2,880,265
Balance as of December 31, 2023	2,797,617
Balance as of December 31, 2024	2,332,309
	Deferred Revenue from Advance Fees
Balance as of January 1, 2023	\$ 10,030,812
Balance as of December 31, 2023	11,931,707
Balance as of December 31, 2024	13,395,649

Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to the residents and customers in a retail setting (for example, gift shop, salon, transportation, and cafeteria meals) and the Organization does not believe it is required to provide additional goods or services related to that sale.

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

CHRISTIAN LIVING COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 11 RESIDENT AND CLIENT SERVICES REVENUE (CONTINUED)

Resident and Client Services Revenue (Continued)

The Organization determines the transaction price based on standard charges for goods and services provided, reduced by explicit price concessions provided to third-party payors, discounts provided to uninsured patients in accordance with the Organization's policy and/or implicit price concessions provided to residents. The Organization determines its estimates of explicit price concessions based on contractual agreements, its policies, and historical experience. The Organization determines its estimate of implicit price concessions based on its historical collection experience.

The Organization recognizes the majority of its revenues over a period of time from its payors based on fees for services performed. Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

Medicaid

The skilled nursing facilities participate in the Medicaid program administered by the Colorado Department of Health Care Policy and Financing. The Medicaid rates are established prospectively; based on the facility's annual cost report; subject to limitations for the health care related services; administration is based on a price and the capital component is based on the fair rental allowance system. The direct health care related services component is adjusted quarterly, based on the facility's resident acuity.

Medicare

The licensed nursing facility participates in the Medicare program. This federal program is administered by the Centers for Medicare and Medicaid Services (CMS). The nursing facility is paid under the Medicare Prospective Payment System (PPS) for residents who are Medicare Part A eligible and meet the coverage guidelines for skilled nursing facility services (SNFs). The PPS is a per diem price-based system. Annual cost reports are required to be submitted to the designated Medicare Administrative Contractor; however, they do not contain a cost settlement. On October 1, 2019, the Patient Driven Payment Model (PDPM) reimbursement system became effective. Under PDPM, therapy minutes are removed as the primary basis for payment and instead uses the underlying complexity and clinical needs of a patient as a basis for reimbursement. In addition, PDPM introduces variable adjustment factors that change reimbursement rates during the resident's length of stay.

Nursing facilities licensed for participation in the Medicare and Medical Assistance programs are subject to annual licensure renewal. If it is determined that a nursing facility is not in substantial compliance with the requirements of participation, CMS may impose sanctions and penalties during the period of noncompliance. Such a payment ban would have a negative impact on the revenues of the licensed nursing facility.

CHRISTIAN LIVING COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 11 RESIDENT AND CLIENT SERVICES REVENUE (CONTINUED)

Resident and Client Services Revenue (Continued)

Other

Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined daily rates.

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and the Organization's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in an implicit price concession impacting transaction price, were not significant in 2024 or 2023.

Generally, residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Organization estimates the transaction price for residents with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent charges to the estimate of the transaction price are generally recorded as adjustments to resident and client services revenue in the period of the change. Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments were not considered material for the years ended December 31, 2024 and 2023. Subsequent changes that are determined to be the result of an adverse change in the resident's ability to pay are recorded as provision for credit losses.

The Organization has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors: payors, geography, service lines, method of reimbursement, and timing of when revenue is recognized. Tables providing details of these factors are presented below.

The composition of resident services revenue by primary payor for the years ended December 31 is as follows:

	2024	2023
Medicaid	\$ 9,523,645	\$ 9,043,083
Medicare	3,944,002	4,156,500
Managed Care and Other	4,710,976	4,373,505
Private Pay	62,891,070	58,967,429
Total	<u>\$ 81,069,693</u>	<u>\$ 76,540,517</u>

CHRISTIAN LIVING COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 11 RESIDENT AND CLIENT SERVICES REVENUE (CONTINUED)

Resident and Client Services Revenue (Continued)

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

The composition of resident services revenue by service line for the years ended December 31 is as follows:

	2024	2023
Independent Living	\$ 28,859,589	\$ 27,534,339
Assisted Living	22,502,181	20,566,683
Skilled Nursing	27,543,094	26,758,053
Home Care	2,164,829	1,681,442
Total	<u>\$ 81,069,693</u>	<u>\$ 76,540,517</u>

Other Revenue

The Organization's other revenues primarily consist of management fee income and rental income. Management fee income is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing management services. Management fee income is recognized monthly as performance obligations are satisfied. Rental income is primarily monies produced through the leases for the units in CLC Eagle Pointe Holding, Inc. The monthly rent is specified in the tenant's agreement and is generally fixed with periodic changes based on increased inflation or operating costs, or other factors as defined in the lease agreement. The monthly rent is billed at the beginning of the month and entitles the tenant to use the leased space. The Organization recognizes the monthly rent over the month the tenant occupies the leased space.

Financing Component

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

Contract Costs

The Organization has applied the practical expedient provided by FASB ASC 340-40-25-4 and all incremental customer contract acquisition costs are expensed as they are incurred as the amortization period of the asset that the Organization otherwise would have recognized is one year or less in duration.

CHRISTIAN LIVING COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 12 LEASES

The Organization's operating leases primarily consist of real estate for various terms under long-term, noncancelable lease agreements. The Organization determines if an arrangement is a lease at contract inception. Right-of-use assets and operating lease liabilities are recognized based on the present value of the lease payments over the lease term at the commencement date. Because most of the Organization's leases do not provide an implicit rate of return, the Organization uses a risk-free rate based on the daily treasury yield curve at lease commencement in determining the present value of lease payments.

Most leases include one or more options to renew, with renewal terms that can extend the lease term another five years. The exercise of such lease renewal options is at the Organization's sole discretion. For purposes of calculating operating lease liabilities, lease terms include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise the option.

Leases with a lease term of 12 months or less at commencement are not recorded on the consolidated balance sheets. Lease expense for these arrangements is recognized on a straight-line basis over the lease term. The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the separate nonlease component as a single lease component.

Lease expense for lease payments is recognized on a straight-line basis over the lease term. Operating lease expense for the years ended December 31, 2024 and 2023 was approximately \$688,000 and \$706,000, respectively. Lease expense is included in administrative expenses on the consolidated statements of operations. The Organization paid \$677,390 and \$699,118 towards operating leases during 2024 and 2023, respectively.

As of December 31, 2024 and 2023, the weighted average remaining lease term was 9.4 and 10.25 years, respectively, and the weighted average discount rate was 0.45%.

The following table summarizes the maturity of the operating lease liabilities for the next five years and the years thereafter, as of December 31, 2024:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ 689,418
2026	676,353
2027	638,200
2028	650,964
2029	663,983
Thereafter	3,215,515
Total Lease Payments	6,534,433
Less: Imputed Interest	(139,369)
Less: Current Portion	(662,346)
Operating Lease Liabilities, Net of Current Portion	<u>\$ 5,732,718</u>

CHRISTIAN LIVING COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 13 COMMITMENTS AND CONTINGENCIES

Operating Leases – Lessor

Revenue from lease payments is recognized under the accrual method. Lease payments are included in income as rents become due. Lease payment received in advance are deferred until earned. At the commencement of the operating lease, no revenue is recognized; subsequently, lease payments received by the Organization are recognized as income on a straight-line basis.

The Organization is obligated to receive monthly payments ranging from approximately \$5,000 to \$17,000 through various lease expirations through August 2030. A summary of future minimum operating lease receipts under these leases is as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ 352,605
2026	356,506
2027	367,022
2028	251,799
2029	74,847
Thereafter	50,886
Total	<u>\$ 1,453,665</u>

Total rental income for the years ended December 31, 2024 and 2023 was approximately \$326,000 and \$317,000, respectively.

Litigation

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

Medical Malpractice Coverage

The Organization pays fixed premiums for annual professional liability insurance coverage under a claims-made policy. There were no claims outstanding at December 31, 2024 and 2023 and the Organization is not aware of any unasserted claims or unreported incidents that are expected to exceed malpractice insurance coverage limits.

CHRISTIAN LIVING COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 13 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Employee Health Insurance

On January 1, 2020, the Organization became self-funded for health insurance. The Organization's employees and their dependents are eligible to participate in the Organization's employee health insurance plan. The Organization is partially self-insured for health claims of participating employees and dependents up to an annual aggregate amount of \$200,000 per claim. Commercial stop-loss insurance coverage is purchased for claims in excess of the aggregate annual amount. A provision is accrued for self-insured employee health claims including both claims reported and claims incurred but not yet reported. The provision is included in accrued expenses on the consolidated balance sheets. The accrual is estimated based on consideration of prior claims experience, recently settled claims, frequency of claims, and other economic and social factors. It is reasonably possible that the Organization's estimate will change by a material amount in the near term.

Employee Retention Credit

The Employee Retention Credit (ERC) is a refundable tax credit against certain employment taxes equal to 50% of the qualified wages an eligible employer pays to employees after March 12, 2020, and before January 1, 2021. On December 27, 2020, the Consolidated Appropriations Act (CAA) was signed into law. Among other provisions, the CAA expanded the eligibility for ERC to include more entities as well as extending ERC into calendar year 2021 including the first, second and third calendar quarters. Furthermore, the refundable tax credit for the calendar year 2021 was expanded to 70% of the qualified wages. CAA provided these entities the ability to retroactively recover payroll taxes from earlier in 2020 during which they were previously ineligible. This is done by retroactively applying for the credit.

Employers, including tax-exempt organizations, are eligible for the credit if they operate a trade or business during calendar year 2020 and 2021 and experience either the full or partial suspension of the operation of their trade or business during any calendar quarter due to a significant decline in gross receipts or because of governmental orders limiting commerce, travel, or group meetings due to COVID-19. The credit applies to qualified wages (including certain health plan expenses) paid during this period or any calendar quarter in which eligibility requirements were met.

Grants from the government are recognized when all conditions of such grants are fulfilled or there is reasonable assurance that they will be fulfilled. In January 2024, the Organization determined it met the compliance requirements and conditions of the Employee Retention Credit (ERC) program for the quarter ended March 31, 2023 and submitted for the ERC credit. The Organization is expecting to receive approximately \$3,980,000. The Organization has yet to recognize the ERC credit. While the Organization believes it has met the eligibility requirements of this credit it has allowed for the outstanding credit due to the additional scrutiny being put on federal expenditures by the new administration that took office in January 2025.

There is a possibility that upon subsequent review the Internal Revenue Service (IRS) could reach a different conclusion regarding the Organization's eligibility to retain the ERC credits received. That could result in repayment of the credits, interest, and potential penalties. The amount of liability, if any, from potential ineligibility cannot be determined with certainty.

CHRISTIAN LIVING COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 14 FAIR VALUE MEASUREMENTS

The Organization uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. For additional information on how the Organization measures fair value, refer to Note 1 – Summary of Significant Accounting Policies.

The following methods were used to estimate the fair value of all other financial instruments recognized in the accompanying consolidated balance sheets at amounts other than fair value.

Assets Limited as to Use and Investments

The fair values of the investments and assets limited as to use are estimated based on quoted market prices for those or similar investments.

The following tables present the fair value hierarchy for the balances of the assets of the Organization measured at fair value on a recurring basis as of December 31:

2024				
<u>Assets</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Equity Securities	\$ 2,060,672	\$ 2,060,672	\$ -	\$ -
Equity Funds	20,007,181	20,007,181	-	-
Fixed Income Funds	9,633,204	9,633,204	-	-
U.S. Treasury Obligations	1,499,894	1,499,894	-	-
Corporate Bonds	2,892,079	-	2,892,079	-
Assets Limited as to Use:				
U.S. Treasury Obligations	6,284,728	6,284,728	-	-
U.S. Government Securities	1,565,699	1,565,699	-	-
Corporate Bonds	4,706,874	-	4,706,874	-
Mutual Funds	762,281	762,281	-	-
Equity Funds	1,387,897	1,387,897	-	-
Total	<u>\$ 50,800,509</u>	<u>\$ 43,201,556</u>	<u>\$ 7,598,953</u>	<u>\$ -</u>

2023				
<u>Assets</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Equity Securities	\$ 1,970,784	\$ 1,970,784	\$ -	\$ -
Equity Funds	17,016,493	17,016,493	-	-
Fixed Income Funds	12,303,988	12,303,988	-	-
U.S. Treasury Obligations	2,677,988	2,677,988	-	-
Corporate Bonds	496,023	-	496,023	-
Assets Limited as to Use:				
U.S. Treasury Obligations	5,658,162	5,658,162	-	-
U.S. Government Securities	1,709,851	1,709,851	-	-
Corporate Bonds	7,556,234	-	7,556,234	-
Mutual Funds	648,302	648,302	-	-
Equity Funds	1,262,968	1,262,968	-	-
Total	<u>\$ 51,300,793</u>	<u>\$ 43,248,536</u>	<u>\$ 8,052,257</u>	<u>\$ -</u>

CHRISTIAN LIVING COMMUNITIES
CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT SECTION ON SUPPLEMENTARY INFORMATION)

	Consolidated Obligated Group Total	Christian Living Communities	Cappella Living Solutions	CLC Dayspring Villa, LLC	Cappella Pueblo West, LLC	Cappella Grand Junction, LLC	Rhythms Home Care, LLC	CLC Eagle Pointe Holding, LLC	Subtotal	Eliminations	Consolidated Total
ASSETS											
CURRENT ASSETS											
Cash and Cash Equivalents	\$ 16,328,296	\$ 2,103,737	\$ 82,357	\$ 69,265	\$ 8,811	\$ 102,930	\$ 38,792	\$ 844,564	\$ 19,578,752	\$ -	\$ 19,578,752
Short-Term Investments	5,695,536	-	-	-	-	-	-	-	5,695,536	-	5,695,536
Current Portion of Assets Limited as to Use	6,963,548	-	-	-	-	-	-	-	6,963,548	-	6,963,548
Resident Accounts Receivable	1,773,629	-	-	203,204	102,177	3,212	250,087	-	2,332,309	-	2,332,309
Other Receivables	2,422,012	3,572,080	378,135	4,248	251	25,094	1,000	1	6,402,821	(5,623,282)	779,539
Supply Inventories	204,168	-	-	7,302	5,422	12,183	-	-	229,075	-	229,075
Intercompany	6,506,851	-	-	-	-	-	-	-	6,506,851	(6,506,851)	-
Prepaid Expenses	313,257	732,497	263	18,313	336,818	252,399	2,027	128,897	1,784,471	-	1,784,471
Total Current Assets	40,207,297	6,408,314	460,755	302,332	453,479	395,818	291,906	973,462	49,493,363	(12,130,133)	37,363,230
ASSETS LIMITED AS TO USE											
Held By Trustee Under Indenture Agreement	20,760,148	-	-	-	-	1,012,866	-	-	21,773,014	-	21,773,014
Resident Funds and Deposits	112,239	-	-	-	-	-	-	-	112,239	-	112,239
457 Plan Assets	-	762,281	-	-	-	-	-	-	762,281	-	762,281
Endowment Fund	1,513,782	-	-	-	-	-	-	-	1,513,782	-	1,513,782
Less: Current Portion	(6,963,548)	-	-	-	-	-	-	-	(6,963,548)	-	(6,963,548)
Total Assets Limited as to Use, Net of Current Portion	15,422,621	762,281	-	-	-	1,012,866	-	-	17,197,768	-	17,197,768
PROPERTY AND EQUIPMENT											
Land and Land Improvements	7,450,894	-	-	-	-	880,000	-	742,753	9,073,647	-	9,073,647
Building and Leasehold Improvements	219,352,486	2,943,671	-	166,931	148,156	17,391,483	-	4,822,746	244,825,473	-	244,825,473
Furniture, Equipment, and Vehicles	14,864,763	1,508,488	108,477	214,415	84,436	1,048,249	25,971	-	17,854,799	-	17,854,799
Construction in Progress	3,938,276	77,881	-	-	-	-	-	-	4,016,157	-	4,016,157
Total Property and Equipment	245,606,419	4,530,040	108,477	381,346	232,592	19,319,732	25,971	5,565,499	275,770,076	-	275,770,076
Less: Accumulated Depreciation	(107,512,904)	(2,077,183)	(106,178)	(189,760)	(95,000)	(2,689,978)	(24,224)	(1,090,148)	(113,785,375)	-	(113,785,375)
Property and Equipment, Net	138,093,515	2,452,857	2,299	191,586	137,592	16,629,754	1,747	4,475,351	161,984,701	-	161,984,701
OTHER ASSETS											
Right-of-Use Asset Under Operating Lease Agreements	-	-	-	125,806	5,949,254	-	-	-	6,075,060	-	6,075,060
Investments	34,244,890	1,848,140	-	-	-	-	-	-	36,093,030	-	36,093,030
Investment in Affiliates	-	199,226	-	-	-	-	-	-	199,226	-	199,226
Investment in Joint Venture	-	704,915	-	-	-	-	-	-	704,915	-	704,915
Intangible Assets, Net	-	-	-	-	-	-	283,667	-	283,667	-	283,667
Goodwill	-	-	-	-	-	-	968,976	-	968,976	-	968,976
Total Other Assets	34,244,890	2,752,281	-	125,806	5,949,254	-	1,252,643	-	44,324,874	-	44,324,874
Total Assets	<u>\$ 227,968,323</u>	<u>\$ 12,375,733</u>	<u>\$ 463,054</u>	<u>\$ 619,724</u>	<u>\$ 6,540,325</u>	<u>\$ 18,038,438</u>	<u>\$ 1,546,296</u>	<u>\$ 5,448,813</u>	<u>\$ 273,000,706</u>	<u>\$ (12,130,133)</u>	<u>\$ 260,870,573</u>

CHRISTIAN LIVING COMMUNITIES
CONSOLIDATING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT SECTION ON SUPPLEMENTARY INFORMATION)

	Consolidated Obligated Group Total	Christian Living Communities	Cappella Living Solutions	CLC Dayspring Villa, LLC	Cappella Pueblo West, LLC	Cappella Grand Junction, LLC	Rhythms Home Care, LLC	CLC Eagle Pointe Holding, LLC	Subtotal	Eliminations	Consolidated Total
LIABILITIES AND NET ASSETS											
CURRENT LIABILITIES											
Current Maturities of Long-Term Debt	\$ 4,450,000	\$ -	\$ -	\$ -	\$ -	\$ 21,495,000	\$ -	\$ 117,982	\$ 26,062,982	\$ -	\$ 26,062,982
Accounts Payable	119,800	2,611,864	469,686	86,292	648,176	323,464	145,131	24,283	4,428,696	(2,343,292)	2,085,404
Intercompany	44,967	6,429,696	877,659	168,004	186,646	487,347	292,522	-	8,486,841	(8,486,841)	-
Accrued Expenses	1,502,945	1,563,232	10,077	55,694	60,354	74,493	71,353	218,954	3,557,102	-	3,557,102
Accrued Interest	2,401,309	-	-	-	-	86,677	-	7,140	2,495,126	-	2,495,126
Current Portion of Refundable Advance Fees	10,146,000	-	-	-	-	-	-	-	10,146,000	-	10,146,000
Current Portion of Operating Lease Liabilities	-	-	-	75,336	587,010	-	-	-	662,346	-	662,346
Deposits from Residents and Clients	2,454,149	-	-	19,511	10,993	7,162	177,678	23,686	2,693,179	-	2,693,179
Total Current Liabilities	21,119,170	10,604,792	1,357,422	404,837	1,493,179	22,474,143	686,684	392,045	58,532,272	(10,830,133)	47,702,139
LONG-TERM DEBT, LESS CURRENT MATURITIES AND DEFERRED FINANCING COSTS, NET	106,552,865	-	-	-	-	(449,022)	-	3,595,604	109,699,447	-	109,699,447
OTHER LIABILITIES											
Operating Lease Liabilities, Net of Current Portion	-	-	-	50,470	5,682,248	-	-	-	5,732,718	-	5,732,718
Refundable Advance Fees	104,022,550	-	-	-	-	-	-	-	104,022,550	-	104,022,550
Deferred Revenue from Advance Fees	13,395,649	-	-	-	-	-	-	-	13,395,649	-	13,395,649
Liquidity Support	-	-	-	-	-	1,300,000	-	-	1,300,000	(1,300,000)	-
Total Other Liabilities	117,418,199	-	-	50,470	5,682,248	1,300,000	-	-	124,450,917	(1,300,000)	123,150,917
Total Liabilities	245,090,234	10,604,792	1,357,422	455,307	7,175,427	23,325,121	686,684	3,987,649	292,682,636	(12,130,133)	280,552,503
NET ASSETS											
Net Assets Without Donor Restrictions	(17,810,444)	286,756	(894,368)	164,417	(635,102)	(5,286,683)	859,612	1,461,164	(21,854,648)	-	(21,854,648)
Net Assets With Donor Restrictions	688,533	1,484,185	-	-	-	-	-	-	2,172,718	-	2,172,718
Total Net Assets	(17,121,911)	1,770,941	(894,368)	164,417	(635,102)	(5,286,683)	859,612	1,461,164	(19,681,930)	-	(19,681,930)
Total Liabilities and Net Assets	\$ 227,968,323	\$ 12,375,733	\$ 463,054	\$ 619,724	\$ 6,540,325	\$ 18,038,438	\$ 1,546,296	\$ 5,448,813	\$ 273,000,706	\$ (12,130,133)	\$ 260,870,573

CHRISTIAN LIVING COMMUNITIES
CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2023
(SEE INDEPENDENT AUDITORS' REPORT SECTION ON SUPPLEMENTARY INFORMATION)

	Consolidated Obligated Group Total	Christian Living Communities	Cappella Living Solutions	CLC Dayspring Villa, LLC	Cappella Pueblo West, LLC	Cappella Grand Junction, LLC	Rhythms Home Care, LLC	CLC Eagle Pointe Holding, LLC	Subtotal	Eliminations	Consolidated Total
ASSETS											
CURRENT ASSETS											
Cash and Cash Equivalents	\$ 14,003,710	\$ 1,179,621	\$ 126,995	\$ 20,411	\$ 108,176	\$ 81,655	\$ 115,179	\$ 715,421	\$ 16,351,168	\$ -	\$ 16,351,168
Short-Term Investments	4,808,724	-	-	-	-	-	-	-	4,808,724	-	4,808,724
Current Portion of Assets Limited as to Use	6,852,750	-	-	-	-	-	-	-	6,852,750	-	6,852,750
Resident Accounts Receivable	2,188,052	-	-	231,340	64,810	46,925	266,490	-	2,797,617	-	2,797,617
Other Receivables	1,693,951	3,353,592	385,842	248	251	52,140	-	208	5,486,232	(4,619,301)	866,931
Supply Inventories	211,212	-	-	10,613	-	13,517	-	-	235,342	-	235,342
Intercompany	6,021,038	242,291	-	-	-	-	-	-	6,263,329	(6,263,329)	-
Prepaid Expenses	1,401,888	448,716	1,115	(1,489)	339,266	217,600	7,680	125,979	2,540,755	-	2,540,755
Total Current Assets	37,181,325	5,224,220	513,952	261,123	512,503	411,837	389,349	841,608	45,335,917	(10,882,630)	34,453,287
ASSETS LIMITED AS TO USE											
Held By Trustee Under Indenture Agreement	22,955,062	-	-	-	-	770,922	-	-	23,725,984	-	23,725,984
Resident Funds and Deposits	100,066	-	-	-	-	-	-	-	100,066	-	100,066
457 Plan Assets	-	648,302	-	-	-	-	-	-	648,302	-	648,302
Endowment Fund	1,421,236	-	-	-	-	-	-	-	1,421,236	-	1,421,236
Less: Current Portion	(6,852,750)	-	-	-	-	-	-	-	(6,852,750)	-	(6,852,750)
Total Assets Limited as to Use, Net of Current Portion	17,623,614	648,302	-	-	-	770,922	-	-	19,042,838	-	19,042,838
PROPERTY AND EQUIPMENT											
Land and Land Improvements	7,450,894	-	-	-	-	880,000	-	742,753	9,073,647	-	9,073,647
Building and Leasehold Improvements	205,480,930	2,943,671	-	151,334	101,796	17,384,505	-	4,822,746	230,884,982	-	230,884,982
Furniture, Equipment, and Vehicles	14,564,900	1,408,048	108,477	211,556	81,536	1,038,979	25,971	-	17,439,467	-	17,439,467
Construction in Progress	10,017,063	64,058	-	-	-	7,214	-	-	10,088,335	-	10,088,335
Total Property and Equipment	237,513,787	4,415,777	108,477	362,890	183,332	19,310,698	25,971	5,565,499	267,486,431	-	267,486,431
Less: Accumulated Depreciation	(99,931,174)	(1,764,325)	(97,815)	(145,624)	(65,790)	(2,148,128)	(21,303)	(911,050)	(105,085,209)	-	(105,085,209)
Property and Equipment, Net	137,582,613	2,651,452	10,662	217,266	117,542	17,162,570	4,668	4,654,449	162,401,222	-	162,401,222
OTHER ASSETS											
Right-of-Use Asset Under Operating Lease Agreements	-	-	-	200,509	6,555,542	-	7,573	-	6,763,624	-	6,763,624
Investments	32,767,406	1,697,870	-	-	-	-	-	-	34,465,276	-	34,465,276
Investment in Affiliates	-	199,226	-	-	-	-	-	-	199,226	-	199,226
Investment in Joint Venture	-	1,125,317	-	-	-	-	-	-	1,125,317	-	1,125,317
Intangible Assets, Net	-	-	-	-	-	-	375,667	-	375,667	-	375,667
Goodwill	-	-	-	-	-	-	968,976	-	968,976	-	968,976
Total Other Assets	32,767,406	3,022,413	-	200,509	6,555,542	-	1,352,216	-	43,898,086	-	43,898,086
Total Assets	\$ 225,154,958	\$ 11,546,387	\$ 524,614	\$ 678,898	\$ 7,185,587	\$ 18,345,329	\$ 1,746,233	\$ 5,496,057	\$ 270,678,063	\$ (10,882,630)	\$ 259,795,433

CHRISTIAN LIVING COMMUNITIES
CONSOLIDATING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2023
(SEE INDEPENDENT AUDITORS' REPORT SECTION ON SUPPLEMENTARY INFORMATION)

	Consolidated Obligated Group Total	Christian Living Communities	Cappella Living Solutions	CLC Dayspring Villa, LLC	Cappella Pueblo West, LLC	Cappella Grand Junction, LLC	Rhythms Home Care, LLC	CLC Eagle Pointe Holding, LLC	Subtotal	Eliminations	Consolidated Total
LIABILITIES AND NET ASSETS											
CURRENT LIABILITIES											
Current Maturities of Long-Term Debt	\$ 4,255,000	\$ -	\$ -	\$ -	\$ -	\$ 590,000	\$ -	\$ 111,318	\$ 4,956,318	\$ -	\$ 4,956,318
Accounts Payable	1,314,322	2,039,987	57,104	189,680	354,004	528,694	166,092	16,407	4,666,290	(1,339,311)	3,326,979
Intercompany	84,155	4,990,879	1,300,440	433,496	435,153	487,109	512,087	-	8,243,319	(8,243,319)	-
Accrued Expenses	1,458,843	1,518,663	23,399	40,060	57,914	57,627	52,788	219,699	3,428,993	-	3,428,993
Accrued Interest	2,497,684	-	-	-	-	86,676	-	7,620	2,591,980	-	2,591,980
Current Portion of Refundable Advance Fees	10,099,000	-	-	-	-	-	-	-	10,099,000	-	10,099,000
Current Portion of Operating Lease Liabilities	-	-	-	74,703	572,434	-	7,573	-	654,710	-	654,710
Deposits from Residents and Clients	2,054,882	-	-	19,511	8,911	6,458	196,663	23,686	2,310,111	-	2,310,111
Total Current Liabilities	21,763,886	8,549,529	1,380,943	757,450	1,428,416	1,756,564	935,203	378,730	36,950,721	(9,582,630)	27,368,091
LONG-TERM DEBT, LESS CURRENT MATURITIES AND DEFERRED FINANCING COSTS, NET	111,517,005	-	-	-	-	20,440,981	-	3,739,463	135,697,449	-	135,697,449
OTHER LIABILITIES											
Operating Lease Liabilities, Net of Current Portion	-	-	-	125,806	6,269,258	-	-	-	6,395,064	-	6,395,064
Refundable Advance Fees	100,877,202	-	-	-	-	-	-	-	100,877,202	-	100,877,202
Deferred Revenue from Advance Fees	11,931,707	-	-	-	-	-	-	-	11,931,707	-	11,931,707
Liquidity Support	-	-	-	-	-	1,300,000	-	-	1,300,000	(1,300,000)	-
Total Other Liabilities	112,808,909	-	-	125,806	6,269,258	1,300,000	-	-	120,503,973	(1,300,000)	119,203,973
Total Liabilities	246,089,800	8,549,529	1,380,943	883,256	7,697,674	23,497,545	935,203	4,118,193	293,152,143	(10,882,630)	282,269,513
NET ASSETS											
Net Assets Without Donor Restrictions	(21,636,776)	1,651,307	(856,329)	(204,358)	(512,087)	(5,152,216)	811,030	1,377,864	(24,521,565)	-	(24,521,565)
Net Assets With Donor Restrictions	701,934	1,345,551	-	-	-	-	-	-	2,047,485	-	2,047,485
Total Net Assets	(20,934,842)	2,996,858	(856,329)	(204,358)	(512,087)	(5,152,216)	811,030	1,377,864	(22,474,080)	-	(22,474,080)
Total Liabilities and Net Assets	\$ 225,154,958	\$ 11,546,387	\$ 524,614	\$ 678,898	\$ 7,185,587	\$ 18,345,329	\$ 1,746,233	\$ 5,496,057	\$ 270,678,063	\$ (10,882,630)	\$ 259,795,433

CHRISTIAN LIVING COMMUNITIES
CONSOLIDATING STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT SECTION ON SUPPLEMENTARY INFORMATION)

	Consolidated Obligated Group Total	Christian Living Communities	Cappella Living Solutions	CLC Dayspring Villa, LLC	Cappella Pueblo West, LLC	Cappella Grand Junction, LLC	Rhythms Home Care, LLC	CLC Eagle Pointe Holding, LLC	Subtotal	Eliminations	Consolidated Total
REVENUES AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS											
Resident and Client Services Revenue	\$ 68,521,391	\$ -	\$ -	\$ 3,089,732	\$ 2,650,174	\$ 4,675,886	\$ 2,165,554	\$ -	\$ 81,102,737	\$ (33,044)	\$ 81,069,693
Amortization of Advance Fees	2,169,120	-	-	-	-	-	-	-	2,169,120	-	2,169,120
Other Revenue	896,718	7,728,940	2,371,210	33,262	11,165	37,370	9,820	772,034	11,860,519	(8,249,976)	3,610,543
Contributions	170,193	63,394	-	-	-	-	-	-	233,587	-	233,587
Net Assets Released from Restrictions											
Used for Operations	112,126	212,797	-	-	-	-	-	-	324,923	-	324,923
Total Revenues and Other Support Without Donor Restrictions	71,869,548	8,005,131	2,371,210	3,122,994	2,661,339	4,713,256	2,175,374	772,034	95,690,886	(8,283,020)	87,407,866
EXPENSES											
Salaries and Benefits	28,579,942	6,783,211	-	1,260,201	1,270,682	1,674,633	1,690,642	-	41,259,311	-	41,259,311
Purchased Services	4,430,763	1,781,509	351,042	232,195	179,651	424,859	57,415	-	7,457,434	(9,827)	7,447,607
Medical Supplies and Drugs	925,192	-	-	8,851	-	7,053	328	-	941,424	-	941,424
Dietary Expenses	11,015,994	26,045	-	663,351	160,070	764,601	-	-	12,630,061	(24,222)	12,605,839
Administrative Expenses	3,368,514	775,535	138,984	235,214	793,598	558,717	94,532	-	5,965,094	(414,550)	5,550,544
Management Fees	5,293,775	-	1,889,957	155,557	136,845	220,372	105,297	34,697	7,836,500	(7,800,449)	36,051
Insurance	464,502	272,463	-	2,432	72,747	202,181	9,354	16,150	1,039,829	-	1,039,829
Bond Fees	98,715	-	-	-	-	36,188	-	-	134,903	-	134,903
Utilities	1,640,667	-	-	100,528	122,641	116,263	-	95,840	2,075,939	-	2,075,939
Depreciation and Amortization	8,173,671	312,858	8,363	44,137	29,210	545,488	94,921	179,098	9,387,746	-	9,387,746
Interest	4,234,636	-	-	-	-	1,055,110	-	143,968	5,433,714	-	5,433,714
Other	1,801,719	262,595	15,011	(5,221)	18,208	24,728	-	227,455	2,344,495	(33,972)	2,310,523
Provision for Credit Losses	279,668	-	8,646	72,951	16,317	38,851	78,141	-	494,574	-	494,574
Total Expenses	70,307,758	10,214,216	2,412,003	2,770,196	2,799,969	5,669,044	2,130,630	697,208	97,001,024	(8,283,020)	88,718,004
OPERATING GAIN (LOSS)	1,561,790	(2,209,085)	(40,793)	352,798	(138,630)	(955,788)	44,744	74,826	(1,310,138)	-	(1,310,138)
OTHER INCOME (EXPENSE)											
Interest Income	2,005,704	22,434	-	-	-	54,514	-	-	2,082,652	-	2,082,652
Realized Gains on Investments	874,659	50,425	-	-	-	-	-	-	925,084	-	925,084
Unrealized Gains on Investments	1,030,557	13,337	-	-	-	-	-	-	1,043,894	-	1,043,894
Loss from Investment in Joint Venture	-	(14,021)	-	-	-	-	-	-	(14,021)	-	(14,021)
Loss on Disposal of Property and Equipment	(50,106)	-	-	-	-	(10,448)	-	-	(60,554)	-	(60,554)
Total Other Income (Expense)	3,860,814	72,175	-	-	-	44,066	-	-	3,977,055	-	3,977,055
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	<u>\$ 5,422,604</u>	<u>\$ (2,136,910)</u>	<u>\$ (40,793)</u>	<u>\$ 352,798</u>	<u>\$ (138,630)</u>	<u>\$ (911,722)</u>	<u>\$ 44,744</u>	<u>\$ 74,826</u>	<u>\$ 2,666,917</u>	<u>\$ -</u>	<u>\$ 2,666,917</u>

CHRISTIAN LIVING COMMUNITIES
CONSOLIDATING STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2023
(SEE INDEPENDENT AUDITORS' REPORT SECTION ON SUPPLEMENTARY INFORMATION)

	Consolidated Obligated Group Total	Christian Living Communities	Cappella Living Solutions	CLC Dayspring Villa, LLC	Cappella Pueblo West, LLC	Cappella Grand Junction, LLC	Rhythms Home Care, LLC	CLC Eagle Pointe Holding, LLC	Subtotal	Eliminations	Consolidated Total
REVENUES AND OTHER SUPPORT											
WITHOUT DONOR RESTRICTIONS											
Resident and Client Services Revenue	\$ 65,840,632	\$ -	\$ -	\$ 2,909,397	\$ 2,574,563	\$ 3,584,971	\$ 1,682,575	\$ -	\$ 76,592,138	\$ (51,621)	\$ 76,540,517
Amortization of Advance Fees	1,513,727	-	-	-	-	-	-	-	1,513,727	-	1,513,727
Other Revenue	1,063,415	7,080,860	1,816,164	74,140	13,666	32,558	-	773,098	10,853,901	(7,483,101)	3,370,800
Contributions	351,405	49,283	-	-	-	-	-	-	400,688	-	400,688
Net Assets Released from Restrictions											
Used for Operations	86,624	218,166	-	-	-	-	-	-	304,790	-	304,790
Total Revenues and Other Support											
Without Donor Restrictions	68,855,803	7,348,309	1,816,164	2,983,537	2,588,229	3,617,529	1,682,575	773,098	89,665,244	(7,534,722)	82,130,522
EXPENSES											
Salaries and Benefits	26,686,056	5,773,650	-	1,328,746	1,253,486	1,490,776	1,462,441	-	37,995,155	-	37,995,155
Purchased Services	5,298,552	1,678,733	307,912	147,268	100,181	343,964	38,949	-	7,915,559	-	7,915,559
Medical Supplies and Drugs	974,966	-	-	6,353	187	5,966	-	-	987,472	-	987,472
Dietary Expenses	10,246,056	11,213	296	590,278	173,882	709,065	-	-	11,730,790	(9,285)	11,721,505
Administrative Expenses	2,638,325	853,894	158,982	195,521	764,234	662,712	108,907	-	5,382,575	(414,550)	4,968,025
Management Fees	4,823,880	-	1,597,032	138,164	79,320	228,734	193,137	33,286	7,093,553	(7,059,266)	34,287
Insurance	705,936	98,603	134,778	58,965	86,516	234,767	9,148	(8,830)	1,319,883	-	1,319,883
Bond Fees	124,646	-	-	-	-	13,911	-	-	138,557	-	138,557
Utilities	1,815,841	-	-	96,386	125,739	113,105	-	93,896	2,244,967	-	2,244,967
Depreciation and Amortization	7,776,486	438,124	11,168	34,601	21,703	537,137	96,126	165,401	9,080,746	-	9,080,746
Interest	4,488,573	-	-	-	-	1,055,109	-	148,894	5,692,576	-	5,692,576
Other	1,938,905	217,562	-	5,221	19,542	75,416	-	247,556	2,504,202	(51,621)	2,452,581
Provision for Credit Losses	179,473	-	(14,599)	45,096	10,955	5,893	113,944	-	340,762	-	340,762
Total Expenses	67,697,695	9,071,779	2,195,569	2,646,599	2,635,745	5,476,555	2,022,652	680,203	92,426,797	(7,534,722)	84,892,075
OPERATING GAIN (LOSS)	1,158,108	(1,723,470)	(379,405)	336,938	(47,516)	(1,859,026)	(340,077)	92,895	(2,761,553)	-	(2,761,553)
OTHER INCOME (EXPENSE)											
Interest Income	1,682,682	20,185	-	-	-	79,260	-	-	1,782,127	-	1,782,127
Realized Gains on Investments	790,569	26,281	-	-	-	-	-	-	816,850	-	816,850
Unrealized Gains on Investments	2,228,010	102,413	-	-	-	-	-	-	2,330,423	-	2,330,423
Loss from Investment in Joint Venture	-	(72,565)	-	-	-	-	-	-	(72,565)	-	(72,565)
Total Other Income (Expense)	4,701,261	76,314	-	-	-	79,260	-	-	4,856,835	-	4,856,835
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	<u>\$ 5,859,369</u>	<u>\$ (1,647,156)</u>	<u>\$ (379,405)</u>	<u>\$ 336,938</u>	<u>\$ (47,516)</u>	<u>\$ (1,779,766)</u>	<u>\$ (340,077)</u>	<u>\$ 92,895</u>	<u>\$ 2,095,282</u>	<u>\$ -</u>	<u>\$ 2,095,282</u>

CHRISTIAN LIVING COMMUNITIES
CONSOLIDATING STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT SECTION ON SUPPLEMENTARY INFORMATION)

	Consolidated Obligated Group Total	Christian Living Communities	Cappella Living Solutions	CLC Dayspring Villa, LLC	Cappella Pueblo West, LLC	Cappella Grand Junction, LLC	Rhythms Home Care, LLC	CLC Eagle Pointe Holding, LLC	Subtotal	Eliminations	Consolidated Total
NET ASSETS WITHOUT DONOR RESTRICTIONS											
Excess (Deficit) of Revenues Over Expenses	\$ 5,422,604	\$ (2,136,910)	\$ (40,793)	\$ 352,798	\$ (138,630)	\$ (911,722)	\$ 44,744	\$ 74,826	\$ 2,666,917	\$ -	\$ 2,666,917
Transfer of Net Assets	(1,596,271)	772,358	2,754	15,977	15,615	777,255	3,838	8,474	-	-	-
Change in Net Assets Without Donor Restrictions	3,826,333	(1,364,552)	(38,039)	368,775	(123,015)	(134,467)	48,582	83,300	2,666,917	-	2,666,917
NET ASSETS WITH DONOR RESTRICTIONS											
Contributions	42,997	342,437	-	-	-	-	-	-	385,434	-	385,434
Interest Income	55,727	8,995	-	-	-	-	-	-	64,722	-	64,722
Net Assets Released from Restrictions	(112,126)	(212,797)	-	-	-	-	-	-	(324,923)	-	(324,923)
Change in Net Assets With Donor Restrictions	(13,402)	138,635	-	-	-	-	-	-	125,233	-	125,233
TOTAL CHANGE IN NET ASSETS	3,812,931	(1,225,917)	(38,039)	368,775	(123,015)	(134,467)	48,582	83,300	2,792,150	-	2,792,150
Net Assets - Beginning of Year	(20,934,842)	2,996,858	(856,329)	(204,358)	(512,087)	(5,152,216)	811,030	1,377,864	(22,474,080)	-	(22,474,080)
NET ASSETS - END OF YEAR	<u>\$ (17,121,911)</u>	<u>\$ 1,770,941</u>	<u>\$ (894,368)</u>	<u>\$ 164,417</u>	<u>\$ (635,102)</u>	<u>\$ (5,286,683)</u>	<u>\$ 859,612</u>	<u>\$ 1,461,164</u>	<u>\$ (19,681,930)</u>	<u>\$ -</u>	<u>\$ (19,681,930)</u>

CHRISTIAN LIVING COMMUNITIES
CONSOLIDATING STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2023
(SEE INDEPENDENT AUDITORS' REPORT SECTION ON SUPPLEMENTARY INFORMATION)

	Consolidated Obligated Group Total	Christian Living Communities	Cappella Living Solutions	CLC Dayspring Villa, LLC	Cappella Pueblo West, LLC	Cappella Grand Junction, LLC	Rhythms Home Care, LLC	CLC Eagle Pointe Holding, LLC	Subtotal	Eliminations	Consolidated Total
NET ASSETS WITHOUT DONOR RESTRICTIONS											
Excess (Deficit) of Revenues Over Expenses	\$ 5,859,369	\$ (1,647,156)	\$ (379,405)	\$ 336,938	\$ (47,516)	\$ (1,779,766)	\$ (340,077)	\$ 92,895	\$ 2,095,282	\$ -	\$ 2,095,282
Transfer of Net Assets	(3,161,826)	2,640,791	1,546,718	75,483	10,866	(1,283,280)	171,248	-	-	-	-
Change in Net Assets Without Donor Restrictions	2,697,543	993,635	1,167,313	412,421	(36,650)	(3,063,046)	(168,829)	92,895	2,095,282	-	2,095,282
NET ASSETS WITH DONOR RESTRICTIONS											
Contributions	31,394	435,857	-	-	-	-	-	-	467,251	-	467,251
Interest Income	35,864	8,078	-	-	-	-	-	-	43,942	-	43,942
Net Assets Released from Restrictions	(86,624)	(218,166)	-	-	-	-	-	-	(304,790)	-	(304,790)
Change in Net Assets With Donor Restrictions	(19,366)	225,769	-	-	-	-	-	-	206,403	-	206,403
TOTAL CHANGE IN NET ASSETS	2,678,177	1,219,404	1,167,313	412,421	(36,650)	(3,063,046)	(168,829)	92,895	2,301,685	-	2,301,685
Net Assets - Beginning of Year	(23,613,019)	1,777,454	(2,023,642)	(616,779)	(475,437)	(2,089,170)	979,859	1,284,969	(24,775,765)	-	(24,775,765)
NET ASSETS - END OF YEAR	<u>\$ (20,934,842)</u>	<u>\$ 2,996,858</u>	<u>\$ (856,329)</u>	<u>\$ (204,358)</u>	<u>\$ (512,087)</u>	<u>\$ (5,152,216)</u>	<u>\$ 811,030</u>	<u>\$ 1,377,864</u>	<u>\$ (22,474,080)</u>	<u>\$ -</u>	<u>\$ (22,474,080)</u>

CHRISTIAN LIVING COMMUNITIES
CONSOLIDATING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT SECTION ON SUPPLEMENTARY INFORMATION)

	Consolidated Obligated Group Total	Christian Living Communities	Cappella Living Solutions	CLC Dayspring Villa, LLC	Cappella Pueblo West, LLC	Cappella Grand Junction, LLC	Rhythms Home Care, LLC	CLC Eagle Pointe Holding, LLC	Subtotal	Eliminations	Consolidated Total
CASH FLOWS FROM OPERATING ACTIVITIES											
Total Change in Net Assets	\$ 3,812,931	\$ (1,225,917)	\$ (38,039)	\$ 368,775	\$ (123,015)	\$ (134,467)	\$ 48,582	\$ 83,300	\$ 2,792,150	\$ -	\$ 2,792,150
Adjustments to Reconcile Total Change in Net Assets to Net Cash Provided (Used) by Operating Activities:											
Depreciation and Amortization	8,173,671	312,858	8,363	44,137	29,210	545,488	94,921	179,098	9,387,746	-	9,387,746
Interest Expense - Amortization on Deferred Finance Costs	170,272	-	-	-	-	25,456	-	-	195,728	-	195,728
Loss on Disposal of Property and Equipment	50,106	-	-	-	-	10,448	-	-	60,554	-	60,554
Amortization on Bond Discount/Premium, Net	(684,412)	-	-	-	-	(10,459)	-	-	(694,871)	-	(694,871)
Amortization of Advance Fees	(2,169,120)	-	-	-	-	-	-	-	(2,169,120)	-	(2,169,120)
Provision for Credit Losses	279,668	-	8,646	72,951	16,317	38,851	78,141	-	494,574	-	494,574
Realized Gains on Investments	(874,659)	(50,425)	-	-	-	-	-	-	(925,084)	-	(925,084)
Unrealized Gains on Investments	(1,030,557)	(13,337)	-	-	-	-	-	-	(1,043,894)	-	(1,043,894)
Loss from Investment in Joint Venture	-	14,021	-	-	-	-	-	-	14,021	-	14,021
Non-Cash Lease Expense	-	-	-	74,703	606,288	-	7,573	-	688,564	-	688,564
(Increase) Decrease in:											
Resident Accounts Receivable	134,755	-	-	(44,815)	(53,684)	4,862	(61,738)	-	(20,620)	-	(20,620)
Other Receivables	1,219,980	(218,488)	(939)	(4,000)	-	27,046	(1,000)	207	1,022,806	-	1,022,806
Prepaid Expenses and Supply Inventories	1,095,675	(283,781)	852	(16,491)	(2,974)	(33,465)	5,653	(2,918)	762,551	-	762,551
Intercompany	(525,001)	1,681,108	(422,781)	(265,492)	(248,507)	238	(219,565)	-	-	-	-
Increase (Decrease) in:											
Accounts Payable and Accrued Expenses	(2,996,570)	616,446	399,260	(87,754)	296,612	(188,363)	(2,396)	6,651	(1,956,114)	-	(1,956,114)
Operating Lease Liabilities	-	-	-	(74,703)	(572,434)	-	(7,573)	-	(654,710)	-	(654,710)
Deposits from Residents	399,267	-	-	-	2,082	704	(18,985)	-	383,068	-	383,068
Net Cash Provided (Used) by Operating Activities	7,056,006	832,485	(44,638)	67,311	(50,105)	286,339	(76,387)	266,338	8,337,349	-	8,337,349
CASH FLOWS FROM INVESTING ACTIVITIES											
Purchase of Investments	(1,249,709)	(86,508)	-	-	-	-	-	-	(1,336,217)	-	(1,336,217)
Proceeds from Sale of Investments	452,381	-	-	-	-	-	-	-	452,381	-	452,381
Purchase of Property and Equipment	(8,932,945)	(114,263)	-	(18,457)	(49,260)	(23,120)	-	-	(9,138,045)	-	(9,138,045)
Investment in Joint Venture	-	(159,619)	-	-	-	-	-	-	(159,619)	-	(159,619)
Proceeds from Return of Investment in Joint Venture	-	566,000	-	-	-	-	-	-	566,000	-	566,000
Net Change in Assets Limited as to Use	2,440,616	(113,979)	-	-	-	(241,944)	-	-	2,084,693	-	2,084,693
Net Cash Provided (Used) by Investing Activities	(7,289,657)	91,631	-	(18,457)	(49,260)	(265,064)	-	-	(7,530,807)	-	(7,530,807)
CASH FLOWS FROM FINANCING ACTIVITIES											
Principal Payments on Long-Term Debt	(4,255,000)	-	-	-	-	-	-	(137,195)	(4,392,195)	-	(4,392,195)
Proceeds from Entrance Fees, Net of Refunds	6,825,410	-	-	-	-	-	-	-	6,825,410	-	6,825,410
Net Cash Provided (Used) by Financing Activities	2,570,410	-	-	-	-	-	-	(137,195)	2,433,215	-	2,433,215
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	2,336,759	924,116	(44,638)	48,854	(99,365)	21,275	(76,387)	129,143	3,239,757	-	3,239,757
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	14,103,776	1,179,621	126,995	20,411	108,176	81,655	115,179	715,421	16,451,234	-	16,451,234
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	<u>\$ 16,440,535</u>	<u>\$ 2,103,737</u>	<u>\$ 82,357</u>	<u>\$ 69,265</u>	<u>\$ 8,811</u>	<u>\$ 102,930</u>	<u>\$ 38,792</u>	<u>\$ 844,564</u>	<u>\$ 19,690,991</u>	<u>\$ -</u>	<u>\$ 19,690,991</u>

CHRISTIAN LIVING COMMUNITIES
CONSOLIDATING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023
(SEE INDEPENDENT AUDITORS' REPORT SECTION ON SUPPLEMENTARY INFORMATION)

	Consolidated Obligated Group Total	Christian Living Communities	Cappella Living Solutions	CLC Dayspring Villa, LLC	Cappella Pueblo West, LLC	Cappella Grand Junction, LLC	Rhythms Home Care, LLC	CLC Eagle Pointe Holding, LLC	Subtotal	Eliminations	Consolidated Total
CASH FLOWS FROM OPERATING ACTIVITIES											
Total Change in Net Assets	\$ 2,678,177	\$ 1,219,404	\$ 1,167,313	\$ 412,421	\$ (36,650)	\$ (3,063,046)	\$ (168,829)	\$ 92,895	\$ 2,301,685	\$ -	\$ 2,301,685
Adjustments to Reconcile Total Change in Net Assets to Net Cash Provided (Used) by Operating Activities:											
Depreciation and Amortization	7,776,486	438,124	11,168	34,601	21,703	537,137	96,126	165,401	9,080,746	-	9,080,746
Interest Expense - Amortization on Deferring Financing Costs	170,272	-	-	-	-	25,456	-	-	195,728	-	195,728
Amortization on Bond Discount/Premium, Net	(684,414)	-	-	-	-	(10,459)	-	-	(694,873)	-	(694,873)
Amortization of Advance Fees	(1,513,727)	-	-	-	-	-	-	-	(1,513,727)	-	(1,513,727)
Provision for Credit Losses	179,473	-	(14,599)	45,096	10,955	5,893	113,944	-	340,762	-	340,762
Realized Gains on Investments	(790,569)	(26,281)	-	-	-	-	-	-	(816,850)	-	(816,850)
Unrealized Gains on Investments	(2,228,010)	(102,413)	-	-	-	-	-	-	(2,330,423)	-	(2,330,423)
Gain on Investment in Joint Venture	-	72,565	-	-	-	-	-	-	72,565	-	72,565
Non-Cash Lease Expense	-	-	-	74,122	603,804	-	33,451	-	711,377	-	711,377
(Increase) Decrease in:											
Resident Accounts Receivable	(140,292)	-	-	(130,251)	4,929	29,916	(37,015)	-	(272,713)	-	(272,713)
Other Receivables	1,840,076	(857,553)	90,574	1,003	(251)	(22,579)	113,327	70,618	1,235,215	(1,174,727)	60,488
Prepaid Expenses and Supply Inventories	(949,554)	(90,351)	(1,115)	17,109	(9,483)	4,638	(7,680)	(93,745)	(1,130,181)	-	(1,130,181)
Intercompany	(915,566)	1,258,650	30,453	49,651	(230,301)	(21,910)	(170,977)	-	-	-	-
Increase (Decrease) in:											
Accounts Payable and Accrued Expenses	384,106	(1,279,951)	(1,208,436)	(338,297)	222,241	319,343	166,703	(12,047)	(1,746,338)	2,474,727	728,389
Operating Lease Liabilities	-	-	-	(74,122)	(558,157)	-	(33,451)	-	(665,730)	-	(665,730)
Deposits from Residents	(85,740)	-	-	34	(1,736)	1,232	(4,712)	-	(90,922)	-	(90,922)
Net Cash Provided (Used) by Operating Activities	5,720,718	632,194	75,358	91,367	27,054	(2,194,379)	100,887	223,122	4,676,321	1,300,000	5,976,321
CASH FLOWS FROM INVESTING ACTIVITIES											
Purchase of Investments	(9,321,929)	(64,823)	-	-	-	-	-	-	(9,386,752)	-	(9,386,752)
Proceeds from Sale of Investments	8,474,950	-	-	-	-	649,496	-	-	9,124,446	-	9,124,446
Purchase of Property and Equipment	(11,099,359)	(97,966)	-	(80,691)	(39,136)	(151,910)	1	(82,825)	(11,551,886)	-	(11,551,886)
Proceeds from Return of Investment in Affiliate Investment in Joint Venture	242,762	-	-	-	-	-	-	-	242,762	-	242,762
Net Change in Assets Limited as to Use	-	(33,655)	-	-	-	-	-	-	(33,655)	-	(33,655)
Net Change in Assets Limited as to Use	3,536,285	(114,754)	-	-	-	570,595	-	-	3,992,126	-	3,992,126
Net Cash Provided (Used) by Investing Activities	(8,167,291)	(311,198)	-	(80,691)	(39,136)	1,068,181	1	(82,825)	(7,612,959)	-	(7,612,959)
CASH FLOWS FROM FINANCING ACTIVITIES											
Principal Payments on Long-Term Debt	(4,075,000)	-	-	-	-	-	-	(132,489)	(4,207,489)	-	(4,207,489)
Proceeds from Entrance Fees, Net of Refunds	9,605,862	-	-	-	-	-	-	-	9,605,862	-	9,605,862
Proceeds from Liquidity Support	-	-	-	-	-	1,300,000	-	-	1,300,000	(1,300,000)	-
Net Cash Provided (Used) by Financing Activities	5,530,862	-	-	-	-	1,300,000	-	(132,489)	6,698,373	(1,300,000)	5,398,373
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	3,084,289	320,996	75,358	10,676	(12,082)	173,802	100,888	7,808	3,761,735	-	3,761,735
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	11,019,487	858,625	51,637	9,735	120,258	(92,147)	14,291	707,613	12,689,499	-	12,689,499
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	<u>\$ 14,103,776</u>	<u>\$ 1,179,621</u>	<u>\$ 126,995</u>	<u>\$ 20,411</u>	<u>\$ 108,176</u>	<u>\$ 81,655</u>	<u>\$ 115,179</u>	<u>\$ 715,421</u>	<u>\$ 16,451,234</u>	<u>\$ -</u>	<u>\$ 16,451,234</u>

CHRISTIAN LIVING COMMUNITIES
CONSOLIDATING BALANCE SHEET — OBLIGATED GROUP
DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT SECTION ON SUPPLEMENTARY INFORMATION)

	Management	Homecare Services	Holly Creek	Someren Glen	Clermont Park	Donor Relations	Obligated Group Total	Obligated Group Eliminating Entries	Consolidated Total - Obligated
ASSETS									
CURRENT ASSETS									
Cash and Cash Equivalents	\$ 2,266,656	\$ 5,090	\$ 6,466,513	\$ 595,552	\$ 7,135,629	\$ (141,144)	\$ 16,328,296	\$ -	\$ 16,328,296
Short-Term Investments	-	-	5,695,536	-	-	-	5,695,536	-	5,695,536
Current Portion of Assets Limited as to Use	4,450,000	-	1,410,319	331,521	771,708	-	6,963,548	-	6,963,548
Resident Accounts Receivable	-	-	197,873	1,076,181	499,575	-	1,773,629	-	1,773,629
Other Receivables	997,192	-	1,615,897	25,900	12,163	1,309,989	3,961,141	(1,539,129)	2,422,012
Supply Inventories	-	-	79,556	74,004	50,608	-	204,168	-	204,168
Intercompany	12,801,765	-	5,060,818	646,683	297,224	-	18,806,490	(12,299,639)	6,506,851
Prepaid Expenses	50,678	-	125,304	80,526	56,749	-	313,257	-	313,257
Total Current Assets	20,566,291	5,090	20,651,816	2,830,367	8,823,656	1,168,845	54,046,065	(13,838,768)	40,207,297
ASSETS LIMITED AS TO USE									
Held By Trustee Under Indenture Agreement	15,351,321	-	3,673,914	417,486	1,317,427	-	20,760,148	-	20,760,148
Resident Funds and Deposits	-	-	41,903	17,357	52,979	-	112,239	-	112,239
Endowment Fund	-	-	-	-	-	1,513,782	1,513,782	-	1,513,782
Less: Current Portion	(4,450,000)	-	(1,410,319)	(331,521)	(771,708)	-	(6,963,548)	-	(6,963,548)
Total Assets Limited as to Use, Net of Current Portion	10,901,321	-	2,305,498	103,322	598,698	1,513,782	15,422,621	-	15,422,621
PROPERTY AND EQUIPMENT									
Land and Land Improvements	145,879	-	3,820,594	3,121,524	364,219	7,015	7,459,231	(8,337)	7,450,894
Building and Leasehold Improvements	125,220	-	109,396,848	42,102,216	67,871,024	-	219,495,308	(142,822)	219,352,486
Furniture, Equipment, and Vehicles	1,031,411	-	4,222,070	3,004,127	6,612,995	-	14,870,603	(5,840)	14,864,763
Construction in Progress	-	-	1,450,213	2,082,857	405,206	-	3,938,276	-	3,938,276
Total Property and Equipment	1,302,510	-	118,889,725	50,310,724	75,253,444	7,015	245,763,418	(156,999)	245,606,419
Less: Accumulated Depreciation	(1,152,653)	-	(49,842,437)	(21,063,836)	(35,560,046)	-	(107,618,972)	106,068	(107,512,904)
Property and Equipment, Net	149,857	-	69,047,288	29,246,888	39,693,398	7,015	138,144,446	(50,931)	138,093,515
OTHER ASSETS									
Investments	-	-	22,403,039	5,057,686	3,819,194	2,964,971	34,244,890	-	34,244,890
Total Assets	\$ 31,617,469	\$ 5,090	\$ 114,407,641	\$ 37,238,263	\$ 52,934,946	\$ 5,654,613	\$ 241,858,022	\$ (13,889,699)	\$ 227,968,323

CHRISTIAN LIVING COMMUNITIES
CONSOLIDATING BALANCE SHEET — OBLIGATED GROUP (CONTINUED)
DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT SECTION ON SUPPLEMENTARY INFORMATION)

	Management	Homecare Services	Holly Creek	Someren Glen	Clermont Park	Donor Relations	Obligated Group Total	Obligated Group Eliminating Entries	Consolidated Total - Obligated
LIABILITIES AND NET ASSETS									
CURRENT LIABILITIES									
Current Maturities of Long-Term Debt	\$ 4,450,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,450,000	\$ -	\$ 4,450,000
Accounts Payable	801,036	-	353,104	257,815	218,338	28,636	1,658,929	(1,539,129)	119,800
Intercompany	-	-	-	756,380	11,269,390	318,836	12,344,606	(12,299,639)	44,967
Accrued Expenses	76,101	-	421,766	534,365	469,633	1,080	1,502,945	-	1,502,945
Accrued Interest	-	-	1,368,416	314,164	718,729	-	2,401,309	-	2,401,309
Current Portion of Refundable Advance Fees	-	-	8,272,000	-	1,874,000	-	10,146,000	-	10,146,000
Deposits from Residents and Clients	-	-	2,176,353	124,822	152,974	-	2,454,149	-	2,454,149
Total Current Liabilities	5,327,137	-	12,591,639	1,987,546	14,703,064	348,552	34,957,938	(13,838,768)	21,119,170
LONG-TERM DEBT, LESS CURRENT MATURITIES AND DEFERRED FINANCING COSTS, NET									
	109,830,523	-	(1,904,412)	(611,878)	(761,368)	-	106,552,865	-	106,552,865
OTHER LIABILITIES									
Refundable Advance Fees	-	-	85,806,656	-	18,215,894	-	104,022,550	-	104,022,550
Deferred Revenue from Advance Fees	-	-	10,448,451	-	2,947,198	-	13,395,649	-	13,395,649
Total Other Liabilities	-	-	96,255,107	-	21,163,092	-	117,418,199	-	117,418,199
Total Liabilities	115,157,660	-	106,942,334	1,375,668	35,104,788	348,552	258,929,002	(13,838,768)	245,090,234
NET ASSETS									
Net Assets Without Donor Restrictions	(83,540,191)	5,090	7,465,307	35,862,595	17,830,158	4,617,528	(17,759,513)	(50,931)	(17,810,444)
Net Assets With Donor Restrictions	-	-	-	-	-	688,533	688,533	-	688,533
Total Net Assets	(83,540,191)	5,090	7,465,307	35,862,595	17,830,158	5,306,061	(17,070,980)	(50,931)	(17,121,911)
Total Liabilities and Net Assets	\$ 31,617,469	\$ 5,090	\$ 114,407,641	\$ 37,238,263	\$ 52,934,946	\$ 5,654,613	\$ 241,858,022	\$ (13,889,699)	\$ 227,968,323

CHRISTIAN LIVING COMMUNITIES
CONSOLIDATING BALANCE SHEET — OBLIGATED GROUP
DECEMBER 31, 2023
(SEE INDEPENDENT AUDITORS' REPORT SECTION ON SUPPLEMENTARY INFORMATION)

	Management	Homecare Services	Holly Creek	Someren Glen	Clermont Park	Donor Relations	Obligated Group Total	Obligated Group Eliminating Entries	Consolidated Total - Obligated
ASSETS									
CURRENT ASSETS									
Cash and Cash Equivalents	\$ 335,702	\$ 5,090	\$ 6,225,544	\$ 888,479	\$ 6,690,039	\$ (141,144)	\$ 14,003,710	\$ -	\$ 14,003,710
Short-Term Investments	-	-	4,808,724	-	-	-	4,808,724	-	4,808,724
Current Portion of Assets Limited as to Use	4,255,000	-	1,467,113	330,790	799,847	-	6,852,750	-	6,852,750
Resident Accounts Receivable	-	-	375,190	906,156	906,706	-	2,188,052	-	2,188,052
Other Receivables	2,241,427	-	1,614,507	14,441	6,792	1,303,954	5,181,121	(3,487,170)	1,693,951
Supply Inventories	-	-	81,902	85,653	43,657	-	211,212	-	211,212
Intercompany	14,862,229	-	1,982,639	1,152,359	131,420	-	18,128,647	(12,107,609)	6,021,038
Prepaid Expenses	4,019	-	597,135	440,483	360,251	-	1,401,888	-	1,401,888
Total Current Assets	21,698,377	5,090	17,152,754	3,818,361	8,938,712	1,162,810	52,776,104	(15,594,779)	37,181,325
ASSETS LIMITED AS TO USE									
Held By Trustee Under Indenture Agreement	16,593,295	-	3,946,999	571,928	1,842,840	-	22,955,062	-	22,955,062
Resident Funds and Deposits	-	-	39,763	7,386	52,917	-	100,066	-	100,066
Endowment Fund	-	-	-	-	-	1,421,236	1,421,236	-	1,421,236
Less: Current Portion	(4,255,000)	-	(1,467,113)	(330,790)	(799,847)	-	(6,852,750)	-	(6,852,750)
Total Assets Limited as to Use, Net of Current Portion	12,338,295	-	2,519,649	248,524	1,095,910	1,421,236	17,623,614	-	17,623,614
PROPERTY AND EQUIPMENT									
Land and Land Improvements	145,879	-	3,820,594	3,121,524	364,219	7,015	7,459,231	(8,337)	7,450,894
Building and Leasehold Improvements	125,220	-	105,502,622	33,111,257	66,884,653	-	205,623,752	(142,822)	205,480,930
Furniture, Equipment, and Vehicles	1,031,411	-	4,020,814	2,998,991	6,519,524	-	14,570,740	(5,840)	14,564,900
Construction in Progress	-	-	802,521	9,170,570	43,972	-	10,017,063	-	10,017,063
Total Property and Equipment	1,302,510	-	114,146,551	48,402,342	73,812,368	7,015	237,670,786	(156,999)	237,513,787
Less: Accumulated Depreciation	(1,153,802)	-	(45,747,885)	(19,376,770)	(33,755,252)	-	(100,033,709)	102,535	(99,931,174)
Property and Equipment, Net	148,708	-	68,398,666	29,025,572	40,057,116	7,015	137,637,077	(54,464)	137,582,613
OTHER ASSETS									
Investments	-	-	21,598,271	4,780,637	3,603,382	2,785,116	32,767,406	-	32,767,406
Total Assets	\$ 34,185,380	\$ 5,090	\$ 109,669,340	\$ 37,873,094	\$ 53,695,120	\$ 5,376,177	\$ 240,804,201	\$ (15,649,243)	\$ 225,154,958

CHRISTIAN LIVING COMMUNITIES
CONSOLIDATING BALANCE SHEET — OBLIGATED GROUP (CONTINUED)
DECEMBER 31, 2023
(SEE INDEPENDENT AUDITORS' REPORT SECTION ON SUPPLEMENTARY INFORMATION)

	Management	Homecare Services	Holly Creek	Someren Glen	Clermont Park	Donor Relations	Obligated Group Total	Group Eliminating Entries	Consolidated Total - Obligated
LIABILITIES AND NET ASSETS									
CURRENT LIABILITIES									
Current Maturities of Long-Term Debt	\$ 4,255,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,255,000	\$ -	\$ 4,255,000
Accounts Payable	2,189,172	-	757,866	1,121,165	704,015	29,274	4,801,492	(3,487,170)	1,314,322
Intercompany	-	-	-	-	11,657,146	534,618	12,191,764	(12,107,609)	84,155
Accrued Expenses	131,935	-	394,743	512,308	418,777	1,080	1,458,843	-	1,458,843
Accrued Interest	-	-	1,427,350	323,404	746,930	-	2,497,684	-	2,497,684
Current Portion of Refundable Fees	-	-	8,138,000	-	1,961,000	-	10,099,000	-	10,099,000
Deposits from Residents and Clients	-	-	1,802,333	104,351	148,198	-	2,054,882	-	2,054,882
Total Current Liabilities	6,576,107	-	12,520,292	2,061,228	15,636,066	564,972	37,358,665	(15,594,779)	21,763,886
LONG-TERM DEBT, LESS CURRENT MATURITIES AND DEFERRED FINANCING COSTS, NET									
	114,280,523	-	(1,611,854)	(545,946)	(605,718)	-	111,517,005	-	111,517,005
OTHER LIABILITIES									
Refundable Advance Fees	-	-	83,151,037	-	17,726,165	-	100,877,202	-	100,877,202
Deferred Revenue from Advance Fees	-	-	9,111,068	-	2,820,639	-	11,931,707	-	11,931,707
Total Other Liabilities	-	-	92,262,105	-	20,546,804	-	112,808,909	-	112,808,909
Total Liabilities	120,856,630	-	103,170,543	1,515,282	35,577,152	564,972	261,684,579	(15,594,779)	246,089,800
NET ASSETS									
Net Assets Without Donor Restrictions	(86,671,250)	5,090	6,498,797	36,357,812	18,117,968	4,109,271	(21,582,312)	(54,464)	(21,636,776)
Net Assets With Donor Restrictions	-	-	-	-	-	701,934	701,934	-	701,934
Total Net Assets	(86,671,250)	5,090	6,498,797	36,357,812	18,117,968	4,811,205	(20,880,378)	(54,464)	(20,934,842)
Total Liabilities and Net Assets	\$ 34,185,380	\$ 5,090	\$ 109,669,340	\$ 37,873,094	\$ 53,695,120	\$ 5,376,177	\$ 240,804,201	\$ (15,649,243)	\$ 225,154,958

CHRISTIAN LIVING COMMUNITIES
CONSOLIDATING STATEMENT OF OPERATIONS — OBLIGATED GROUP
YEAR ENDED DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT SECTION ON SUPPLEMENTARY INFORMATION)

	Management	Holly Creek	Someren Glen	Clermont Park	Donor Relations	Obligated Group Total	Obligated Group Eliminating Entries	Consolidated Obligated Group Total
REVENUES AND OTHER SUPPORT								
WITHOUT DONOR RESTRICTIONS								
Resident and Client Services Revenue	\$ -	\$ 27,541,442	\$ 21,615,511	\$ 20,524,770	\$ -	\$ 69,681,723	\$ (1,160,332)	\$ 68,521,391
Amortization of Advance Fees	-	1,434,858	-	734,262	-	2,169,120	-	2,169,120
Other Revenue	5,677,360	144,492	378,577	708,924	-	6,909,353	(6,012,635)	896,718
Contributions	-	-	-	-	170,193	170,193	-	170,193
Net Assets Released from Restrictions Used for Operations	-	-	-	-	112,126	112,126	-	112,126
Total Revenues and Other Support Without Donor Restrictions	5,677,360	29,120,792	21,994,088	21,967,956	282,319	79,042,515	(7,172,967)	71,869,548
EXPENSES								
Salaries and Benefits	1,197,562	7,905,743	10,628,522	8,848,115	-	28,579,942	-	28,579,942
Purchased Services	1,425	1,030,959	1,917,566	1,480,813	-	4,430,763	-	4,430,763
Medical Supplies and Drugs	-	112,378	456,062	356,752	-	925,192	-	925,192
Dietary Expenses	995	4,442,248	3,419,748	3,476,929	-	11,339,920	(323,926)	11,015,994
Administrative Expenses	113,486	2,386,261	1,032,998	938,260	-	4,471,005	(1,102,491)	3,368,514
Management Fees	5,293,775	2,208,013	1,774,018	1,664,690	-	10,940,496	(5,646,721)	5,293,775
Insurance	-	187,504	145,488	131,510	-	464,502	-	464,502
Bond Fees	-	43,017	19,533	36,165	-	98,715	-	98,715
Utilities	-	754,991	406,477	479,199	-	1,640,667	-	1,640,667
Depreciation and Amortization	(1,148)	4,264,058	1,778,051	2,136,243	-	8,177,204	(3,533)	8,173,671
Interest	-	2,445,437	562,395	1,226,804	-	4,234,636	-	4,234,636
Other	3,574	776,780	292,799	490,299	338,096	1,901,548	(99,829)	1,801,719
Provision for Credit Losses	-	9,198	150,431	120,039	-	279,668	-	279,668
Total Expenses	6,609,669	26,566,587	22,584,088	21,385,818	338,096	77,484,258	(7,176,500)	70,307,758
OPERATING INCOME (LOSS)	(932,309)	2,554,205	(590,000)	582,138	(55,777)	1,558,257	3,533	1,561,790
OTHER INCOME (EXPENSE)								
Interest Income	206,694	1,191,868	132,372	427,274	47,496	2,005,704	-	2,005,704
Realized Gains on Investments	28,363	167,756	135,227	427,469	115,844	874,659	-	874,659
Unrealized Gains (Losses) on Investments	(14,461)	912,941	38,392	39,636	54,049	1,030,557	-	1,030,557
Loss on Disposal of Property and Equipment	-	(14,542)	(2,553)	(33,011)	-	(50,106)	-	(50,106)
Total Other Income (Expense)	220,596	2,258,023	303,438	861,368	217,389	3,860,814	-	3,860,814
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	<u>\$ (711,713)</u>	<u>\$ 4,812,228</u>	<u>\$ (286,562)</u>	<u>\$ 1,443,506</u>	<u>\$ 161,612</u>	<u>\$ 5,419,071</u>	<u>\$ 3,533</u>	<u>\$ 5,422,604</u>

CHRISTIAN LIVING COMMUNITIES
CONSOLIDATING STATEMENT OF OPERATIONS — OBLIGATED GROUP
YEAR ENDED DECEMBER 31, 2023
(SEE INDEPENDENT AUDITORS' REPORT SECTION ON SUPPLEMENTARY INFORMATION)

	Management	Holly Creek	Someren Glen	Clermont Park	Donor Relations	Obligated Group Total	Obligated Group Eliminating Entries	Consolidated Obligated Group Total
REVENUES AND OTHER SUPPORT								
WITHOUT DONOR RESTRICTIONS								
Resident and Client Services Revenue	\$ -	\$ 25,843,430	\$ 21,646,114	\$ 19,305,747	\$ -	\$ 66,795,291	\$ (954,659)	\$ 65,840,632
Amortization of Advance Fees	-	1,015,789	-	497,938	-	1,513,727	-	1,513,727
Other Revenue	5,189,728	219,320	374,104	669,810	2,952	6,455,914	(5,392,499)	1,063,415
Contributions	-	-	-	-	351,405	351,405	-	351,405
Net Assets Released from Restrictions Used for Operations	-	-	-	-	86,624	86,624	-	86,624
Total Revenues and Other Support Without Donor Restrictions	5,189,728	27,078,539	22,020,218	20,473,495	440,981	75,202,961	(6,347,158)	68,855,803
EXPENSES								
Salaries and Benefits	1,306,879	7,346,450	9,872,836	8,159,891	-	26,686,056	-	26,686,056
Purchased Services	825	1,223,991	2,237,311	1,836,425	-	5,298,552	-	5,298,552
Medical Supplies and Drugs	-	158,598	467,097	349,271	-	974,966	-	974,966
Dietary Expenses	-	4,036,587	3,241,285	3,217,747	-	10,495,619	(249,563)	10,246,056
Administrative Expenses	73,922	1,853,113	880,949	768,944	-	3,576,928	(938,603)	2,638,325
Management Fees	4,823,880	1,976,284	1,639,804	1,526,848	-	9,966,816	(5,142,936)	4,823,880
Insurance	-	157,393	317,041	231,502	-	705,936	-	705,936
Bond Fees	-	52,804	15,360	56,482	-	124,646	-	124,646
Utilities	-	878,422	450,758	486,661	-	1,815,841	-	1,815,841
Depreciation and Amortization	52,718	4,012,565	1,486,611	2,228,125	-	7,780,019	(3,533)	7,776,486
Interest	-	2,567,147	580,875	1,340,551	-	4,488,573	-	4,488,573
Other	8,526	749,527	334,856	394,592	467,460	1,954,961	(16,056)	1,938,905
Provision for Credit Losses	-	38,015	113,523	27,935	-	179,473	-	179,473
Total Expenses	6,266,750	25,050,896	21,638,306	20,624,974	467,460	74,048,386	(6,350,691)	67,697,695
OPERATING INCOME (LOSS)	(1,077,022)	2,027,643	381,912	(151,479)	(26,479)	1,154,575	3,533	1,158,108
OTHER INCOME (EXPENSE)								
Interest Income	273,081	753,426	287,166	326,711	42,298	1,682,682	-	1,682,682
Realized Gains (Losses) on Investments	(74,382)	330,096	344,088	135,713	55,054	790,569	-	790,569
Unrealized Gains (Losses) on Investments	128,763	1,645,022	(35,734)	218,823	271,136	2,228,010	-	2,228,010
Total Other Income	327,462	2,728,544	595,520	681,247	368,488	4,701,261	-	4,701,261
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	<u>\$ (749,560)</u>	<u>\$ 4,756,187</u>	<u>\$ 977,432</u>	<u>\$ 529,768</u>	<u>\$ 342,009</u>	<u>\$ 5,855,836</u>	<u>\$ 3,533</u>	<u>\$ 5,859,369</u>

CHRISTIAN LIVING COMMUNITIES
CONSOLIDATING STATEMENT OF CHANGES IN NET ASSETS — OBLIGATED GROUP
YEAR ENDED DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT SECTION ON SUPPLEMENTARY INFORMATION)

	Management	Homecare Services	Holly Creek	Someren Glen	Clermont Park	Donor Relations	Obligated Group Total	Obligated Group Eliminating Entries	Consolidated Obligated Group Total
NET ASSETS WITHOUT DONOR RESTRICTIONS									
Excess (Deficit) of Revenues Over Expenses	\$ (711,713)	\$ -	\$ 4,812,228	\$ (286,562)	\$ 1,443,506	\$ 161,612	\$ 5,419,071	\$ 3,533	\$ 5,422,604
Transfer of Net Assets	3,842,772	-	(3,845,718)	(208,655)	(1,731,316)	346,646	(1,596,271)	-	(1,596,271)
Change in Net Assets Without Donor Restrictions	3,131,059	-	966,510	(495,217)	(287,810)	508,258	3,822,800	3,533	3,826,333
NET ASSETS WITH DONOR RESTRICTIONS									
Contributions	-	-	-	-	-	42,997	42,997	-	42,997
Interest Income	-	-	-	-	-	55,727	55,727	-	55,727
Net Assets Released from Restrictions	-	-	-	-	-	(112,126)	(112,126)	-	(112,126)
Change in Net Assets With Donor Restrictions	-	-	-	-	-	(13,402)	(13,402)	-	(13,402)
TOTAL CHANGE IN NET ASSETS	3,131,059	-	966,510	(495,217)	(287,810)	494,856	3,809,398	3,533	3,812,931
Net Assets - Beginning of Year	(86,671,250)	5,090	6,498,797	36,357,812	18,117,968	4,811,205	(20,880,378)	(54,464)	(20,934,842)
NET ASSETS - END OF YEAR	<u>\$ (83,540,191)</u>	<u>\$ 5,090</u>	<u>\$ 7,465,307</u>	<u>\$ 35,862,595</u>	<u>\$ 17,830,158</u>	<u>\$ 5,306,061</u>	<u>\$ (17,070,980)</u>	<u>\$ (50,931)</u>	<u>\$ (17,121,911)</u>

CHRISTIAN LIVING COMMUNITIES
CONSOLIDATING STATEMENT OF CHANGES IN NET ASSETS — OBLIGATED GROUP
YEAR ENDED DECEMBER 31, 2023
(SEE INDEPENDENT AUDITORS' REPORT SECTION ON SUPPLEMENTARY INFORMATION)

	Management	Homecare Services	Holly Creek	Someren Glen	Clermont Park	Donor Relations	Obligated Group Total	Obligated Group Eliminating Entries	Consolidated Obligated Group Total
NET ASSETS WITHOUT DONOR RESTRICTIONS									
Excess (Deficit) of Revenues Over Expenses	\$ (749,560)	\$ -	\$ 4,756,187	\$ 977,432	\$ 529,768	\$ 342,009	\$ 5,855,836	\$ 3,533	\$ 5,859,369
Transfer of Net Assets	857,246	-	(2,721,578)	66,104	(1,326,993)	(36,605)	(3,161,826)	-	(3,161,826)
Change in Net Assets Without Donor Restrictions	107,686	-	2,034,609	1,043,536	(797,225)	305,404	2,694,010	3,533	2,697,543
NET ASSETS WITH DONOR RESTRICTIONS									
Contributions	-	-	-	-	-	31,394	31,394	-	31,394
Interest Income	-	-	-	-	-	35,864	35,864	-	35,864
Net Assets Released from Restrictions	-	-	-	-	-	(86,624)	(86,624)	-	(86,624)
Change in Net Assets With Donor Restrictions	-	-	-	-	-	(19,366)	(19,366)	-	(19,366)
TOTAL CHANGE IN NET ASSETS	107,686	-	2,034,609	1,043,536	(797,225)	286,038	2,674,644	3,533	2,678,177
Net Assets - Beginning of Year	(86,778,936)	5,090	4,464,188	35,314,276	18,915,193	4,525,167	(23,555,022)	(57,997)	(23,613,019)
NET ASSETS - END OF YEAR	<u>\$ (86,671,250)</u>	<u>\$ 5,090</u>	<u>\$ 6,498,797</u>	<u>\$ 36,357,812</u>	<u>\$ 18,117,968</u>	<u>\$ 4,811,205</u>	<u>\$ (20,880,378)</u>	<u>\$ (54,464)</u>	<u>\$ (20,934,842)</u>

CHRISTIAN LIVING COMMUNITIES
CONSOLIDATING STATEMENT OF CASH FLOWS — OBLIGATED GROUP
YEAR ENDED DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT SECTION ON SUPPLEMENTARY INFORMATION)

	Management	Homecare Services	Holly Creek	Someren Glen	Clermont Park	Donor Relations	Obligated Group Total	Obligated Group Eliminating Entries	Consolidated Obligated Group Total
CASH FLOWS FROM OPERATING ACTIVITIES									
Total Change in Net Assets	\$ 3,131,059	\$ -	\$ 966,510	\$ (495,217)	\$ (287,810)	\$ 494,856	\$ 3,809,398	\$ 3,533	\$ 3,812,931
Adjustments to Reconcile Total Change in Net Assets to Net Cash Provided (Used) by Operating Activities:									
Depreciation and Amortization	(1,148)	-	4,264,058	1,778,051	2,136,243	-	8,177,204	(3,533)	8,173,671
Interest Expense - Amortization on									
Deferring Financing Costs	-	-	92,878	22,517	54,877	-	170,272	-	170,272
Loss on Disposal of Property and Equipment	-	-	14,542	2,553	33,011	-	50,106	-	50,106
Amortization on Bond Discount/Premium, Net	-	-	(385,436)	(88,449)	(210,527)	-	(684,412)	-	(684,412)
Amortization of Advance Fees	-	-	(1,434,858)	-	(734,262)	-	(2,169,120)	-	(2,169,120)
Provision for Credit Losses	-	-	9,198	150,431	120,039	-	279,668	-	279,668
Realized Gains on Investments	(28,363)	-	(167,756)	(135,227)	(427,469)	(115,844)	(874,659)	-	(874,659)
Unrealized (Gains) Losses on Investments	14,461	-	(912,941)	(38,392)	(39,636)	(54,049)	(1,030,557)	-	(1,030,557)
(Increase) Decrease in:									
Accounts Receivable	-	-	168,119	(320,456)	287,092	-	134,755	-	134,755
Other Receivables	1,244,235	-	(1,390)	(11,459)	(5,371)	(6,035)	1,219,980	-	1,219,980
Prepaid Expenses and Other Assets	(46,659)	-	474,177	371,606	296,551	-	1,095,675	-	1,095,675
Intercompany	2,060,464	-	(3,078,179)	1,262,056	(553,560)	(215,782)	(525,001)	-	(525,001)
Increase (Decrease) in:									
Accounts Payable and Accrued Expenses	(1,443,970)	-	(436,673)	(652,267)	(463,022)	(638)	(2,996,570)	-	(2,996,570)
Resident Deposits	-	-	374,020	20,471	4,776	-	399,267	-	399,267
Net Cash Provided (Used) by Operating Activities	4,930,079	-	(53,731)	1,866,218	210,932	102,508	7,056,006	-	7,056,006
CASH FLOWS FROM INVESTING ACTIVITIES									
Purchase of Investments	-	-	(856,137)	(137,285)	(106,669)	(149,618)	(1,249,709)	-	(1,249,709)
Proceeds from Sale of Investments	-	-	105,389	18,796	302,071	26,125	452,381	-	452,381
Purchase of Property and Equipment	(1)	-	(4,927,222)	(2,200,186)	(1,805,536)	-	(8,932,945)	-	(8,932,945)
Net Change in Assets Limited as to Use	1,255,876	-	412,950	169,501	581,304	20,985	2,440,616	-	2,440,616
Net Cash Provided (Used) by Investing Activities	1,255,875	-	(5,265,020)	(2,149,174)	(1,028,830)	(102,508)	(7,289,657)	-	(7,289,657)
CASH FLOWS FROM FINANCING ACTIVITIES									
Principal Payments on Long-Term Debt	(4,255,000)	-	-	-	-	-	(4,255,000)	-	(4,255,000)
Proceeds from Entrance Fees, Net of Refunds	-	-	5,561,860	-	1,263,550	-	6,825,410	-	6,825,410
Net Cash Provided (Used) by Financing Activities	(4,255,000)	-	5,561,860	-	1,263,550	-	2,570,410	-	2,570,410
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	1,930,954	-	243,109	(282,956)	445,652	-	2,336,759	-	2,336,759
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	335,702	5,090	6,265,307	895,865	6,742,956	(141,144)	14,103,776	-	14,103,776
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	<u>\$ 2,266,656</u>	<u>\$ 5,090</u>	<u>\$ 6,508,416</u>	<u>\$ 612,909</u>	<u>\$ 7,188,608</u>	<u>\$ (141,144)</u>	<u>\$ 16,440,535</u>	<u>\$ -</u>	<u>\$ 16,440,535</u>

CHRISTIAN LIVING COMMUNITIES
CONSOLIDATING STATEMENT OF CASH FLOWS — OBLIGATED GROUP
YEAR ENDED DECEMBER 31, 2023
(SEE INDEPENDENT AUDITORS' REPORT SECTION ON SUPPLEMENTARY INFORMATION)

	Management	Homecare Services	Holly Creek	Someren Glen	Clermont Park	Donor Relations	Obligated Group Total	Obligated Group Eliminating Entries	Consolidated Obligated Group Total
CASH FLOWS FROM OPERATING ACTIVITIES									
Total Change in Net Assets	\$ 107,686	\$ -	\$ 2,034,609	\$ 1,043,536	\$ (797,225)	\$ 286,038	\$ 2,674,644	\$ 3,533	\$ 2,678,177
Adjustments to Reconcile Total Change in Net Assets to Net Cash Provided (Used) by Operating Activities:									
Depreciation and Amortization	52,718	-	4,012,565	1,486,611	2,228,125	-	7,780,019	(3,533)	7,776,486
Interest Expense - Amortization on Deferring Financing Costs	-	-	92,878	22,517	54,877	-	170,272	-	170,272
Amortization on Bond Discount Premium, Net	-	-	(385,436)	(88,450)	(210,528)	-	(684,414)	-	(684,414)
Amortization of Advance Fees	-	-	(1,015,789)	-	(497,938)	-	(1,513,727)	-	(1,513,727)
Provision for Credit Losses	-	-	38,015	113,523	27,935	-	179,473	-	179,473
Realized (Gains) Losses on Investments	74,382	-	(330,096)	(344,088)	(135,713)	(55,054)	(790,569)	-	(790,569)
Unrealized (Gains) Losses on Investments	(128,763)	-	(1,645,022)	35,734	(218,823)	(271,136)	(2,228,010)	-	(2,228,010)
(Increase) Decrease in:									
Accounts Receivable	-	-	47,173	132,933	(320,398)	-	(140,292)	-	(140,292)
Other Receivables	2,913,150	-	(8,236)	(3,006)	(868)	370	2,901,410	(1,061,334)	1,840,076
Prepaid Expenses and Other Assets	(4,019)	-	(331,988)	(319,370)	(294,177)	-	(949,554)	-	(949,554)
Intercompany	(4,801,118)	-	6,787,562	(3,319,617)	308,543	109,064	(915,566)	-	(915,566)
Increase (Decrease) in:									
Accounts Payable and Accrued Expenses	528,674	-	(262,050)	(1,002,961)	37,322	21,787	(677,228)	1,061,334	384,106
Resident Deposits	-	-	(1,450)	11,684	(95,974)	-	(85,740)	-	(85,740)
Net Cash Provided (Used) by Operating Activities	(1,257,290)	-	9,032,735	(2,230,954)	85,158	91,069	5,720,718	-	5,720,718
CASH FLOWS FROM INVESTING ACTIVITIES									
Purchase of Investments	-	-	(8,303,493)	(637,225)	(223,871)	(157,340)	(9,321,929)	-	(9,321,929)
Proceeds from Sale of Investments	-	-	441,450	7,508,006	468,026	57,468	8,474,950	-	8,474,950
Purchase of Property and Equipment	1	-	(6,437,172)	(4,038,009)	(624,179)	-	(11,099,359)	-	(11,099,359)
Proceeds from Return of Investment in Affiliate	182,304	-	2,594	29,959	27,905	-	242,762	-	242,762
Net Change in Assets Limited as to Use	2,996,457	-	215,142	36,818	317,828	(29,960)	3,536,285	-	3,536,285
Net Cash Provided (Used) by Investing Activities	3,178,762	-	(14,081,479)	2,899,549	(34,291)	(129,832)	(8,167,291)	-	(8,167,291)
CASH FLOWS FROM FINANCING ACTIVITIES									
Principal Payments on Long-Term Debt	(4,075,000)	-	-	-	-	-	(4,075,000)	-	(4,075,000)
Proceeds from Entrance Fees, Net of Refunds	-	-	8,456,463	-	1,149,399	-	9,605,862	-	9,605,862
Net Cash Provided (Used) by Financing Activities	(4,075,000)	-	8,456,463	-	1,149,399	-	5,530,862	-	5,530,862
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(2,153,528)	-	3,407,719	668,595	1,200,266	(38,763)	3,084,289	-	3,084,289
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	2,489,230	5,090	2,857,588	227,270	5,542,690	(102,381)	11,019,487	-	11,019,487
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	<u>\$ 335,702</u>	<u>\$ 5,090</u>	<u>\$ 6,265,307</u>	<u>\$ 895,865</u>	<u>\$ 6,742,956</u>	<u>\$ (141,144)</u>	<u>\$ 14,103,776</u>	<u>\$ -</u>	<u>\$ 14,103,776</u>



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