BHI Senior Living, Inc. and Affiliates

Consolidated Financial Report
with Supplemental Information
December 31, 2024

Contents

Plante & Moran, PLLC
Suite 100
250 S. High Street
Columbus, OH 43215
Tel: 614.849.3000
Fax: 614.221.3535
plantemoran.com

Independent Auditor's Report

To the Board of Directors
BHI Senior Living, Inc. and Affiliates

Opinion

We have audited the consolidated financial statements of BHI Senior Living, Inc. and Affiliates (the "Organization"), which comprise the consolidated balance sheet as of December 31, 2024 and 2023 and the related consolidated statements of operations, 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 accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2024 and 2023 and the results of its operations and its 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 *Auditor's Responsibilities for the Audits of the Consolidated Financial Statements* section of our report. We are required to be independent of the Organization and to meet our 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.

Emphasis of Matter

During 2024, the Organization entered into an affiliation agreement with a continuing care retirement community. See Note 20 for further details of the affiliation agreement. Our opinion is not modified with respect to this matter.

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 within one year after the date that the consolidated financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audits 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits 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.

To the Board of Directors
BHI Senior Living, Inc. and Affiliates

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Plante & Moran, PLLC

May 21, 2025

Consolidated Balance Sheet

December 31, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	$ 46,917,562	$ 51,007,817
Investments (Note 7)	111,999,307	88,253,783
Resident accounts receivable - Net (Note 3)	7,590,536	5,026,393
Inventory	651,807	566,566
Notes receivable	1,880,588	1,532,626
Interest rate swap assets	-	1,263,735
Assets limited as to use - Current (Note 7)	6,384,000	6,163,000
Prepaid expenses and other current assets	2,501,555	1,966,568
Total current assets	177,925,355	155,780,488
Assets Limited as to Use - Net of current portion (Note 7)	46,393,010	40,548,637
Property and Equipment - Net (Note 8)	647,322,849	574,279,383
Right-of-use Operating Lease Assets	181,028	237,596
Goodwill - Net	7,207,078	8,236,661
Intangible Assets - Operating rights	1,470,000	1,470,000
Other Assets		
Land held for investment	2,171,016	2,171,016
Predevelopment costs	2,294,500	2,270,930
Investment in equity investees (Note 9)	4,437,028	4,521,624
Interest rate swap asset (Note 11)	1,982,398	1,384,555
Other noncurrent assets	3,691,720	3,922,716
Employee Retention Credit receivable (Note 5)	7,264,152	7,264,152
Total other assets	21,840,814	21,534,993
Total assets	**$ 902,340,134**	**$ 802,087,758**

See notes to consolidated financial statements.

Consolidated Balance Sheet (Continued)

December 31, 2024 and 2023

	2024	2023
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	$ 17,803,608	$ 12,761,626
Current portion of long-term debt (Note 10)	9,812,352	8,273,057
Current portion of lease liabilities - Operating	88,213	94,694
Current portion of lease liabilities - Finance	368,700	364,238
Refundable entrance fees	12,445,766	11,589,864
Accrued liabilities and other	9,573,385	8,192,953
Total current liabilities	50,092,024	41,276,432
Long-term Debt - Net of current portion (Note 10)	418,924,231	367,584,077
Lease Liabilities - Operating	92,815	142,902
Lease Liabilities - Finance	703,996	967,057
Other Long-term Liabilities		
Refundable entrance fees - Less current portion	143,243,249	128,956,731
Deferred revenue - Entrance fees	140,224,398	128,289,939
Annuity and trust obligations	329,075	366,092
Deposits from applicants	2,560,913	2,176,696
Rental deposits	1,223,808	1,489,910
Interest rate swap liabilities (Note 11)	167,436	-
Other long-term liabilities	1,594,195	1,412,948
Total other long-term liabilities	289,343,074	262,692,316
Total liabilities	759,156,140	672,662,784
Net Assets		
Without donor restrictions - Controlling interest	108,122,104	99,287,962
With donor restrictions (Note 12)	30,238,240	25,145,108
Without donor restrictions - Noncontrolling interest	4,823,650	4,991,904
Total net assets	143,183,994	129,424,974
Total liabilities and net assets	**$ 902,340,134**	**$ 802,087,758**

Consolidated Statement of Operations

Years Ended December 31, 2024 and 2023

	2024	2023
Operating Revenue and Support		
Resident services and other related revenue	$ 192,728,302	$ 152,703,070
Amortization of entrance fees	16,664,430	14,047,989
Grant revenue	127,770	783,116
Management fees	178,010	155,283
Other operating revenue	11,692,949	11,317,195
Net assets released from restrictions used in operations	1,166,218	757,328
Total operating revenue and support	222,557,679	179,763,981
Operating Expenses		
Salaries and wages	80,952,880	66,141,318
Employee benefits	17,918,927	14,313,371
Contracts, rents, and services	41,848,141	33,912,245
Food and supplies	8,450,170	7,733,640
Repairs and maintenance	5,678,265	4,880,962
Utilities	9,259,986	7,922,570
Depreciation and amortization	30,341,282	27,213,526
Insurance	3,426,574	2,581,048
Professional and administrative expenses	7,459,755	6,750,557
Travel	821,646	763,253
Other	9,919,869	5,410,931
Total operating expenses	216,077,495	177,623,421
Operating Income	6,480,184	2,140,560
Other Income (Expense)		
Investment return - Net	13,395,657	14,847,896
Gain on equity investments	352,945	291,966
Interest expense	(19,828,258)	(18,188,189)
Amortization of debt issuance financing costs, discounts, and premiums	169,798	233,124
Change in fair value and realized loss of interest rate swaps (Note 11)	(2,045,352)	(1,729,094)
Gain on sale of land held for investment	-	256,648
Inherent contribution from affiliation (Note 20)	10,197,136	-
Other	(118,505)	326,216
Total other income (expense)	2,123,421	(3,961,433)
Excess of Revenue Over (Under) Expenses	8,603,605	(1,820,873)
Noncontrolling Interest Distributions - Net	16,740	(2,442)
Controlling Interest Distributions - Net	(62,531)	-
Contribution of Long-lived Assets	90,821	111,300
Releases from Restrictions for Capital Purchases	17,253	36,943
Increase (Decrease) in Net Assets without Donor Restrictions	**$ 8,665,888**	**$ (1,675,072)**
Amounts Attributable to Controlling and Noncontrolling Interest		
Consolidated (decrease) increase in net assets without donor restrictions attributable to:		
Noncontrolling interest	$ (168,254)	$ (152,906)
Controlling interest	8,834,142	(1,522,166)
Consolidated increase (decrease) in net assets without donor restrictions	**$ 8,665,888**	**$ (1,675,072)**

BHI Senior Living, Inc. and Affiliates

Consolidated Statement of Changes in Net Assets

Years Ended December 31, 2024 and 2023

	Net Assets without Donor Restrictions			
	BHI Senior Living, Inc. and Affiliates	Noncontrolling Interest	Net Assets with Donor Restrictions	Total
Balance - January 1, 2023	$ 100,810,128	$ 5,144,810	$ 23,617,280	$ 129,572,218
Excess of expenses over revenue	(1,670,409)	(150,464)	-	(1,820,873)
Distributions	-	(2,442)	-	(2,442)
Investment return - Net	-	-	150,355	150,355
Change in beneficial interests	-	-	1,486,564	1,486,564
Restricted contributions	-	-	685,180	685,180
Net assets released from restrictions - Operations	-	-	(757,328)	(757,328)
Contribution of long-lived assets	111,300	-	-	111,300
Net assets released for restrictions - Capital	36,943	-	(36,943)	-
Balance - December 31, 2023	99,287,962	4,991,904	25,145,108	129,424,974
Excess of revenue over (under) expenses	8,788,599	(184,994)	-	8,603,605
Noncontrolling interest distributions - Net	-	16,740	-	16,740
Investment return - Net	-	-	106,899	106,899
Change in beneficial interests	-	-	1,952,847	1,952,847
Restricted contributions	-	-	1,683,530	1,683,530
Net assets released from restrictions - Operations	-	-	(1,166,218)	(1,166,218)
Controlling interest distributions - Net	(62,531)	-	-	(62,531)
Contribution of long-lived assets	90,821	-	-	90,821
Inherent contribution from affiliations	-	-	2,533,327	2,533,327
Net assets released for restrictions - Capital	17,253	-	(17,253)	-
Balance - December 31, 2024	**$ 108,122,104**	**$ 4,823,650**	**$ 30,238,240**	**$ 143,183,994**

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Increase (decrease) in net assets	$ 13,759,020	$ (147,244)
Adjustments to reconcile increase (decrease) in net assets to net cash and cash equivalents from operating activities:		
Depreciation and amortization expense	30,341,282	27,213,526
Net change in unrealized and realized net gains and losses on investments	(6,262,971)	(10,690,994)
Amortization of financing costs	241,008	177,682
Net amortization of original issue premium and discount	(410,806)	(410,806)
Amortization of deferred entrance fees	(16,664,430)	(14,047,989)
Gain on equity investment	(352,945)	(291,966)
Change in fair value of and realized loss on interest rate swap agreements	2,045,352	1,729,094
Gain on sale of land held for investment	-	(256,648)
Loss on disposal of property and equipment	1,651,904	-
Change in value of annuity and charitable trust obligations	1,005	217
Credit loss expense	1,397,035	31,244
Loss on disposal of operating rights	-	110,000
Inherent gain from affiliation	(12,730,463)	-
Changes in operating assets and liabilities that (used) provided cash and cash equivalents:		
Resident accounts receivable	(3,963,581)	982,816
Other assets	(130,575)	297,087
Entrance fee notes receivable	(347,962)	3,439,691
Accounts payable	4,398,622	(745,392)
Accrued and other liabilities	(3,440,293)	(238,769)
Proceeds from nonrefundable entrance fees	27,084,483	30,775,049
Net cash and cash equivalents provided by operating activities	36,615,685	37,926,598
Cash Flows from Investing Activities		
Purchase of property and equipment	(45,303,840)	(21,267,303)
Net (purchases of) proceeds from investments	(11,835,256)	3,685,327
Net purchases of assets limited as to use	(3,532,851)	(2,090,496)
Proceeds from sale of land held for investment	-	1,142,110
Contribution to equity method investment	-	(224,000)
Distribution from equity method investment	437,541	175,000
Cash acquired related to affiliation	1,588,652	-
Net cash and cash equivalents used in investing activities	(58,645,754)	(18,579,362)
Cash Flows from Financing Activities		
Principal payment on long-term debt - Scheduled	(9,529,107)	(7,292,431)
Proceeds from issuance of debt obligations	19,000,000	-
Proceeds from refundable entrance fee contracts	25,019,753	18,184,744
Refunds paid on refundable entrance fee contracts	(16,123,065)	(16,696,599)
Finance lease payments	(444,507)	(373,563)
Distributions - Net	16,740	(2,442)
Net cash and cash equivalents provided by (used in) financing activities	17,939,814	(6,180,291)
Net (Decrease) Increase in Cash and Cash Equivalents	(4,090,255)	13,166,945
Cash and Cash Equivalents - Beginning of year	51,007,817	37,840,872
Cash and Cash Equivalents - End of year	**$ 46,917,562**	**$ 51,007,817**
Supplemental Cash Flow Information		
Cash paid for interest	$ 19,714,022	$ 18,371,608
Equipment obtained via finance lease	185,908	353,557
Accounts payable related to purchases of property and equipment	2,049,905	-
Fair value of assets acquired in affiliations (Note 20)	70,185,385	-
Fair value of liabilities assumed in affiliations (Note 20)	(57,454,922)	-

Note 1 - Nature of Business

The accompanying consolidated financial statements include the accounts of BHI Senior Living, Inc. (BHISL) and its affiliates: BHI Foundation, Inc. (the "Foundation"); BHI Retirement Communities, Inc. (BHIRC); SLDevelopment, Inc. (SLD); Wesley Manor, Inc. (Wesley Manor); Prairie Landing Community, Inc. d/b/a The Barrington of Carmel (Barrington); Maple Knoll Communities, Inc. (MKC); Clark Retirement Community, Inc. (CRC); Clark Retirement Community Foundation (CRCF); Westminster Village North, Inc. (WVN); and Clark Retirement Services Company (CRCS) (collectively, the "Organization"). The Organization's primary purpose is to enhance the quality of life of older adults within a secure environment that supports their needs, values, interests, and independence while encouraging personal and spiritual development.

BHISL is a not-for-profit corporation that provides residential, certain health care, and other related services to individuals pursuant to the terms of continuing care agreements. BHISL owns and operates Hoosier Village Retirement Center, The Towne House Retirement Community, and Four Seasons Retirement Center. BHISL also serves as the managing agent for an apartment rental facility (Four Seasons Villas, Inc.) for the elderly and persons needing the features of a specially designed unit.

The Foundation is a not-for-profit corporation engaged in fundraising activities for promoting the welfare of BHISL, which provides certain administrative support for the Foundation.

BHIRC is a not-for-profit corporation organized for the purpose of developing and operating continuing care retirement communities. BHIRC is the sole stockholder of SLDevelopment, Inc. and sole member of Wesley Manor, Inc.; Prairie Landing Community, Inc.; Clark Retirement Community, Inc.; Westminster Village North, Inc. and Maple Knoll Communities, Inc. BHIRC also holds certain real estate investments, which may be used for future development.

SLD is a for-profit corporation established during 2011, and BHIRC purchased 5,000 of the 10,000 authorized common shares of SLD. The remaining 5,000 shares have not been issued by SLD.

Wesley Manor is a not-for-profit continuing care retirement community located in Frankfort, Indiana. BHIRC entered into an affiliation agreement with Wesley Manor on November 18, 2015 and became the sole member of Wesley Manor on January 1, 2016.

As of April 8, 2013, Wesley Manor entered into a series of agreements with Woodlawn Hospital (Woodlawn) to transfer certain of its operations to Woodlawn. Under the agreements, Wesley Manor leased its licensed nursing home beds to Woodlawn. Simultaneously, Woodlawn engaged Wesley Manor to manage the facility on its behalf. See *Supplemental Payment Program* in Note 2 for details of the agreements.

Wesley Manor Southside GP, LLC (Southside GP) is a wholly owned subsidiary of Wesley Manor, Inc. Wesley Manor Southside LP (Southside LP) is owned 0.1 percent by Southside GP and 99.99 percent by an external third party. Southside LP was formed on March 4, 2015 to acquire, rehabilitate, maintain, and operate a 50-unit apartment complex intended for rental to low-income persons located in Frankfort, Indiana (Southside Project). As the general partner of Southside LP, Southside GP has a controlling interest in Southside LP. Southside GP has full and exclusive control over the affairs of Southside LP under the partnership agreement. The limited partner's interest is presented as noncontrolling interest in the accompanying consolidated financial statements.

Prairie Landing Community, Inc., a not-for profit corporation, acquired substantially all the assets and the entrance fee liabilities of The Barrington of Carmel on August 30, 2019. Prairie Landing Community, Inc. d/b/a The Barrington of Carmel provides residential, certain health care, and other related services to individuals pursuant to the terms of continuing care agreements.

Effective February 1, 2022, BHIRC became the sole member of Clark Retirement Community, Inc. CRC is a not-for-profit continuing care retirement community providing housing, health care, and other related services to residents on two campuses in Grand Rapids, Michigan.

Note 1 - Nature of Business (Continued)

Clark Retirement Community, Inc, is the sole member of Clark Retirement Community Foundation, which is a nonstock, not-for-profit Michigan corporation whose purpose is to provide support for Clark Retirement Community's residents and programs.

Clark Retirement Services Company is a not-for-profit corporation that provides professional services formed for the exclusive benefit of CRC. Governance for CRSC is appointed by CRC, giving CRC both voting control and economic interest in CRSC, which requires consolidation of CRSC.

Effective July 1, 2022, BHIRC became the sole member of Maple Knoll Communities, Inc. MKC is a not-for-profit corporation that provides housing, health care, and other related services and activities for the benefit of the elderly. MKC owns and operates two continuing care retirement communities, Maple Knoll Village and The Knolls of Oxford, located in Cincinnati, Ohio and Oxford, Ohio, respectively. MKC is also the sole member of Maple Professional Building, LLC, which owns real estate utilized by MKC.

Effective February 2, 2024, BHIRC became the sole member of Westminster Village North, Inc. WVN is a not-for-profit single site continuing care retirement community that provides housing, health care, and other related services and activities for the benefit of the elderly.

As of February 1, 2012, WVN entered into a series of agreements with Hancock Regional Hospital (Hancock) to transfer certain of its operations to Hancock. Under the agreements, WVN leased its licensed nursing home beds to Hancock. Simultaneously, Hancock engaged WVN to manage the facility on its behalf. See *Supplemental Payment Program* in Note 2 for details of the agreements.

Note 2 - Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include all accounts of BHI Senior Living, Inc. and Affiliates, as summarized in Note 1. All significant intercompany transactions and balances have been eliminated in the consolidation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Unless noted otherwise below, the Organization considers all liquid investments with an original maturity of three months or less when purchased to be cash equivalents. At December 31, 2024 and 2023, cash equivalents, restricted deposits, and funded reserves consisted primarily of money market mutual funds. At times, the Organization’s cash accounts exceeded FDIC limits.

Uninvested cash and cash equivalents included in investment accounts, including assets limited as to use, are not considered to be cash and cash equivalents.

Deposit accounts, including deposits held under escrow agreements, restricted internally by the board or externally by regulators are not considered to be cash and cash equivalents.

Note 2 - Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable from patients, residents, insurance companies, and governmental agencies are based on the amount expected to be collected. Collection of accounts receivable in the normal course of business is subject to the regulations of and payment by the Medicare and Medicaid programs. An allowance for credit losses is established for amounts expected to be uncollectible over the contractual life of the receivables. The Organization calculates the allowance using an expected loss model that considers the Organization’s actual historical loss rates adjusted for current economic conditions and reasonable and supportable forecasts. The Organization considers age of the accounts, changes in collection patterns, the composition of accounts by payor type, payor credit risk, and general industry conditions when making adjustments for reasonable and supportable forecasts. Uncollectible amounts are written off against the allowance for credit losses in the period they are determined to be uncollectible. Recoveries of amounts previously written off are recognized when received.

Contributions Receivable

Pledges of cash and other assets, including unconditional promises to give in the future, are reported as revenue when granted or received, measured at fair value. The Organization has not recorded a provision for uncollectible accounts since it is the opinion of management that those receivables are collectible in full. In addition, conditional promises to give are not included as revenue until conditions are substantially met.

Notes Receivable

Notes receivable are stated at their outstanding principal amounts. There was no allowance for uncollectible notes receivable at December 31, 2024 and 2023. Outstanding notes accrue interest based on the terms of the respective note agreements. A note receivable is considered delinquent when the debtor has missed three or more payments. At that time, the note is placed on nonaccrual status, and interest accrual ceases and does not resume until the note is no longer classified as delinquent. Delinquent notes are written off based on individual credit evaluation and specific circumstances of the borrower.

Assets Limited as to Use

Assets limited as to use include assets held by trustees restricted by bond indenture for investment in plant and debt service (escrow funds), donor-restricted endowment funds, charitable remainder trusts, beneficial interests, contribution receivable from Westminster Village Foundation, and deferred compensation plan assets. Debt service escrows required to meet current liabilities of the Organization have been reclassified as current assets in the consolidated balance sheet.

Beneficial Interests

In 2009, CRC was notified that it had obtained a 45 percent interest in a trust. Under the trust agreement, CRC has the irrevocable right to receive the income earned on the trust's assets, as well as the value of 45 percent of the underlying assets if those assets are disposed. Annual distributions from the trust to CRC are reported as investment income. CRC's percent interest in the assets of the trust is recorded in the consolidated financial statements at fair value on a recurring basis, which totaled $4,828,500 and $4,504,050 as of December 31, 2024 and 2023, respectively.

In 2018, CRC was notified that it had obtained a 50 percent interest in a trust. Under the trust agreement, CRC has the right to receive 50 percent of the principal and income earned on trust assets on the 10th anniversary of the donor's death. Distributions of the earnings may be made by the trustee at any time. The 50 percent interest of the assets of the trust is recorded in the consolidated financial statements at fair value on a recurring basis, which totaled $1,395,658 and $1,240,277 as of December 31, 2024 and 2023, respectively.

Note 2 - Significant Accounting Policies (Continued)

MKC has a beneficial interest in several irrevocable trusts from which it receives payments every year based on its beneficial portion and the earnings of the investments in the trust. The fair market value of MKC's beneficiary portion of these investments totaled $11,677,890 and $10,978,050 at December 31, 2024 and 2023, respectively. Earnings from these investments are reported as investment income.

During 2022, BHIRC contributed $1,000,000 to Maple Knoll Communities Foundation (MKCF) for the benefit of MKC. The fair market value of the assets held by MKCF for the benefit of MKC totaled $1,964,063 and $1,612,376 at December 31, 2024 and 2023, respectively. Changes in the beneficial interest in MKCF are reported as changes in donor-restricted net assets on the consolidated statement of changes in net assets.

WVN has a beneficial interest in Westminster Village Foundation, Inc. (WVF). The fair market value of the assets held by WVF for the benefit of WVN totaled $2,893,065 at December 31, 2024. Changes in the beneficial interest in WVF are reported as changes in donor-restricted net assets on the consolidated statement of changes in net assets.

Investments

Investments in equity securities, other than investments that qualify for the equity method of accounting, with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheet. Investments in alternative investments are recorded at net asset value (NAV), as a practical expedient, to determine fair value of the investments. Debt securities are considered trading securities, as they are bought and held principally for the purpose of selling in the near term and, therefore, held for only a short period of time. Changes in the fair value of equity and debt securities are recognized in excess of revenue over (under) expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

The Organization invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated balance sheet.

Net Investment Return

Investment return includes dividend, interest, and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses. Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the year in which the return is received is included in net assets without donor restrictions. Other investment return is reflected in the consolidated statements of operations and changes in net assets as with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

Endowed funds use an investment pool approach, under which each restricted purpose endowment has a specific unit interest based on its capital contributions to the pool. Income earned in the pool is allocated monthly to unrestricted funds for general operations and to the individual endowments in proportion to the unit interests as of the end of the month. Gains and losses from the sale of pooled investments and unrealized gains and losses on investments held are allocated in the same manner.

Investments - Equity Method

Investments in jointly owned companies in which the Organization has more than an insignificant ownership interest or otherwise exercises significant influence are carried at cost, adjusted for the Organization's proportionate share of its undistributed earnings or losses and distributions.

Note 2 - Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment are recorded at cost. Donated property and equipment are recorded at the estimated fair value at the time of donation. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. Costs of maintenance and repairs are charged to expense when incurred.

Predevelopment Costs and Land Held for Investment

Predevelopment costs and land held for investment include land that was acquired, developed, and is held for either investment or sale. Predevelopment costs and land are stated at cost. During 2023, the Organization sold approximately 26 acres of land held for investment for $1,142,110, which resulted in a gain on the sale of $256,648.

Impairment of Long-lived Assets

The Organization reviews the recoverability of long-lived assets, including buildings, equipment, and other intangible assets, when events or changes in circumstances occur that indicate the carrying value of the asset may not be recoverable. The assessment of possible impairment is based on the ability to recover the carrying value of the asset from the expected future cash flows (undiscounted and without interest charges) of the related operations. If these cash flows are less than the carrying value of such asset, an impairment loss is recognized for the difference between estimated fair value and carrying value. The measurement of impairment requires management to make estimates of these cash flows related to long-lived assets, as well as other fair value determinations.

No impairment of long-lived assets was recognized during the years ended December 31, 2024 and 2023.

Goodwill

The recorded amounts of goodwill from prior business combinations are based on management's best estimates of the fair values of assets acquired and liabilities assumed at the date of acquisition.

As of January 1, 2022, the Organization elected to apply an accounting alternative, where goodwill is amortized on a straight-line basis over a 10-year period. Additionally, goodwill is assessed for potential impairment if events occur or circumstances change that indicate the fair value of the Organization may be less than its carrying value. For the years ended December 31, 2024 and 2023, the Organization recognized amortization of $1,029,583 and $1,029,566, respectively.

No impairment charge for goodwill was recognized during the years ended December 31, 2024 and 2023.

Operating Rights

In July 2022, the Organization acquired the operating rights to nursing beds through the MKC affiliation. The operating rights are not amortized, as they have an indefinite life. However, the asset is tested for impairment at least annually. It has been determined that no impairment exists for the Organization's operating rights as of December 31, 2024 and 2023.

Deferred Financing Costs

Deferred financing costs represent financial costs associated with issuance of long-term debt and are presented on a net basis within long-term debt on the consolidated balance sheet. Such charges are being amortized over the respective terms of the debt agreements.

Note 2 - Significant Accounting Policies (Continued)

Refundable Entrance Fees and Deferred Revenue from Entrance Fees

Occupancy agreements allow for a continuing care contract or for month-to-month rentals. Pursuant to the continuing care contract, entrance fees are generally required prior to occupancy. Monthly maintenance fees are required for all residents. Certain contracts further provide that the resident whose funds are exhausted may remain in the facility until death.

Lessors are required to separately recognize and measure the lease component of a contract with a resident utilizing the provisions of Accounting Standards Codification (ASC) 842 and the nonlease components utilizing the provisions of ASC 606, *Revenue from Contracts with Customers*. To separately account for the components, the transaction price is allocated among the components based upon the estimated stand-alone selling prices of the components. However, entities are permitted to elect the practical expedient under ASU No. 2018-11, *Leases*, allowing lessors not to separate nonlease components from the associated lease components when certain criteria are met.

The Organization adopted the practical expedient under ASU No. 2018-11, which allows the Organization to recognize revenue under these resident agreements based upon the predominant component, either the lease or nonlease component, of the contracts rather than allocating the consideration and separately accounting for it under ASC 842 and ASC 606. The Organization concluded that the nonlease components of the agreements with respect to its senior living communities are the predominant components of the contract; therefore, the Organization recognizes revenue for these resident agreements under ASC 606.

Nonrefundable entrance fees represent the right of the resident to access to future services. This right is deemed to be the Organization’s performance obligation. Nonrefundable entrance fees are initially recorded as deferred revenue and amortized as revenue over the estimated life expectancy of each resident, as determined by published mortality tables. Any unrecognized entrance fee revenue, net of any refund owed, or performance obligation at the date of death or vacancy is recorded as revenue at such date.

Deferred revenue from entrance fees is $140,224,398 and $128,289,939 at December 31, 2024 and 2023, respectively. Deferred revenue as of January 1, 2023 was $118,858,106.

Refundable entrance fees, including the refundable portion under return of capital contracts and the estimated refundable portion under declining balance contracts, are recorded as a liability. The estimate of the amount to be refunded to current residents under declining balance contracts is based on historical data of the Organization.

Residents in retirement facilities are charged a processing fee upon admission and are billed for services, including ancillary services, on a monthly basis. These resident services are recorded as revenue and accounts receivable when the service is performed.

At December 31, 2024 and 2023, the Organization had residency contracts with gross potential refund obligations totaling $208,415,548 and $194,310,096, respectively, based on requirements outlined in the contract. Management estimated the current portion of the refundable balances as of December 31, 2024 and 2023 at approximately $12,445,766 and $11,589,864, respectively.

Obligation to Provide Future Services

The Organization annually calculates the present value of the net cost of future services and the use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from entrance fees. If the present value of the net cost of future services and the use of facilities exceeds the deferred revenue from entrance fees, a liability is recorded (obligation to provide future services and use of facilities) with the corresponding charge to income. The obligation is discounted at 5 percent based on the expected long-term rate of return on government obligations. No liability was required to be recorded at both December 31, 2024 and 2023.

Note 2 - Significant Accounting Policies (Continued)

Derivative Instruments

The Organization utilizes derivative financial instruments to reduce interest rate risk. The Organization records all derivative instruments, which currently consist of interest rate swap agreements, on the consolidated balance sheet at their respective fair values and all changes in fair value in the consolidated statement of operations as changes in fair value of interest rate swap.

Self-funded Insurance

The Organization maintains a self-funded health insurance plan covering substantially all employees of BHIRC, BHISL, Barrington, the Foundation, Wesley Manor, and CRC. Contributions are made to the administrator of the plan as claims are paid, while expenses are accrued as incurred. The Organization has purchased insurance that limits its exposure for individual health claims to $140,000 per employee for both the years ended December 31, 2024 and 2023.

Maple Knoll Communities, Inc. is self-insured for employee health insurance costs and has purchased commercial insurance for aggregate individual claims in excess of $125,000 annually. Amounts are accrued for estimated future payments relating to incidents occurring before year end.

CRC is also self-insured for workers' compensation for claims up to $450,000. CRC has an insurance policy that provides for statutory coverage in excess of $450,000 per occurrence and $5,000,000 coverage of aggregate insurance claims for a one-year period ending July 1, 2025. Losses are accrued based upon CRC's experience. The cost of claims is recognized as an operating expense in the period incurred.

Noncontrolling Interest

Noncontrolling interest represents the 99.99 percent interest in Southside LP described above that the Organization does not own. Losses attributable to the noncontrolling interest are allocated to the noncontrolling interest, even if the carrying amount of the noncontrolling interest is reduced below zero.

The change in net assets with donor restrictions is attributable solely to the controlling interest.

Classification of Net Assets

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Organization.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

Resident Service Revenue

Revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for services provided. Performance obligations are determined based on the nature of the services provided by the Organization.

The Organization recognizes the monthly fee component of entrance fees as revenue when the services for the month are performed (that is, the Organization satisfies the performance obligation).

Note 2 - Significant Accounting Policies (Continued)

Service revenue includes room charges and ancillary services that are not included in the bundle of services and, as such, are treated as separate performance obligations satisfied over time as the services are rendered. Service revenue is recorded at established rates, net of contractual adjustments, resulting from agreements with third-party payors.

Skilled nursing and assisted living residency and services represent a bundle of services that are not capable of being distinct and, as such, are treated as a single performance obligation satisfied over time as services are rendered. The Organization concluded that each day that a resident receives services represents a separate contract and performance obligation based on the fact that residents have unilateral rights to terminate the contract after each day with no penalty or compensation due. The Organization determines the transaction price based on contractually agreed-upon amounts or rates.

The Organization provides care to residents covered by various third-party payors, such as Medicare, Medicaid, and private insurance companies. Medicare and Medicaid agreements provide for rate payments, which are updated periodically by the federal and applicable state governments, respectively. Many of the residents served by the Organization are elderly and may have limited resources to pay for care without assistance from the Medicare and Medicaid programs.

Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between the amounts accrued and subsequent settlements are recorded in revenue in the year of settlement.

The Organization has agreements with third-party payors that provide for payments at amounts different than its established rates. The payment arrangements include the following:

Medicare

Services rendered to Medicare program beneficiaries are paid at prospectively determined rates based upon the resident's diagnosis and clinical assessments completed by each facility.

Medicaid

Services rendered to Ohio and Indiana Medicaid program beneficiaries are paid at per diem rates prospectively determined by the respective states and are adjusted periodically for changes in resident acuity. Michigan Medicaid reimburses the Organization for resident routine service costs, on a per diem basis, on a retrospective basis through September 30, 2023. Effective October 1, 2023, Michigan Medicaid reimburses the Organization for resident routine service costs, on a per diem basis, on a prospective basis The Michigan Medicaid payment also includes a quality assurance supplement (QAS). The QAS is a reimbursement based on Medicaid occupancy and is related to the provider tax assessed to nursing homes.

Insurance

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

The payment methodology related to the programs described above is based on cost and clinical assessments that are subject to review and final approval by Medicaid, Medicare, and insurance companies. Adjustments that result from this final review and approval are insignificant and are recognized in the period in which the adjustment is made. In the opinion of management, adequate provision has been made for any adjustments that may result from such third-party review.

Note 2 - Significant Accounting Policies (Continued)

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Management believes it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoings. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation. Noncompliance with such laws and regulations may result in significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs. In addition, the contracts the Organization has with commercial payors also provide for retroactive audit and review of claims.

Variable consideration may also exist in the form of settlements with third-party payors as a result of retroactive adjustments due to audits, reviews, or investigations. 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. The Organization has not applied a constraint to the transaction price for settlement estimates, as the Organization determined that it is not probable that a significant reversal in the amount of the cumulative revenue recognized will occur in the future.

Contract Costs

The Organization applied the practical expedient provided by ASC 340-40-25-4 and expenses the incremental customer contract acquisition costs for contracts in which the amortization period of the asset is one year or less as they are incurred. Additionally, incremental costs incurred to obtain customer contracts for which the amortization period of the asset is expected to be longer than one year are expensed in the period incurred.

Financing Component

The Organization elected the practical expedient allowed under 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 resident services are provided and the time that the resident or a third-party payor pays for that service will be one year or less.

The Organization does, in certain instances, enter into payment agreements with residents for entrance fees that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

Supplemental Payment Program

In connection with its participation in the intergovernmental transfer program (IGT), Wesley Manor and Westminster Village North lease the tangible property, including real estate and property and equipment (the "Leased Property") of the facilities to Woodlawn and Hancock, respectively. Wesley Manor and WVN are also parties to intangible property license agreements and management agreements (collectively, and together with the property license agreement, the "agreements"), whereby Wesley Manor and WVN have agreed to lease the leased property, as defined by the agreements, and manage the provision of health care services delivered at the facilities, including employment of all selected clinical personnel on Woodlawn and Hancock's behalf. Wesley Manor and WVN also receive certain revenue, as defined by the agreements, for rental of the leased real and tangible property and additional amounts for royalty, management, and other fees. Certain provisions of the agreements provide additional revenue for achievement of various clinical and other outcomes (quality incentive fees).

The agreements had an initial maturity date of two years. The agreements automatically renew every two years thereafter unless terminated in accordance with certain other provisions of the agreements. At the termination of the agreements, Wesley Manor and WVN are required to perform certain actions, as defined by the agreements.

Note 2 - Significant Accounting Policies (Continued)

The Organization determined that it is responsible for the performance of the delivery of resident services provided under the terms of the agreements and has, therefore, reflected this revenue as resident service revenue and has further reflected all expenses associated with the terms of the agreements as operating expenses of the Organization. The Organization further recorded the assets and liabilities of Woodlawn and Hancock's operations in its principal capacity as provider of these services.

Charitable Care and Social Accountability

The Organization believes in supporting residents, who, through no fault of their own, have exhausted their personal financial resources. These services are classified as charitable care in accordance with certain established policies of the Organization. The policies define charitable services as those services for which no payment is anticipated. Because collection of amounts determined to qualify as charitable care is not pursued, such amounts are not reported as revenue. The cost of providing charitable care was $1,095,781 and $1,215,923 in 2024 and 2023, respectively. Management estimated the costs of providing these services by applying a ratio of cost to total gross charges to the gross uncompensated charges associated with providing charitable care.

Social accountability is a measure of an organization's commitment to its mission, its stakeholders, and society. As a not-for-profit corporation, the commitment the Organization has made to social accountability can be traced back to its founding in 1904 as a children's orphanage.

The Organization provides programs and services to address needs of those in the retirement communities it operates, generally at minimal cost to those being served. Such services include, but are not limited to, educational programs, transportation, and educational scholarship programs for employees, all targeted toward enhancing the quality of life of older adults.

The communities have chapel services open to the public, support intergenerational programs for elementary school children, prepare and send care packages to troops overseas, and provide a variety of groups with meeting space and dietary services. Also, the director of the Foundation coordinates with the community, staff, and residents to implement programs and services to enhance the lives of the residents.

The Organization also sponsors a wellness program and a chaplain at each facility. The chaplains and wellness directors are committed to improving both the physical and spiritual health of the Organization's residents. Additionally, the Organization opened its facilities to interns and students from area high schools and colleges. Through this opportunity, many young careerists have been able to gain much needed experience in the field of senior living.

Contribution and Grant Revenue

Unconditional promises to give cash and other assets to the Organization are reported at net realizable value on the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value on the date the gift becomes unconditional or is received. The gifts are reported as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions. Donor-restricted contributions and grants whose restrictions are met within the year in which the grant gifts are received are reported as contributions without donor restrictions in the accompanying financial statements.

Other Operating Income

Other operating income consists primarily of golf course revenue, vending sales, activity income, and other miscellaneous revenue.

Note 2 - Significant Accounting Policies (Continued)

Income Taxes

The Organization is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3). Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. Management has analyzed the tax positions taken by the Organization and has concluded that, as of December 31, 2024 and 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

SLD is a taxable corporation. However, SLD had no federal or state income taxes currently payable or deferred tax assets or liabilities as of both December 31, 2024 and 2023.

Excess of Revenue Over (Under) Expenses

The consolidated statement of operations includes a measurement of excess of revenue over (under) expenses. Changes in net assets, which are excluded from excess of revenue over (under) expenses, consistent with industry practice, include limited partner capital contributions, donor restricted inherent contributions, permanent transfers to and from affiliates for other than goods and services, other donor-restricted activity, and contributions of long-lived assets (including assets acquired using contributions, which, by donor restriction, were to be used for the purpose of acquiring such assets).

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including May 21, 2025, which is the date the financial statements were available to be issued.

Note 3 - Accounts Receivable

The details of resident accounts receivable are set forth below:

	2024	2023
Resident accounts receivable	$ 9,440,653	$ 6,158,016
Less allowance for credit losses	1,850,117	1,131,623
Net resident accounts receivable	$ 7,590,536	$ 5,026,393

The net resident accounts receivable balance as of January 1, 2023 was $6,040,453.

The activity in the allowance for credit losses is as follows:

	2024	2023
Balance - Beginning of year	$ 1,131,623	$ 1,800,979
Additions charged to expense	1,397,035	31,244
Write-offs/Recoveries	(678,541)	(700,600)
Balance - End of year	$ 1,850,117	$ 1,131,623

Note 3 - Accounts Receivable (Continued)

The Organization grants credit without collateral to residents, most of whom are local residents and are insured under third-party payor agreements. The composition of receivables from residents and third-party payors was as follows:

	2024	2023
Medicare and Managed Care	23 %	38 %
Medicaid	44	29
Private	33	33
Total	100 %	100 %

Note 4 - Resident Services and Other Related Revenue

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

	2024	2023
Medicare	$ 12,416,108	$ 10,708,150
Medicaid	22,814,740	11,636,451
Private	153,430,025	127,877,159
Managed care and insurance	4,067,429	2,481,310
Total	$ 192,728,302	$ 152,703,070

The composition of resident services and other related revenue based on the Organization's lines of business for the years ended December 31 is as follows:

	2024	2023
Skilled nursing	$ 85,876,388	$ 63,787,674
Assisted living	17,168,191	11,725,900
Independent living	77,303,749	66,331,827
Memory care	12,379,974	10,857,669
Total	$ 192,728,302	$ 152,703,070

Note 5 - Employee Retention Credit

Employee Retention Credit

The CARES Act introduced the Employee Retention Credit (ERC) as pandemic relief for eligible organizations. The ERC is a refundable credit against certain employment taxes and qualifies as a government grant. Under generally accepted accounting principles, government grants are recognized as revenue in the period in which an organization substantially overcomes all measurable barriers to be entitled to the funding. Prior to the Organization's affiliation with CRC, management of CRC had determined that the measurable barriers that must be overcome for entitlement to the ERC funding are qualifying for the credit based on both meeting the threshold for gross receipts decline in part of 2021 compared to 2019 and having operations partially suspended to comply with a government order related to COVID-19 and incurring eligible payroll expenses.

During 2021, CRC determined these conditions had been met and recognized $1,907,656 of ERC revenue. The ERC outstanding receivable balance was $1,907,656 at December 31, 2022 and the refund was received in full during the year ended December 31, 2023.

Note 5 - Employee Retention Credit (Continued)

During 2022, the Organization determined that MKC qualified for ERC based on having operations partially suspended to comply with a government order related to COVID-19 and incurring eligible payroll expenses. As such, they recognized $7,264,152 of ERC revenue within grant revenue on the consolidated statement of operations in 2022. The ERC outstanding receivable balance was $7,264,152 as of both December 31, 2023 and 2024.

The Organization's ERC claims are subject to review by the Internal Revenue Service (IRS) within the applicable statute of limitations. If a portion or all of the ERC is determined to be ineligible upon IRS review, the Organization would be required to return the ineligible portion on demand and could potentially be subject to penalties and interest on unpaid employment taxes.

Note 6 - Related Party Transactions

The Organization is the managing agent of Hoosier Manor, Inc. and Four Seasons Villas, Inc. Management fees earned from these facilities totaled $178,010 and $155,283 in 2024 and 2023, respectively. These not-for-profit corporations are required to be operated as independent separate corporations by the United States Department of Housing and Urban Development (HUD), which provided financing for their residential housing facilities. The board of directors of these two entities includes certain members of the Organization's board of directors; however, the Organization concluded it did have an economic interest in these related entities, and, therefore, these two entities are not included in the accompanying consolidated financial statements.

During 2023, the Organization approved the wind-down and liquidation of Hoosier Manor, Inc. In order to pay off the HUD mortgage and wind down operations, BHISL entered into a contribution agreement with Hoosier Manor Inc. to contribute $2,437,377. The condition of the contribution agreement is that upon dissolution of Hoosier Manor, Inc., BHISL will assume any remaining assets, which is primarily the land owned by Hoosier Manor, Inc. BHISL has recorded a long-term asset for the amount contributed to Hoosier Manor, Inc. until the conditions of the dissolution have been met, at which time the real property assumed by BHISL will be recognized.

As a result of executing the contribution agreement, the Organization obtained an economic interest in Hoosier Manor, Inc., which requires consolidation. Given the total assets, liabilities, revenue, and expenses of Hoosier Manor, Inc. are immaterial, the Organization elected not to consolidate Hoosier Manor, Inc. in 2023 when the consolidation criteria were met.

The $2,437,377 that BHISL contributed to Hoosier Manor, Inc. is recorded within other noncurrent assets at December 31, 2023 and upon meeting the dissolution will be reclassified to land given the fair value of the assets obtained will be substantially all attributable to the land assumed by BHISL.

The Organization has made working capital advances to the above related corporations. The advances do not bear interest and are due on demand upon receiving HUD approval. The outstanding balance of these advances was $112,435 and $204,387 at December 31, 2024 and 2023, respectively, and is included in prepaid and other assets on the consolidated balance sheet.

As described in Note 9, the Organization has a 50 percent investment in Heart in Home of Indiana, LLC (HIH) accounted for using the equity method. The Organization has made working capital advances to HIH that are due on demand. The outstanding balance of these advances was $1,675,242 at December 31, 2023 and 2024 and is recorded as an investment in the investee.

In March 2020, HIH entered into a $500,000 revolving line of credit agreement with a bank, which bears interest at a variable rate of SOFR plus 2.37 percent. The line of credit was set to mature on March 31, 2025 and had an outstanding balance of $0 at both December 31, 2024 and 2023. BHIRC is a guarantor on the HIH revolving line of credit. Subsequent to December 31, 2024, the line of credit agreement was extended through a maturity date of March 31, 2026.

Note 7 - Investments and Assets Limited as to Use

Investments and assets limited as to use consist of the following:

	2024	2023
Investments	$ 111,999,307	$ 88,253,783
Assets limited as to use:		
Escrow funds	20,066,756	19,016,760
Beneficial interests	22,759,176	18,334,753
Donor-restricted funds	196,431	184,582
Captive member savings accounts	1,004,507	893,236
Investments restricted by donors for endowments	5,883,329	5,535,368
Interest in charitable remainder trusts	20,336	21,341
Deferred compensation plan assets	2,846,475	2,725,597
Total assets limited as to use	52,777,010	46,711,637
Total investments and assets limited as to use	$ 164,776,317	$ 134,965,420

The composition of investments and assets limited as to use at December 31 consisted of the following:

	2024	2023
Investments:		
Equity securities	$ 21,575,583	$ 18,191,411
Mutual funds:		
Domestic equity	40,513,234	21,339,282
International equity	214,150	2,894,816
Fixed income	5,497,962	8,285,954
U.S. government bonds	17,315,070	7,087,609
Corporate bonds	18,646,663	14,694,911
Commercial mortgage-backed securities	362,353	267,893
Certificates of deposit	-	2,763,369
Alternative investments	5,931,128	4,265,874
Cash	1,943,164	8,462,664
Total investments	111,999,307	88,253,783
Assets limited as to use:		
Equity securities	2,702,675	2,596,869
Mutual funds:		
Domestic equity	2,059,494	1,831,961
International equity	54,110	170,413
Fixed income	988,758	470,531
U.S. government bonds	8,049,838	2,539,397
Corporate bonds	2,685,905	7,075,815
Certificates of deposit	118,603	500,000
Alternative investments	312,446	338,332
Beneficial interests	19,866,111	18,334,753
Contribution receivable Westminster Village Foundation	2,893,065	-
Money market funds	13,046,005	12,853,566
Total assets limited as to use	52,777,010	46,711,637
Total investments and assets limited as to use	$ 164,776,317	$ 134,965,420

Note 7 - Investments and Assets Limited as to Use (Continued)

Total net investment return consists of the following:

	2024	2023
Interest and dividends	$ 7,169,877	$ 4,307,257
Realized gains	6,940,454	259,120
Unrealized (loss) gains	(677,483)	10,431,874
Total	$ 13,432,848	$ 14,998,251

Net investment return is reflected in the consolidated financial statements as follows:

	2024	2023
Investment return - Net without donor restrictions	$ 13,325,949	$ 14,847,896
Investment return - Net with donor restrictions	106,899	150,355
Total	$ 13,432,848	$ 14,998,251

Note 8 - Property and Equipment

Property and equipment are summarized as follows:

	2024	2023	Depreciable Life - Years
Land	$ 40,866,705	$ 36,265,373	-
Land improvements	44,445,838	41,801,455	3-50
Buildings and building improvements	655,021,163	578,345,033	25-40
Transportation equipment	3,465,138	2,898,862	4-10
Furniture and fixtures	70,710,894	60,634,538	3-25
Construction in progress	15,269,373	7,639,208	-
Total cost	829,779,111	727,584,469	
Accumulated depreciation	182,456,262	153,305,086	
Net property and equipment	$ 647,322,849	$ 574,279,383	

Depreciation expense on property and equipment totaled $29,311,699 and $26,183,960 for the years ended December 31, 2024 and 2023, respectively.

The Organization entered into construction commitments for projects at certain locations. At December 31, 2024, there was approximately $10,471,620 of remaining commitments not included within construction in progress.

There was capitalized interest costs of $610,268 and $0 for the years ended December 31, 2024 or 2023, respectively.

Note 9 - Investments Using the Equity Method

On April 24, 2019, BHIRC entered into a joint venture arrangement with an unrelated third party to form Heart in Home of Indiana, LLC, which provides home care services to seniors in Indiana.

On September 19, 2022, BHIRC entered into a joint venture arrangement with an unrelated third party to form Care Plus Homehealth Care, LLC, which provides home health services to seniors in Indiana.

Note 9 - Investments Using the Equity Method (Continued)

On January 30, 2012, CRCS entered into a joint venture arrangement with other Grand Rapids continuing care retirement communities to form a nonprofit, faith-based hospice service organization called Emmanuel Hospice. CRCS owns an 18 percent minority interest.

On December 13, 2013, CRCS entered into a joint venture arrangement with other Grand Rapids continuing care retirement communities and an ambulance company to form a for-profit organization to coordinate the delivery of quality of life comprehensive health care services called Tandem 365. CRCS is a 20 percent minority owner. Tandem 365 serves residents of Michigan.

On April 1, 2017, CRCS entered into a joint venture arrangement to form Atrio Home Care (Atrio) with two other west Michigan nonprofit continuing care retirement communities, to provide skilled and private duty home care services in the west Michigan area. CRCS owns a 20 percent minority interest. The governance structure is split evenly to each of the three sponsoring organizations. During 2024, CRCS sold its interest in Atrio.

On July 1, 2016, MKC entered into a joint venture agreement to form Cedar Knoll, LLC with a separate not-for-profit organization in which each member has a 50 percent interest. Beginning on July 1, 2016, Cedar Knoll, LLC provided home health agency services and hospice programs and services.

Investments accounted for using the equity method consist of the following at December 31:

	Percent Owned	
	2024	2023
BHI Retirement Communities, Inc.:		
Heart in Home of Indiana, LLC	50.00 %	50.00 %
Care Plus Homehealth Care, LLC	50.00	50.00
Clark Retirement Services Company:		
Emmanuel Hospice, Inc	18.00	18.00
EHCO Group, LLC d/b/a Tandem 365	20.00	20.00
Atrio Home Care	-	20.00
Maple Knoll Communities, Inc. - Cedar Knoll, LLC	50.00	50.00

Note 9 - Investments Using the Equity Method (Continued)

The following is a summary of the financial position and results of operations for the investees above for the years ended December 31:

	2024 (Amounts are Unaudited)			2023 (Amounts are Unaudited)		
	BHIRC	CRSC	MKC	BHIRC	CRSC	MKC
Assets:						
Current assets	$ 1,540,197	$ 7,531,741	$ 34,179	$ 1,134,171	$ 7,853,797	$ 22,088
Property, plant, and equipment	32,527	557,815	-	12,700	697,739	-
Intangible assets	1,751,317	-	-	1,934,063	156,000	-
Other	591,333	-	133,327	48,000	-	232,642
Total assets	$ 3,915,374	$ 8,089,556	$ 167,506	$ 3,128,934	$ 8,707,536	$ 254,730
Liabilities:						
Current liabilities	$ 1,389,269	$ 1,891,506	$ 28,678	$ 2,178,044	$ 2,394,567	$ 24,928
Note payable	-	-	-	-	800,000	-
Long-term lease liabilities	-	359,914	-	-	359,914	-
Total liabilities	$ 1,389,269	$ 2,251,420	$ 28,678	$ 2,178,044	$ 3,554,481	$ 24,928
Owners' equity	$ 2,526,105	$ 5,838,136	$ 138,828	$ 950,890	$ 5,153,055	$ 229,802
Revenue	$ 8,248,812	$ 20,658,137	$ 104,477	$ 7,508,652	$ 26,211,984	$ 404,962
Net (loss) income	$ (576,552)	$ 1,333,493	$ 86,732	$ (201,386)	$ 412,764	$ 394,906

Note 10 - Long-term Debt

Long-term debt at December 31 is as follows:

	2024	2023
Indiana Finance Authority Revenue Bonds, Series 2021A, interest-only payments beginning in November 2021 through November 2031 and principal payable annually beginning in November 2031 through 2041 in amounts ranging from $2,405,000 to $3,475,000. Interest of 4.00 percent is paid semiannually on May 15 and November 15	$ 34,250,000	$ 34,250,000
Indiana Finance Authority Revenue Bonds, Series 2021B, interest payments begin in November 2021 and principal payable annually beginning in November 2022 through 2031 in amounts ranging from $570,000 to $2,875,000. Interest ranging from 1.67 percent to 3.39 percent is paid semiannually on May 15 and November 15	16,625,000	19,075,000
Loan payable to two banks in principal and interest payable monthly beginning in September 2022 through August 2024. Loan was refinanced in March 2024, which extended the maturity date to March 2029. Principal payable in amounts ranging from $81,600 to $85,300, plus interest computed at the one-month SOFR plus 2.15 percent (3 percent in 2023), which was 8.5 percent at December 31, 2023 and 6.40 percent at December 31, 2024	47,781,400	48,619,600
Indiana Finance Authority Revenue Bonds, Series 2018A, interest-only payments beginning in November 2019 through May 2021 and principal payable annually beginning in November 2021 through 2053 in amounts ranging from $785,000 to $8,850,000. Interest of 5.00 percent is paid semiannually on May 15 and November 15	94,740,000	95,650,000

Note 10 - Long-term Debt (Continued)

	2024	2023
Indiana Finance Authority Revenue Bonds, Series 2016, interest-only payments beginning in May 2017 through May 2019 and principal payable annually beginning in November 2019 through 2046 in amounts ranging from $55,000 to $7,245,000. Interest ranging from 4.00 percent to 5.25 percent is paid semiannually on May 15 and November 15	$ 33,665,000	$ 33,725,000
Bonds payable to the City of Frankfort, Indiana in annual installments of principal ranging from $39,716 to $781,460, plus interest computed at daily SOFR plus 2.60 percent times 79 percent (5.67 percent at December 31, 2024 and 6.40 percent at December 31, 2023), subject to change under certain conditions defined in the agreement, commencing in December 2015 and maturing in January 2038. Secured by the Organization's real estate	10,213,011	10,955,928
Promissory note payable to a bank, bears interest at 4.70 percent and requires monthly principal and interest payments of $36,053 beginning in October 2021, with a balloon payment for all outstanding principal due at maturity on December 1, 2026. Secured by the Organization's real estate	3,982,598	4,221,916
Economic Development Corporation of the City of Grand Rapids Series 2019 Bonds (the "Clark Series 2019 Bonds"), with a par value of $70,155,000. The Clark Series 2019 Bonds were issued to refund previously outstanding debt and an interest rate swap agreement, pay for cost of issuance, fund a debt service reserve and capitalized interest, and provide funding for several capital projects on the Organization's campuses. These bonds bear interest at fixed rates ranging from 3.00 percent to 6.00 percent. Semiannual interest payments are due, plus annual principal payments ranging from $645,000 to $7,935,000, with maturity dates through April 1, 2054. CRC is subject to various occupancy and financial covenants beginning in April 2024	56,465,000	57,235,000
Butler County Port Authority bonds (Series 2021A) dated May 27, 2021 ($40,850,000 original issue) with a fixed interest rate of 5.375 percent and final maturity on July 1, 2051	40,105,000	40,375,000
Butler County Port Authority bonds (Series 2021B) dated May 27, 2021 ($26,600,000 original issue) with varying interest rates (ranging from 5.21 to 6.92 percent at December 31, 2024) and varying final maturities beginning on November 5, 2022 through July 5, 2026	24,482,000	25,455,000
Promissory note payable to Maple Knoll Communities Foundation with an interest rate of the federal funds rate plus 1.5 percent (8.34 percent at December 31, 2024 and 7.00 percent at December 31, 2023) and requires monthly interest-only payments with principal paid upon maturity at May 30, 2025	1,000,000	1,000,000
City of Lawrence, Indiana Adjustable Rate Economic Development Demand Revenue Bonds (Series 2016A) dated March 1, 2016 ($35,731,912 original issue) with variable interest rate (4.974 percent at December 31, 2024) and final maturity on March 1, 2026	28,818,788	-
City of Lawrence, Indiana Adjustable Rate Economic Development Demand Revenue Bonds (Series 2016B) dated March 1, 2016 ($15,282,000 original issue) with variable interest rate (5.026 percent at December 31, 2024) and final maturity on March 1, 2026	13,098,700	-

Note 10 - Long-term Debt (Continued)

	2024	2023
Indiana Finance Authority Revenue Bonds, Series 2024A, interest-only payments beginning in June 2024 through October 2026 and principal and interest payable annually beginning in November 2026 through 2054 in amounts ranging from $315,000 to $1,272,000. Interest of the daily SOFR times 80 percent is paid monthly and final maturity at May 1, 2029	$ 19,000,000	$ -
Term loan payable to bank	210,662	232,471
Unamortized premium and discount on bonds - Net	8,282,378	8,693,184
Unamortized debt issuance costs	(3,982,954)	(3,630,965)
Long-term debt less unamortized discount/premium and debt issuance costs	428,736,583	375,857,134
Less current portion	9,812,352	8,273,057
Long-term portion	$ 418,924,231	$ 367,584,077

The balance of the above debt matures as follows:

Years Ending	Amount
2025	$ 9,812,352
2026	74,559,672
2027	7,473,872
2028	6,772,100
2029	7,018,795
Thereafter	318,800,368
Total	$ 424,437,159

In November 2024, BHISL and the Foundation (collectively, the "Obligated Group") issued $19,000,000 of Series 2024A Bonds and $13,000,000 of Series 2024B Bonds under a Bond Trust Indenture by and between the Obligated Group and Bank of America, as a bond trustee. The bonds will be available to fund construction of new units and the principal is required to be paid down in part using first generation entrance fees on new units.

In August 2021, BHISL and the Foundation (collectively, the "Obligated Group") issued $34,250,000 of Series 2021A Bonds and $23,865,000 of Series 2021B Bonds under a Bond Trust Indenture by and between the Obligated Group and Wells Fargo Bank, as a bond trustee. The Obligated Group used the proceeds from the Series 2021A and 2021B Bonds to refund its Series 2011, Series 2013, and Series 2014 Bonds. The master indenture details security for the bonds, including a mortgage on the facilities of the Obligated Group. The Series 2021A and Series 2021B Bonds were issued at a premium of approximately $5,500,000.

In August 2019, Prairie Landing Community, Inc. borrowed $49,940,000 under two promissory notes: $30,000,000 with Fifth Third Bank and $19,940,000 with First Midwest Bank. The proceeds of the notes were used to finance the acquisition of Barrington. The loans are collateralized by substantially all assets of Barrington. In March 2024, Prairie Landing Community, Inc. amended the existing credit agreement and entered into a replacement promissory note with Fifth Third Bank for $48,363,700, which requires monthly interest and principal payments through March 2029 and is collateralized by substantially all assets of Prairie Landing Community, Inc.

Note 10 - Long-term Debt (Continued)

In December 2018, the BHI Obligated Group issued $98,120,000 of Series 2018A Bonds under a Bond Trust Indenture by and between the Obligated Group and Wells Fargo Bank, as bond trustee. The Obligated Group used the proceeds from the sale of the Series 2018 Bonds, together with certain other funds, to create a construction account; to fund a debt service reserve fund for the Series 2018A Bonds; and to pay certain expenses in connection with the issuance of the Series 2018A Bonds. The master indenture details security for the bonds, including a mortgage on the facilities of the Obligated Group. The Series 2018A Bonds were issued at a premium of approximately $3,300,000.

In December 2016, the Obligated Group issued $34,000,000 of Series 2016 Bonds under a Bond Trust Indenture by and between the Obligated Group and Wells Fargo Bank, as bond trustee. The Obligated Group used the proceeds from the sale of the Series 2016 Bonds, together with certain other funds, to create a construction account. The master indenture details security for the bonds, including a mortgage on the facilities of the Obligated Group.

In December 2012, Wesley Manor issued $15,625,000 of Series 2012 Bonds under a Bond Purchase Agreement by and between Wesley Manor and the City of Frankfort, Indiana, as bond trustee. Wesley Manor used the proceeds from the sale of the Series 2012 Bonds, together with certain other funds, to make capital additions and improvements to its facilities, to fund a debt service reserve fund for the Series 2012 Bonds, and to pay certain expenses in connection with the issuance of the Series 2012 Bonds.

Under the agreements for the note payable and bond payable, Wesley Manor established a debt service reserve fund. The debt service reserve fund consists of cash of $1,343,970 and $1,339,702 at December 31, 2024 and 2023, respectively, and is reported within assets limited as to use on the consolidated balance sheet.

The Prairie Landing Community, Inc. promissory notes; Obligated Group Bond Trust Indenture; and Wesley Manor Bond Purchase Agreement require compliance with certain financial covenants, with which the Organization believes it is in compliance as of December 31, 2024.

On September 30, 2021, BHIRC entered into a promissory note with Farm Bureau Life Insurance Company of Michigan for $4,703,485 to acquire a corporate office building, with an interest rate of 4.70 percent. Monthly principal and interest payments of $36,053 commenced in October 2021 through December 2026, when the promissory note matures. The promissory note is guaranteed by BHISL and is secured by the corporate office building purchased by BHIRC in 2021.

Southside LP has a term construction loan with a bank with a principal amount of $344,509. Monthly payments of $2,729, payable based on a 30-year amortization period, commenced on November 24, 2017. The term loan accrues interest at a fixed rate equal to the 10-year Treasury rate in effect 30 days prior to the conversion date, plus 2.5 percent, which was 4.84 percent on October 24, 2017. The loan matures on October 24, 2032 and is secured by a mortgage on certain real estate and an assignment of rents and leases. The construction loan is secured by the Southside Project property and the assignment of leases and rents of the Southside Project.

On May 27, 2021, MKC entered into various debt agreements related to the Series 2021A Bonds, Series 2021B Bonds, and taxable term loan totaling $69,088,000. The Series 2021A and Series 2021B Bonds are collectively referred to as the "MKC Series 2021 Bonds." The resulting funding was used to fund the refunding or refinancing of substantially all previously outstanding debt and fund a portion of the costs of debt issuance. The significant terms of the Series 2021 Bond agreements are as follows:

The Series 2021A Bonds require annual payments of principal on July 1 and semiannual payments of interest on July 1 and January 1 of each year through July 1, 2051.

Note 10 - Long-term Debt (Continued)

The Series 2021B Bonds mature in varying amounts through July 5, 2026. The Series 2021B Bonds are owned by participating banks. Due to the bonds being owned by banks, the demand provisions of the bonds have been replaced by promissory notes subject to terms of a master trust indenture, bond indenture, funding agreement, continuing covenant agreement, and various other bond agreements that do not require the bonds to be payable on demand until the mandatory tender date. The Series 2021B Bonds require monthly principal and interest payments through maturity.

In connection with the MKC Series 2021 Bonds, issued by Butler County Port Authority, the trust indentures, loan agreements, continuing covenant agreements, and promissory notes related to the various bond issuances placed certain restrictions on MKC with respect to, among other things, payment of insurance and taxes and sale or disposal of assets. The funding agreement and master trust indenture also prohibited any liens on the property.

Mortgages, promissory notes, assignment of rents, guarantees, and security agreements constitute the collateral for all MKC outstanding bonds and notes at December 31, 2024. These mortgages, notes, and agreements, as well as all of the MKC Series 2021 Bonds, are collateralized by substantially all of the Organization's assets.

In September 2022, MKC entered into promissory note payable to Maple Knoll Communities Foundation for $1,000,000. The note requires monthly interest-only payments with principal paid upon maturity at June 30, 2025.

The MKC Series 2021 Bonds contain various financial and nonfinancial covenants measured and reported quarterly by management.

On March 1, 2016, the WVN entered into transactions with financial institutions pursuant to the issuance of approximately $35,732,000 and $15,282,000 of revenue bonds, Series 2016A and Series 2016B, respectively, through the City of Lawrence, Indiana. Huntington National Bank serves as the trustee over both issuances. The bonds are collateralized by substantially all assets of WVN.

The Huntington Public Capital Corporation (Huntington) purchased the Series 2016A revenue bonds and concurrently loaned the proceeds in full to the WVN for extinguishment of the Series 2012 revenue bonds.

First Financial Bank (First Financial) purchased the Series 2016B revenue bonds and loaned the proceeds in full to the WVN over the course of corresponding construction, completed in 2018.

As a condition of 2016 Bonds, WVN is subject to a mandatory purchase of the bonds on April 1, 2026. The partial redemption payments due monthly range from approximately $25,000 to $79,000 not including accrued interest. Interest is calculated as 0.67 of the sum of one-month of the Secured Overnight Financing Rate (SOFR) index rate plus 2.85 percent. The related loan agreements contain certain restrictive covenants and collateral provisions, with which the Organization believes it is in compliance as of December 31, 2024.

On the mandatory purchase date of April 1, 2026, the Series 2016A and Series 2016B revenue bonds could be remarketed to the original holder or to new investors at interest rate options as provided in the bond documents. If the Series 2016A and Series 2016B revenue bonds cannot be remarketed on April 1, 2026, the WVN would be subject to payment of the remaining principal.

Note 11 - Interest Rate Swap Agreements

The Organization is exposed to certain risks in the normal course of its business operations. The main risks are those relating to the variability of future earnings and cash flows, which are managed through the use of derivatives. All derivative financial instruments are reported in the consolidated balance sheet at fair value. In particular, interest rate swaps are used to manage the risk associated with interest rates on variable rate borrowings.

Note 11 - Interest Rate Swap Agreements (Continued)

As of December 31, the fair value of derivatives held was as follows:

	Asset Derivatives		Liability Derivatives	
	2024	2023	2024	2023
Derivatives not designated as hedging instruments - Interest rate swaps	$ 1,982,398	$ 2,648,290	$ 167,436	$ -

At December 31, 2024, the Organization had the following interest rate swap agreements:

					Notional Amount at December 31	
Description	Swap Type	Maturity/ Expiration Date	Organization Receives	Organization Pays	2024	2023
Wesley Manor 2020 Swap	Fixed	1/5/2028	79% of one-month SOFR	0.68	$ 10,158,541	$ 10,901,458
Barrington 2019 Swap	Fixed	3/31/2029	79% of one-month SOFR	3.84	35,836,050	48,619,600
Maple Knoll	Fixed	7/5/2026	79% of one-month SOFR	4.44	6,144,000	6,388,000
Maple Knoll	Fixed	7/5/2026	79% of one-month SOFR	4.20	3,240,000	3,372,000
Maple Knoll	Fixed	7/5/2026	79% of one-month SOFR	4.46	15,088,000	15,685,000
Westminster Village North	Fixed	3/1/2026	67% of one-month SOFR	1.45	28,818,788	-
Westminster Village North	Fixed	3/1/2026	67% of one-month SOFR	1.33	13,098,400	-
BHISL	Fixed	5/1/2031	80% of one-month SOFR	3.35	19,000,000	-

For the years ended December 31, the amounts of gain or loss recognized in the consolidated statement of operations attributable to derivative instruments and their locations in the consolidated statement of operations are as follows:

	Amount of (Loss) Gain Recognized in Earnings		Reported in Consolidated Statement of Operations as
	2024	2023	
Net unrealized and realized loss on interest rate swap agreements	$ (2,045,352)	$ (1,729,094)	Other income/expense
Interest income (expense) on swaps - Net	1,852,092	(221,966)	Interest expense
Total	$ (193,260)	$ (1,951,060)	

Note 12 - Net Assets

Net assets with donor restrictions as of December 31 are available for the following purposes:

	2024	2023
Subject to expenditures for a specified purpose	$ 1,449,005	$ 1,014,336
Subject to the passage of time:		
Beneficial interests in Kreigbaum and Glascock CRUTS	17,626	18,392
Pledges receivable	129,104	242,259
Beneficial interest in Maple Knoll Communities Foundation	1,964,063	1,612,376
Beneficial interest in Westminster Foundation	2,893,065	-
Beneficial interest in Morris Trust	4,828,500	4,504,050
Beneficial interest in Hathaway Trust	1,395,658	1,240,277
Beneficial interest in perpetual trusts - Maple Knoll	11,677,890	10,978,050
Total subject to the passage of time	22,905,906	18,595,404
Endowments:		
Subject to spending policy and appropriation	500,000	500,000
Investments to be held in perpetuity, the income is expendable	5,383,329	5,035,368
Total endowments	5,883,329	5,535,368
Total net assets with donor restrictions	$ 30,238,240	$ 25,145,108

Note 13 - Southside Project

Southside LP was formed to acquire, rehabilitate, maintain, and operate a 50-unit apartment complex intended for rental to low-income persons located in Frankfort, Indiana. The Southside Project is subject to a governmental agency regulatory agreement restricting its use to low-income housing, and the Southside Project must comply with regulations in Section 42 of Federal Income Tax Regulations related to the Low-income Housing Tax Credit Program for a 15-year compliance period.

Southside LP will continue in existence until December 31, 2114, or such later date as is agreed to by all the partners, unless it is earlier dissolved and terminated pursuant to the provisions of the partnership agreement. The allocation of profits, losses, and tax credits is made in accordance with the partnership agreement and federal income tax regulations. Distributions of cash flow are also made in accordance with the partnership agreement.

Southside LP will be required to establish reserves upon the occurrence of certain events, including an operating reserve of $127,582, which may be used to fund operating deficits; a replacement reserve in the initial amount of $300 per unit (or $15,000 total) per year, which may be used for capital improvements; and a rent-up reserve of $40,800, which will be utilized for rent-up expenses.

Southside LP has entered into a management agreement for property management. The manager under the agreement is paid a monthly management fee equal to 7 percent of gross operating revenue.

Wesley Manor is required to materially participate in the development and operation of the Southside Project and has guaranteed the obligations of Southside GP, as provided in the development agreement and partnership agreement, including any tax credit recapture and interest and penalties incurred by the limited partner. Tax credits are expected to total approximately $7.1 million.

Note 14 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Note 14 - Fair Value Measurements (Continued)

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets and liabilities that the Organization has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset or liability.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Organization's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

Note 14 - Fair Value Measurements (Continued)

The following tables present information about the Organization's assets and liabilities measured at fair value on a recurring basis at December 31, 2024 and 2023 and the valuation techniques used by the Organization to determine those fair values:

	Assets and Liabilities Measured at Fair Value on a Recurring Basis at December 31, 2024			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2024
Assets				
Investments:				
Equity securities	$ 21,575,583	$ -	$ -	$ 21,575,583
Mutual funds - Domestic equity	40,513,234	-	-	40,513,234
Mutual funds - International equity	214,150	-	-	214,150
Mutual funds - Fixed income	5,497,962	-	-	5,497,962
U.S. government bonds	-	17,315,070	-	17,315,070
Corporate bonds	-	18,646,663	-	18,646,663
Commercial mortgage-backed securities	-	362,353	-	362,353
Alternative investments measured at net asset value				5,931,128
Total investments	67,800,929	36,324,086	-	110,056,143
Assets limited as to use:				
Equity securities	2,702,675	-	-	2,702,675
Mutual funds - Domestic equity	2,059,494	-	-	2,059,494
Mutual funds - International equity	54,110	-	-	54,110
Mutual funds - Fixed income	988,758	-	-	988,758
U.S. government bonds and municipal securities	-	8,049,838	-	8,049,838
Corporate bonds	-	2,685,905	-	2,685,905
Money market funds	-	118,603	-	118,603
Beneficial interests	-	-	22,759,176	22,759,176
Alternative investments measured at net asset value				312,446
Total assets limited as to use	5,805,037	10,854,346	22,759,176	39,731,005
Interest rate swap agreements	-	1,982,398	-	1,982,398
Total assets	$ 73,605,966	$ 49,160,830	$ 22,759,176	$ 151,769,546
Liabilities - Interest rate swap agreements	$ -	$ 167,436	$ -	$ 167,436

Note 14 - Fair Value Measurements (Continued)

	Assets Measured at Fair Value on a Recurring Basis at December 31, 2023			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2023
Assets				
Investments:				
Equity securities	$ 18,191,411	$ -	$ -	$ 18,191,411
Mutual funds - Domestic equity	21,339,282	-	-	21,339,282
Mutual funds - International equity	2,894,816	-	-	2,894,816
Mutual funds - Fixed income	8,285,954	-	-	8,285,954
U.S. government bonds	-	7,087,609	-	7,087,609
Corporate bonds	-	14,694,911	-	14,694,911
Commercial mortgage-backed securities	-	267,893	-	267,893
Alternative investments measured at net asset value				4,265,874
Total investments	50,711,463	22,050,413	-	77,027,750
Assets limited as to use:				
Equity securities	2,596,869	-	-	2,596,869
Mutual funds - Domestic equity	1,831,961	-	-	1,831,961
Mutual funds - International equity	170,413	-	-	170,413
Mutual funds - Fixed income	470,531	-	-	470,531
U.S. government bonds	-	2,539,397	-	2,539,397
Corporate bonds	-	7,075,815	-	7,075,815
Money market funds	12,853,566	-	-	12,853,566
Beneficial interests	-	-	18,334,753	18,334,753
Alternative investments measured at net asset value				338,332
Total assets limited as to use	17,923,340	9,615,212	18,334,753	46,211,637
Interest rate swap agreements	-	2,648,290	-	2,648,290
Total assets	$ 68,634,803	$ 34,313,915	$ 18,334,753	$ 125,887,677

U.S. Government Bonds, Corporate Bonds, and Mortgage-backed Securities

The fair value of debt securities are determined primarily based on Level 2 inputs. The Organization estimates the fair value of these investments by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows.

Alternative Investments

The fair value of alternative investments (hedge funds) has been estimated using the net asset value per share of the investments. Alternative investments consist of hedge funds that take both long and short positions, primarily in U.S. common stocks. Management of the funds has the ability to shift investments among differing investment strategies. There are no unfunded commitments, and the investments may be redeemed quarterly to biannually with a redemption notice period ranging from 20 to 60 days.

Note 14 - Fair Value Measurements (Continued)

Interest Rate Swap Agreements

The fair value of the interest rate swaps was determined primarily based on Level 2 inputs. The Organization estimates the fair value of these investments based on forward-looking interest rate curves and discounted cash flows that are observable or can be corroborated by observable market data and, therefore, are classified within Level 2 of the valuation hierarchy.

Beneficial Interests

The Organization estimates the fair value of the beneficial interests based on the value of the underlying investment securities, which are primarily Level 1 and 2 investment securities, and values of real property of similar type real property performed by a third party. There were no purchases or sales of Level 3 assets during 2024 and 2023.

Note 15 - Donor-restricted Endowments

The Organization's endowment includes donor-restricted endowment funds. 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 board of directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as donor-restricted net assets (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulations to the donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The earnings on the donor-restricted endowment funds, absent any donor restrictions, are classified as donor-restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, 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 purpose 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

Note 15 - Donor-restricted Endowments (Continued)

	Donor-restricted Endowment Net Asset Composition	
	2024	2023
Donor-restricted endowment funds:		
Original donor-restricted gift amount required to be maintained in perpetuity by the donor	$ 5,383,329	$ 5,035,368
Original donor-restricted gift amount subject to spending policy and appropriation	500,000	500,000
Total	$ 5,883,329	$ 5,535,368

	Changes in Donor-restricted Endowment Net Asset Composition	
	2024	2023
Endowment net assets - Beginning of year	$ 5,535,368	$ 5,023,647
Contributions	347,961	511,721
Endowment net assets - End of year	$ 5,883,329	$ 5,535,368

Underwater Endowment Funds

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 UPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2024 and 2023.

Return Objectives and Risk Parameters

The Organization adopted an investment policy for the investment funds, including the permanent endowments, that attempts 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 Objectives

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 and How the Investment Objectives Relate to Spending Policy

The Organization's spending policy is consistent with its objectives of preservation of the fair value of the original gift of the endowment assets held in perpetuity, as well as to provide additional real growth through new gifts and investment return.

Note 16 - Retirement Plans

The Organization has multiple defined contribution pension plans covering substantially all employees of the Organization, excluding Wesley Manor, as described below. The board of directors annually determines the amount, if any, of the Organization's contributions to the plans. Pension expense was $1,282,653 and $1,186,662 for the years ended December 31, 2024 and 2023, respectively.

The Organization sponsors a deferred compensation plan that is available to certain executives. The Organization's liability under the plan has been funded in an escrow account included in assets limited as to use. The liability associated with the plan is approximately $1,361,855 and $1,002,038 at December 31, 2024 and 2023, respectively.

In 2007, Maple Knoll Communities, Inc. adopted a nonqualified retirement plan covering certain executives. A portion of the compensation has been deferred in accordance with terms of the agreement, which states that the executive will be entitled to receive this benefit upon retirement on or after reaching the age of 65 or based on length of service. At December 31, 2024 and 2023, $76,074 and $193,957, respectively, was recorded for the investments and related liability associated with this plan. Contributions to the plan totaled approximately $24,000 and $100,000 during the years ended December 31, 2024 and 2023, respectively.

Note 17 - Functional Expenses

The Organization provides residential and health care services to residents. Certain costs attributable to more than one function have been allocated among the health care services and general and administrative functional expense classifications based on direct assignment. Although methods of allocation used are considered appropriate, other methods could be used that would produce different amounts. The following schedules present the natural classification of expense by function for the years ended December 31:

	Residential and Health Care Services	General and Administrative	Fundraising	Other	2024 Total
Salaries and wages	$ 66,400,704	$ 12,406,505	$ 572,299	$ 1,573,372	$ 80,952,880
Employee benefits	14,459,204	3,245,426	13,885	200,412	17,918,927
Contracts, rents, and services	40,391,577	1,215,115	152,785	88,664	41,848,141
Food and supplies	7,704,450	315,820	7,962	421,938	8,450,170
Repairs and maintenance	3,687,333	1,756,722	-	234,210	5,678,265
Utilities	8,199,251	971,718	-	89,017	9,259,986
Depreciation and amortization	29,376,765	480,120	-	484,397	30,341,282
Insurance	492,447	2,881,919	-	52,208	3,426,574
Professional and administrative expenses	1,341,079	5,900,301	26,626	191,749	7,459,755
Travel	196,662	559,424	65,560	-	821,646
Other	3,078,719	2,287,950	1,867,276	2,685,924	9,919,869
Interest	19,595,096	233,162	-	-	19,828,258
Total	$ 194,923,287	$ 32,254,182	$ 2,706,393	$ 6,021,891	$ 235,905,753

Note 17 - Functional Expenses (Continued)

	Residential and Health Care Services	General and Administrative	Fundraising	Other	2023 Total
Salaries and wages	$ 53,757,200	$ 10,355,437	$ 332,290	$ 1,696,391	$ 66,141,318
Employee benefits	11,535,103	2,307,623	28,171	442,474	14,313,371
Contracts, rents, and services	32,530,589	1,171,155	107,561	102,940	33,912,245
Food and supplies	6,718,553	336,747	13,649	664,691	7,733,640
Repairs and maintenance	3,297,810	1,406,167	-	176,985	4,880,962
Utilities	6,899,746	925,843	-	96,981	7,922,570
Depreciation and amortization	26,495,847	302,756	-	414,923	27,213,526
Insurance	76,740	2,443,639	-	60,669	2,581,048
Professional and administrative expenses	53,990	6,433,226	112,732	150,609	6,750,557
Travel	165,664	587,954	9,455	180	763,253
Other	2,443,322	893,409	1,170,011	904,189	5,410,931
Interest	17,945,797	242,392	-	-	18,188,189
Total	$ 161,920,361	$ 27,406,348	$ 1,773,869	$ 4,711,032	$ 195,811,610

The costs of providing the program and support services are reported on a functional basis. Costs are allocated between the various program and support services on an actual basis, where available, or based upon reasonable methods. Although methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Note 18 - Liquidity and Availability of Resources

The following reflects the Organization's financial assets as of December 31, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the consolidated balance sheet date:

	2024	2023
Cash and cash equivalents	$ 46,917,562	$ 51,007,817
Investments	111,999,307	88,253,783
Resident accounts receivable	7,590,536	5,026,393
Notes receivable	1,880,588	1,532,626
ERC receivable	7,264,152	7,264,152
Assets limited as to use - Current	6,384,000	6,163,000
Assets limited as to use - Long term	46,393,010	40,548,637
Financial assets - At year end	228,429,155	199,796,408
Less those unavailable for general expenditures within one year due tc assets limited as to use:		
Interest in charitable remainder trusts	20,336	21,341
Escrow funds held by trustee	13,682,756	12,853,760
Investments restricted for endowment	5,883,329	5,535,368
Deferred compensation plan assets	2,846,475	2,725,597
Captive - Member savings account	1,004,507	893,236
Beneficial interest	22,759,176	18,334,753
Donor-restricted funds	196,431	184,582
ERC receivable - Long term	7,264,152	7,264,152
Financial assets available to meet cash needs for general expenditures within one year	$ 174,771,993	$ 151,983,619

Note 18 - Liquidity and Availability of Resources (Continued)

None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the consolidated balance sheet date.

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments.

The Organization also realizes there could be unanticipated liquidity needs.

Note 19 - Professional Liability

BHISL and MKC have claims-made policies for professional and general liability through Caring Communities, a reciprocal risk retention group domiciled in the District of Columbia, in which BHISL and MKC both hold a 0.065 percent interest. The investment, totaling approximately $350,000 at both December 31, 2024 and 2023, is included in other noncurrent assets on the consolidated balance sheet. The BHISL policy covers essentially all of the Organization's operating entities in Indiana, excluding Wesley Manor and SLD, which have their own policies as described below.

BHISL and MKC are responsible for the first $25,000 and $35,000 per claim, respectively, and Caring Communities is responsible for amounts over $25,000 and $35,000 up to $1,000,000 per claim and $3,000,000 in the aggregate. Premiums are actuarially determined based on claims history and were approximately $440,000 for the years ended December 31, 2024 and 2023. Depending on loss history and adequacy of capital, Caring Communities may, but is not obligated to, return a portion of premiums paid. For the recent history, the Organization has received returns of premiums paid that approximate 10 to 25 percent of annual premiums, although there is no assurance given that returns of premiums will continue. Conversely, the Organization may be called upon to contribute additional funds to its subscriber account to maintain capital in Caring Communities.

Wesley Manor, Inc. has a claims-made policy for professional and general liability. The third-party insurer is responsible for professional liability claims up to $500,000 per claim and $2,500,000 in the aggregate and for general liability claims up to $1,000,000 per claim and $3,000,000 in the aggregate.

SLDevelopment, Inc. has a claims-made policy for general liability. SLD is responsible for the first $10,000 per claim, and the third-party insurer is responsible for amounts over $10,000 up to $1,000,000 per claim and $2,000,000 in the aggregate.

Clark Retirement Community, Inc. has a claims-made policy for professional and general liability. The third-party insurer is responsible for professional liability claims up to $1,000,000 per claim and $3,000,000 in the aggregate. CRC also has an additional umbrella policy that covers up to $5,000,000 per claim and $5,000,000 in the aggregate.

Westminster Village North, Inc. has a claims-made policy for professional and general liability. The third-party insurer is responsible for professional and general liability claims up to $1,000,000 per claim and $3,000,000 in the aggregate. WVN is responsible for the first $25,000.

In the normal course of operation, the Organization is, from time to time, subject to allegations that may or do result in litigation. The Organization evaluates such allegations by conducting investigations to determine the validity of each potential claim. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the consolidated financial position of the Organization.

Note 20 - Affiliations

Westminster Village North, Inc.

On February 2, 2024, BHIRC became the sole corporate member of Westminster Village North, Inc. through an affiliation agreement. The primary reason for the affiliation was that BHIRC and WVN share common charitable missions to provide high-quality services that enhance the health and well-being of those individuals they serve. WVN and BHIRC determined that it is in the best interest of those communities and individuals and in furtherance of their respective charitable missions for WVN and BHIRC to join together. The transaction qualifies for acquisition accounting. There was no consideration paid by the Organization upon the execution of the affiliation agreement, but the Organization acquired all of the assets of WVN and assumed all of the liabilities of WVN.

The following table summarizes the acquisition-date fair values of the assets acquired and liabilities assumed:

Cash	$ 1,588,652
Money market funds	10,188,188
Other current assets	663,193
Property, plant, and equipment	54,000,000
Interest rate swap asset	1,212,025
Beneficial interest in Westminster Foundation	2,533,327
Current liabilities	(2,768,038)
Long-term entrance fee liabilities	(11,608,530)
Long-term debt	(43,078,354)
Inherent contribution	$ 12,730,463

The inherent contribution recognized related to this affiliation was a result of the excess of fair value of net assets acquired over consideration paid and liabilities assumed. The inherent contribution recognized for the assumption of the beneficial interest in Westminster Foundation of $2,533,327 has been reported as an inherent gain in donor restricted net assets on the statement of changes in net assets for the year ended December 31, 2024. The remaining $10,197,136 of the inherent contribution has been recognized as an increase in net assets without donor restriction within other income/expenses on the consolidated statement of operations for the year ended December 31, 2024.

Revenue attributable to WVN since the affiliation date totaled $31,039,537 for the year ended December 31, 2024. The changes in net assets attributable to WVN since the affiliation date for the year ended December 31, 2024 include an increase in net assets without donor restriction of $9,619,978 and an increase in net assets with donor restriction of $2,893,065.

The disclosures required by ASC 958-805-50-8 and -9 for pro forma information as if the change in control happened as of January 1, 2023 and 2024 were deemed impractical by the Organization, as WVN has a different fiscal year end and obtaining the information would be difficult.

Supplemental Information

Plante & Moran, PLLC
Suite 100
250 S. High Street
Columbus, OH 43215
Tel: 614.849.3000
Fax: 614.221.3535
plantemoran.com

Independent Auditor's Report on Supplemental Information

To the Board of Directors
BHI Senior Living, Inc. and Affiliates

We have audited the consolidated financial statements of BHI Senior Living, Inc. and Affiliates as of and for the years ended December 31, 2024 and 2023 and have issued our report thereon dated May 21, 2025, which contained an unmodified opinion on those consolidated financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental consolidating balance sheet and consolidating statements of operations, changes in net assets, and cash flows are presented for the purpose of additional analysis rather than to present the financial position, results of operations, changes in net assets, and cash flows of the individual companies and are 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 audit 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Plante & Moran, PLLC

May 21, 2025

Consolidating Balance Sheet

December 31, 2024

	BHI Senior Living, Inc.	BHI Foundation, Inc.	Obligated Group	BHI Retirement Communities, Inc.	SLDevelopment, Inc.	Wesley Manor, Inc.	The Barrington of Carmel	Maple Knoll Communities, Inc.	Clark Retirement Community, Inc.	Clark Retirement Services Company	Westminster Village North, Inc.	Eliminations	Total
Assets													
Current Assets													
Cash and cash equivalents	$ 12,213,991	$ 374,620	$ 12,588,611	$ 6,134,077	$ 551,098	$ 3,415,756	$ 11,708,928	$ 2,532,906	$ 5,391,623	$ 1,734	$ 4,592,829	$ -	$ 46,917,562
Investments	68,903,005	6,387,624	75,290,629	8,617,459	-	1,497,865	-	15,180,751	4,527,393	-	6,885,210	-	111,999,307
Resident accounts receivable - Net	1,575,867	-	1,575,867	-	-	1,360,755	313,859	1,388,578	497,837	-	2,453,640	-	7,590,536
Assets limited as to use - Current	3,515,000	-	3,515,000	-	-	745,000	-	1,309,000	815,000	-	-	-	6,384,000
Notes receivable	1,740,965	-	1,740,965	-	-	86,350	15,000	38,273	-	-	-	-	1,880,588
Inventory	117,781	-	117,781	-	236,304	15,250	-	130,080	118,481	-	33,911	-	651,807
Prepaid expenses and other current assets	11,836,209	225,170	12,061,379	9,160,422	11,049	90,632	66,434	1,185,067	213,768	405	467,808	(20,755,409)	2,501,555
Total current assets	99,902,818	6,987,414	106,890,232	23,911,958	798,451	7,211,608	12,104,221	21,764,655	11,564,102	2,139	14,433,398	(20,755,409)	177,925,355
Assets Limited as to Use - Net	7,632,030	520,336	8,152,366	85,459	-	1,452,422	-	18,383,879	15,425,819	-	2,893,065	-	46,393,010
Property and Equipment - Net	284,231,390	-	284,231,390	9,057,094	6,152,420	22,603,665	83,835,642	106,000,464	81,393,376	292,000	53,756,798	-	647,322,849
Right-of-use Operating Lease Assets	-	-	-	-	-	-	-	181,028	-	-	-	-	181,028
Goodwill - Net	-	-	-	-	-	-	7,207,078	-	-	-	-	-	7,207,078
Intangible Assets - Operating rights	-	-	-	-	-	-	-	1,470,000	-	-	-	-	1,470,000
Other Assets													
Land held for investment	-	-	-	2,171,016	-	-	-	-	-	-	-	-	2,171,016
Predevelopment costs	-	-	-	2,294,500	-	-	-	-	-	-	-	-	2,294,500
Investment in SLDevelopment, Inc.	-	-	-	4,147,971	-	-	-	-	-	-	-	(4,147,971)	-
Investment in BHI Retirement Communities, Inc.	79,472,938	-	79,472,938	-	-	-	-	-	-	-	-	(79,472,938)	-
Investment in Wesley Manor	-	-	-	4,230,481	-	-	-	-	-	-	-	(4,230,481)	-
Investment in equity investees	-	-	-	2,604,174	-	-	-	540,787	-	1,292,067	-	-	4,437,028
Investment in The Barrington of Carmel	-	-	-	5,273,698	-	-	-	-	-	-	-	(5,273,698)	-
Investment in Maple Knoll	-	-	-	32,041,955	-	-	-	-	-	-	-	(32,041,955)	-
Investment in Westminster Village North, Inc.	-	-	-	(417,199)	-	-	-	-	-	-	-	417,199	-
Investment in Clark	-	-	-	2,550,325	-	-	-	-	-	-	-	(2,550,325)	-
Interest rate swap asset	-	-	-	-	-	682,706	199,447	381,449	-	-	718,796	-	1,982,398
Other noncurrent assets	2,925,044	-	2,925,044	-	-	-	-	461,494	305,182	-	-	-	3,691,720
Employee Retention Credit receivable	-	-	-	-	-	-	-	7,264,152	-	-	-	-	7,264,152
Total other assets	82,397,982	-	82,397,982	54,896,921	-	682,706	199,447	8,647,882	305,182	1,292,067	718,796	(127,300,169)	21,840,814
Total assets	**$474,164,220**	**$ 7,507,750**	**$481,671,970**	**$ 87,951,432**	**$ 6,950,871**	**$ 31,950,401**	**$103,346,388**	**$156,447,908**	**$108,688,479**	**$ 1,586,206**	**$ 71,802,057**	**$(148,055,578)**	**$902,340,134**

Consolidating Balance Sheet (Continued)

December 31, 2024

	BHI Senior Living, Inc.	BHI Foundation, Inc.	Obligated Group	BHI Retirement Communities, Inc.	SLDevelopment, Inc.	Wesley Manor, Inc.	The Barrington of Carmel	Maple Knoll Communities, Inc.	Clark Retirement Community, Inc.	Clark Retirement Services Company	Westminster Village North, Inc.	Eliminations	Total
Liabilities and Net Assets													
Current Liabilities													
Accounts payable and accrued expenses	$ 5,228,301	$ 36,154	$ 5,264,455	$ 3,751,886	$ 2,238,640	$ 5,182,905	$ 3,502,353	$ 5,448,451	$ 8,058,107	$ (110,851)	$ 3,902,492	$ (19,434,830)	$ 17,803,608
Current portion of long-term debt	3,515,000	-	3,515,000	251,793	-	1,947,823	810,600	2,309,000	815,000	-	1,308,136	(1,145,000)	9,812,352
Current portion of lease liabilities - Operating	-	-	-	-	-	-	-	88,213	-	-	-	-	88,213
Current portion of lease liabilities - Finance	-	-	-	-	63,918	-	-	304,782	-	-	-	-	368,700
Refundable entrance fees	4,890,000	-	4,890,000	-	-	175,000	4,630,000	1,005,010	1,745,756	-	-	-	12,445,766
Accrued liabilities and other	2,881,308	-	2,881,308	1,001,456	40,206	534,393	369,703	2,695,565	1,310,012	-	916,321	(175,579)	9,573,385
Total current liabilities	16,514,609	36,154	16,550,763	5,005,135	2,342,764	7,840,121	9,312,656	11,851,021	11,928,875	(110,851)	6,126,949	(20,755,409)	50,092,024
Long-term Debt - Net of current portion	200,060,041	-	200,060,041	3,730,805	-	9,620,850	45,975,183	63,278,000	55,650,000	-	40,609,352	-	418,924,231
Lease Liabilities - Operating	-	-	-	-	-	-	-	92,815	-	-	-	-	92,815
Lease Liabilities - Finance	-	-	-	-	460,133	-	-	243,863	-	-	-	-	703,996
Other Long-term Liabilities													
Refundable entrance fees - Less current portion	90,826,815	-	90,826,815	-	-	1,420,304	34,784,388	805,527	12,060,863	-	3,345,352	-	143,243,249
Deferred revenue - Entrance fees	71,041,441	-	71,041,441	-	-	4,692,968	7,826,712	32,551,404	14,906,570	-	9,205,303	-	140,224,398
Annuity and trust obligations	-	147,403	147,403	-	-	2,351	-	-	179,321	-	-	-	329,075
Deposits from applicants	1,967,000	-	1,967,000	-	-	41,648	130,000	-	422,265	-	-	-	2,560,913
Rental deposits	1,120,000	-	1,120,000	-	-	-	101,750	-	-	-	2,058	-	1,223,808
Interest rate swap liabilities	167,436	-	167,436	-	-	-	-	-	-	-	-	-	167,436
Other long-term liabilities	1,361,855	-	1,361,855	-	-	-	-	122,741	109,599	-	-	-	1,594,195
Total other long-term liabilities	166,484,547	147,403	166,631,950	-	-	6,157,271	42,842,850	33,479,672	27,678,618	-	12,552,713	-	289,343,074
Total liabilities	383,059,197	183,557	383,242,754	8,735,940	2,802,897	23,618,242	98,130,689	108,945,371	95,257,493	(110,851)	59,289,014	(20,755,409)	759,156,140
Net Assets													
Without donor restrictions - Controlling interest	91,105,023	5,591,627	96,696,650	79,215,492	4,147,974	2,655,057	5,215,699	32,672,801	3,501,565	1,697,057	9,619,978	(127,300,169)	108,122,104
With donor restrictions	-	1,732,566	1,732,566	-	-	853,452	-	14,829,736	9,929,421	-	2,893,065	-	30,238,240
Without donor restrictions - Noncontrolling interest	-	-	-	-	-	4,823,650	-	-	-	-	-	-	4,823,650
Total net assets	91,105,023	7,324,193	98,429,216	79,215,492	4,147,974	8,332,159	5,215,699	47,502,537	13,430,986	1,697,057	12,513,043	(127,300,169)	143,183,994
Total liabilities and net assets	**$474,164,220**	**$ 7,507,750**	**$481,671,970**	**$ 87,951,432**	**$ 6,950,871**	**$ 31,950,401**	**$103,346,388**	**$156,447,908**	**$108,688,479**	**$ 1,586,206**	**$ 71,802,057**	**$(148,055,578)**	**$902,340,134**

BHI Senior Living, Inc. and Affiliates

Consolidating Statement of Operations

Year Ended December 31, 2024

	BHI Senior Living, Inc.	BHI Foundation, Inc.	Obligated Group	BHI Retirement Communities, Inc.	SLDevelopment, Inc.	Wesley Manor, Inc.	The Barrington of Carmel	Maple Knoll Communities, Inc.	Clark Retirement Community, Inc.	Clark Retirement Services Company	Westminster Village North, Inc.	Eliminations	Total
Operating Revenue and Support													
Resident services and other related revenue	$ 68,852,144	$ -	$ 68,852,144	$ -	$ -	$ 18,497,705	$ 20,011,399	$ 39,771,179	$ 21,070,895	$ -	$ 24,524,980	$ -	$ 192,728,302
Amortization of entrance fees	7,256,900	-	7,256,900	-	-	568,332	590,930	5,082,640	1,417,142	-	1,748,486	-	16,664,430
Grant revenue	-	-	-	-	-	-	-	(14,517)	142,287	-	-	-	127,770
Management fees	-	-	-	8,055,010	-	-	-	-	-	-	-	(7,877,000)	178,010
Other operating revenue	2,570,989	82,327	2,653,316	467,107	3,528,512	369,335	440,717	2,988,067	1,179,305	-	66,590	-	11,692,949
Net assets released from restrictions used in operations	-	791,850	791,850	-	-	-	-	99,089	275,279	-	-	-	1,166,218
Total operating revenue and support	78,680,033	874,177	79,554,210	8,522,117	3,528,512	19,435,372	21,043,046	47,926,458	24,084,908	-	26,340,056	(7,877,000)	222,557,679
Expenses													
Salaries and wages	22,581,842	260,347	22,842,189	7,227,023	1,291,605	7,722,699	6,192,261	15,946,234	8,185,367	-	11,545,502	-	80,952,880
Employee benefits	6,344,440	-	6,344,440	1,398,034	136,988	1,175,027	603,761	4,116,209	1,829,739	-	2,314,729	-	17,918,927
Contracts, rents, and services	15,149,378	108,184	15,257,562	959,169	88,664	3,841,632	5,181,373	6,005,360	5,494,550	-	5,019,831	-	41,848,141
Food and supplies	1,807,070	5,802	1,812,872	124,058	308,966	447,319	395,501	1,753,637	2,020,377	-	1,587,440	-	8,450,170
Management fee	4,536,000	-	4,536,000	-	(103,000)	936,000	1,056,000	1,056,000	396,000	-	-	(7,877,000)	-
Repairs and maintenance	1,196,296	-	1,196,296	145,572	98,584	490,467	279,434	2,699,471	581,491	-	186,950	-	5,678,265
Utilities	3,353,261	-	3,353,261	237	55,031	904,131	562,685	2,402,336	971,481	-	1,010,824	-	9,259,986
Depreciation and amortization	11,853,749	-	11,853,749	480,120	422,464	1,455,012	3,746,301	7,125,445	3,707,154	-	1,551,037	-	30,341,282
Insurance	1,442,623	-	1,442,623	-	52,208	473,799	131,802	486,147	399,918	-	440,077	-	3,426,574
Professional and administrative expenses	789,195	20,135	809,330	2,341,349	163,944	276,183	527,079	1,576,235	816,957	-	948,678	-	7,459,755
Travel	128,179	63,625	191,804	473,465	-	21,594	15,742	70,166	37,047	-	11,828	-	821,646
Other	283,530	1,441,353	1,724,883	53,653	822,110	833,430	46,715	4,789,889	898,059	63,249	687,881	-	9,919,869
Total expenses	69,465,563	1,899,446	71,365,009	13,202,680	3,337,564	18,577,293	18,738,654	48,027,129	25,338,140	63,249	25,304,777	(7,877,000)	216,077,495
Operating Income (Loss)	9,214,470	(1,025,269)	8,189,201	(4,680,563)	190,948	858,079	2,304,392	(100,671)	(1,253,232)	(63,249)	1,035,279	-	6,480,184
Other Income (Expense)													
Investment return - Net	8,175,242	696,746	8,871,988	591,516	-	255,829	274,125	1,789,366	1,210,674	-	402,159	-	13,395,657
(Loss) gain on equity investments	-	-	-	(306,048)	-	-	-	129,513	-	529,480	-	-	352,945
Interest expense	(8,421,220)	-	(8,421,220)	(233,162)	-	(315,729)	(2,868,389)	(3,399,754)	(3,227,862)	-	(1,362,142)	-	(19,828,258)
Amortization of debt issuance financing costs, discounts, and premiums	210,198	-	210,198	-	-	-	(40,400)	-	-	-	-	-	169,798
Change in fair value and realized loss of interest rate swaps	(167,436)	-	(167,436)	-	-	(143,356)	(1,064,287)	(177,044)	-	-	(493,229)	-	(2,045,352)
Loss from The Barrington of Carmel	-	-	-	(1,394,559)	-	-	-	-	-	-	-	1,394,559	-
Gain from Wesley Manor	-	-	-	823,786	-	-	-	-	-	-	-	(823,786)	-
Gain from SLDevelopment, Inc.	-	-	-	190,943	-	-	-	-	-	-	-	(190,943)	-
Loss from BHI Retirement Communities, Inc.	(10,606,285)	-	(10,606,285)	-	-	-	-	-	-	-	-	10,606,285	-
Gain from Maple Knoll	-	-	-	1,169,384	-	-	-	-	-	-	-	(1,169,384)	-
Loss from Westminster Village	-	-	-	(417,199)	-	-	-	-	-	-	-	417,199	-
Loss from Clark	-	-	-	(1,628,670)	-	-	-	-	-	-	-	1,628,670	-
Inherent contribution from affiliation	-	-	-	-	-	-	-	-	-	-	10,197,136	-	10,197,136
Other	136,777	19,994	156,771	-	-	(16,051)	-	-	-	-	(259,225)	-	(118,505)
Total other (expense) income	(10,672,724)	716,740	(9,955,984)	(1,204,009)	-	(219,307)	(3,698,951)	(1,657,919)	(2,017,188)	529,480	8,484,699	11,862,600	2,123,421
Excess of Revenue (Under) Over Expenses	(1,458,254)	(308,529)	(1,766,783)	(5,884,572)	190,948	638,772	(1,394,559)	(1,758,590)	(3,270,420)	466,231	9,519,978	11,862,600	8,603,605

Consolidating Statement of Operations (Continued)

Year Ended December 31, 2024

	BHI Senior Living, Inc.	BHI Foundation, Inc.	Obligated Group	BHI Retirement Communities, Inc.	SLDevelopment, Inc.	Wesley Manor, Inc.	The Barrington of Carmel	Maple Knoll Communities, Inc.	Clark Retirement Community, Inc.	Clark Retirement Services Company	Westminster Village North, Inc.	Eliminations	Total
Noncontrolling Interest Distributions - Net	$ -	$ -	$ -	$ -	$ -	$ 16,740	$ -	$ -	$ -	$ -	$ -	$ -	$ 16,740
Controlling Interest Distributions - Net	-	-	-	-	-	(62,531)	-	-	-	-	-	-	(62,531)
Transfer from Affiliate	-	-	-	(4,721,285)	-	-	-	2,846,285	1,775,000	-	100,000	-	-
Contribution of Long-lived Assets	-	-	-	-	-	-	-	90,821	-	-	-	-	90,821
Releases from Restrictions for Capital Purchases	-	-	-	-	-	-	-	17,253	-	-	-	-	17,253
(Decrease) Increase in Net Assets without Donor Restrictions	**$ (1,458,254)**	**$ (308,529)**	**$ (1,766,783)**	**$ (10,605,857)**	**$ 190,948**	**$ 592,981**	**$ (1,394,559)**	**$ 1,195,769**	**$ (1,495,420)**	**$ 466,231**	**$ 9,619,978**	**$ 11,862,600**	**$ 8,665,888**

Consolidating Statement of Changes in Net Assets

Year Ended December 31, 2024

	BHI Senior Living, Inc.	BHI Foundation, Inc.	Obligated Group	BHI Retirement Communities, Inc.	SLDevelopment, Inc.	Wesley Manor, Inc.	The Barrington of Carmel	Maple Knoll Communities, Inc.	Clark Retirement Community, Inc.	Clark Retirement Services Company	Westminster Village North, Inc.	Eliminating Entries	Total
Net Assets without Donor Restrictions													
Excess of revenue (under) over expenses	$ (1,458,254)	$ (308,529)	$ (1,766,783)	$ (5,884,572)	$ 190,948	$ 638,772	$ (1,394,559)	$ (1,758,590)	$ (3,270,420)	$ 466,231	$ 9,519,978	$ 11,862,600	$ 8,603,605
Noncontrolling distributions - Net	-	-	-	-	-	16,740	-	-	-	-	-	-	16,740
Contribution of long-lived assets	-	-	-	-	-	-	-	90,821	-	-	-	-	90,821
Distributions - Net	-	-	-	-	-	(62,531)	-	-	-	-	-	-	(62,531)
Transfer from affiliate	-	-	-	(4,721,285)	-	-	-	2,846,285	1,775,000	-	100,000	-	-
Minimum pension liability adjustment	-	-	-	-	-	-	-	17,253	-	-	-	-	17,253
(Decrease) increase in net assets without donor restrictions	(1,458,254)	(308,529)	(1,766,783)	(10,605,857)	190,948	592,981	(1,394,559)	1,195,769	(1,495,420)	466,231	9,619,978	11,862,600	8,665,888
Net Assets with Donor Restrictions													
Investment return - Net	-	106,899	106,899	-	-	-	-	-	-	-	-	-	106,899
Change in beneficial interests	-	(767)	(767)	-	-	-	-	1,051,102	542,774	-	359,738	-	1,952,847
Restricted contributions	-	1,325,570	1,325,570	-	-	-	-	69,111	288,849	-	-	-	1,683,530
Net assets released from restrictions - Operations	-	(791,850)	(791,850)	-	-	-	-	(99,089)	(275,279)	-	-	-	(1,166,218)
Inherent contribution from affiliations - With donor restrictions	-	-	-	-	-	-	-	-	-	-	2,533,327	-	2,533,327
Net assets released from restrictions - Capital	-	-	-	-	-	-	-	(17,253)	-	-	-	-	(17,253)
Increase in net assets with donor restrictions	-	639,852	639,852	-	-	-	-	1,003,871	556,344	-	2,893,065	-	5,093,132
(Decrease) Increase in Net Assets	(1,458,254)	331,323	(1,126,931)	(10,605,857)	190,948	592,981	(1,394,559)	2,199,640	(939,076)	466,231	12,513,043	11,862,600	13,759,020
Net Assets - Beginning of year	92,563,277	6,992,870	99,556,147	89,821,349	3,957,026	7,739,178	6,610,258	45,302,897	14,370,062	1,230,826	-	(139,162,769)	129,424,974
Net Assets - End of year	**$ 91,105,023**	**$ 7,324,193**	**$ 98,429,216**	**$ 79,215,492**	**$ 4,147,974**	**$ 8,332,159**	**$ 5,215,699**	**$ 47,502,537**	**$ 13,430,986**	**$ 1,697,057**	**$ 12,513,043**	**$(127,300,169)**	**$143,183,994**

Consolidating Statement of Cash Flows

Year Ended December 31, 2024

	BHI Senior Living, Inc.	BHI Foundation, Inc.	Obligated Group	BHI Retirement Communities, Inc.	SLDevelopment, Inc.	Wesley Manor, Inc.	The Barrington of Carmel	Maple Knoll Communities, Inc.	Clark Retirement Community, Inc	Clark Retirement Services Company	Westminster Village North, Inc.	Eliminating Entries	Total
Cash Flows from Operating Activities													
(decrease) increase in net assets	$ (1,458,254)	$ 331,323	$ (1,126,931)	$ (10,605,857)	$ 190,948	$ 592,981	$ (1,394,559)	$ 2,199,640	$ (939,076)	$ 466,231	$ 12,513,043	$ 11,862,600	$ 13,759,020
Adjustments to reconcile (decrease) increase in net assets to net cash and cash equivalents from operating activities:													
Depreciation and amortization expense	11,853,749	-	11,853,749	480,120	422,464	1,455,012	3,746,301	7,125,445	3,707,154	-	1,551,037	-	30,341,282
Net change in unrealized and realized gains and losses on investments	(4,694,485)	(531,047)	(5,225,532)	(431)	-	(128,375)	-	(275,103)	(703,452)	-	69,922	-	(6,262,971)
Amortization of financing costs	200,608	-	200,608	-	-	-	40,400	-	-	-	-	-	241,008
Net amortization of original issue premium and discount	(410,806)	-	(410,806)	-	-	-	-	-	-	-	-	-	(410,806)
Amortization of deferred entrance fees	(7,256,900)	-	(7,256,900)	-	-	(568,332)	(590,930)	(5,082,640)	(1,417,142)	-	(1,748,486)	-	(16,664,430)
Loss (gain) on equity investment	10,606,285	-	10,606,285	1,562,362	-	-	-	(304,513)	-	(354,479)	-	(11,862,600)	(352,945)
Change in fair value of interest rate swap agreements	167,436	-	167,436	-	-	143,356	1,064,287	177,044	-	-	493,229	-	2,045,352
(Gain) loss on disposal of fixed assets	(136,777)	-	(136,777)	-	-	-	-	1,788,681	-	-	-	-	1,651,904
Change in value of annuity and charitable trust obligations	-	1,005	1,005	-	-	-	-	-	-	-	-	-	1,005
Credit loss expense	(52,917)	-	(52,917)	-	-	669,270	(4,055)	184,547	409,985	-	190,205	-	1,397,035
Inherent gain on affiliations	-	-	-	-	-	-	-	-	-	-	(12,730,463)	-	(12,730,463)
Changes in operating assets and liabilities that provided (used) cash and cash equivalents:													
Resident accounts receivable	75,434	-	75,434	-	-	(728,149)	(44,716)	(95,995)	(523,907)	-	(2,646,248)	-	(3,963,581)
Other assets	(3,122,594)	(225,170)	(3,347,764)	(2,199,530)	(63,549)	2,976	8,672	(51,388)	465,961	23,941	163,678	4,866,428	(130,575)
Entrance fee notes receivable	(401,739)	-	(401,739)	-	-	(86,350)	178,400	(38,273)	-	-	-	-	(347,962)
Accounts payable	962,104	(11,887)	950,217	1,154,325	(53,159)	507,864	375,095	1,257,166	2,794,704	(222,973)	3,259,132	(5,623,749)	4,398,622
Accrued and other liabilities	(1,537,955)	(20,231)	(1,558,186)	204,973	7,435	(361,711)	(855,522)	(483,284)	384,468	-	(645,787)	(132,679)	(3,440,293)
Proceeds from nonrefundable entrance fees	13,374,412	-	13,374,412	-	-	647,060	2,104,716	7,129,733	2,141,416	-	1,687,146	-	27,084,483
Net cash and cash equivalents provided by (used in) operating activities	18,167,601	(456,007)	17,711,594	(9,404,038)	504,139	2,145,602	4,628,089	13,531,060	6,320,111	(87,280)	2,156,408	(890,000)	36,615,685

Consolidating Statement of Cash Flows (Continued)

Year Ended December 31, 2024

	BHI Senior Living, Inc.	BHI Foundation, Inc.	Obligated Group	BHI Retirement Communities, Inc.	SLDevelopment, Inc.	Wesley Manor, Inc.	The Barrington of Carmel	Maple Knoll Communities, Inc.	Clark Retirement Community, Inc	Clark Retirement Services Company	Westminster Village North, Inc.	Eliminating Entries	Total
Cash Flows from Investing Activities													
Purchase of property and equipment	$ (36,703,601)	$ -	$ (36,703,601)	$ (588,496)	$ (250,127)	$ (1,139,959)	$ (1,035,095)	$ (7,071,314)	$ (1,748,304)	$ -	$ 3,233,056	$ -	$ (45,303,840)
Net (purchases of) proceeds from investments	(10,966,255)	(97,953)	(11,064,208)	1,021,243	-	(54,318)	-	(643,969)	213,831	-	(1,307,835)	-	(11,835,256)
Net purchases of assets limited as to use	(764,913)	-	(764,913)	(57,567)	-	(4,268)	-	(1,187,561)	(1,159,004)	-	(359,538)	-	(3,532,851)
Distribution from equity method investment	-	-	-	-	-	-	-	350,000	-	87,541	-	-	437,541
Cash acquired related to affiliation	-	-	-	-	-	-	-	-	-	-	1,588,652	-	1,588,652
Net cash and cash equivalents (used in) provided by investing activities	(48,434,769)	(97,953)	(48,532,722)	375,180	(250,127)	(1,198,545)	(1,035,095)	(8,552,844)	(2,693,477)	87,541	3,154,335	-	(58,645,754)
Cash Flows from Financing Activities													
Principal payments on long-term debt	(3,946,651)	-	(3,946,651)	(239,318)	-	(764,726)	(904,546)	(1,743,000)	(770,000)	-	(1,160,866)	-	(9,529,107)
Proceeds from refundable entrance fee contracts	16,542,184	-	16,542,184	-	-	214,240	4,848,065	-	1,828,304	-	696,960	890,000	25,019,753
Refunds paid on refundable entrance fee contracts	(7,311,769)	-	(7,311,769)	-	-	(165,177)	(4,710,043)	(1,723,202)	(1,958,867)	-	(254,007)	-	(16,123,065)
Finance lease payments	-	-	-	-	-	16,740	-	-	-	-	-	-	16,740
Distributions	-	-	-	-	(162,263)	-	-	(282,244)	-	-	-	-	(444,507)
Related party note payable	-	-	-	495,000	-	(495,000)	-	-	-	-	-	-	-
Proceeds from issuance of long-term debt	19,000,000	-	19,000,000	-	-	-	-	-	-	-	-	-	19,000,000
Net cash and cash equivalents provided by (used in) financing activities	24,283,764	-	24,283,764	255,682	(162,263)	(1,193,923)	(766,524)	(3,748,446)	(900,563)	-	(717,913)	890,000	17,939,814
Net (Decrease) Increase in Cash and Cash Equivalents	(5,983,404)	(553,960)	(6,537,364)	(8,773,176)	91,749	(246,866)	2,826,470	1,229,770	2,726,071	261	4,592,830	-	(4,090,255)
Cash and Cash Equivalents - Beginning of year	18,197,395	928,580	19,125,975	14,907,253	459,349	3,662,622	8,882,457	1,303,136	2,665,552	1,473	-	-	51,007,817
Cash and Cash Equivalents - End of year	**$ 12,213,991**	**$ 374,620**	**$ 12,588,611**	**$ 6,134,077**	**$ 551,098**	**$ 3,415,756**	**$ 11,708,927**	**$ 2,532,906**	**$ 5,391,623**	**$ 1,734**	**$ 4,592,830**	**$ -**	**$ 46,917,562**