




Christian Health Care Center (dba Christian Health) and Affiliates

**Independent Auditor's Report, Consolidated Financial
Statements, and Supplementary Information**

December 31, 2024 and 2023



Christian Health Care Center (dba Christian Health) and Affiliates
Contents
December 31, 2024 and 2023

Independent Auditor’s Report.....	1
Consolidated Financial Statements	
Statements of Financial Position.....	3
Statements of Operations	5
Statements of Changes in Net Assets	6
Statements of Cash Flows	7
Notes to Financial Statements	9
Supplementary Information	
Consolidating Statements of Financial Position.....	48
Consolidating Statements of Operations	50

Independent Auditor's Report

Board of Trustees
Christian Health Care Center (dba Christian Health) and Affiliates
Wyckoff, New Jersey

Opinion

We have audited the consolidated financial statements of Christian Health Care Center (dba Christian Health) and Affiliates (collectively, the Company), which comprise the consolidated statement of financial position 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 consolidated financial position of the Company as of December 31, 2024 and 2023, and the consolidated results of its operations, changes in its net assets, 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 Audit of the Consolidated Financial Statements" section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 18 to the financial statements, in 2024 the Company became the sole member of Wayne Senior Housing Development Corporation, Holland Christian Home Association (dba Windmere) and Foundation and, NewBridge Services, Inc. and Affiliates. 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 Company's ability to continue as a going concern within one year after the date that these consolidated financial statements are issued.

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

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Forvis Mazars, LLP

New York, New York
July 25, 2025

Christian Health Care Center (dba Christian Health) and Affiliates
Consolidated Statements of Financial Position
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 20,006,381	\$ 21,252,538
Short-term investments	27,643,680	13,831,601
Assets limited as to use, current portion	4,817,271	4,273,462
Accounts receivable, net	12,919,816	10,087,195
Other current assets	<u>8,334,679</u>	<u>8,255,074</u>
Total Current Assets	<u>73,721,827</u>	<u>57,699,870</u>
Long-Term Assets		
Assets limited as to use	15,067,226	13,849,435
Other assets, net	9,030,046	9,424,231
Due from affiliates and other related parties	1,671,381	-
Assets held in trust	1,138,182	-
Intangible assets, net	1,200,982	1,074,991
Notes receivable	3,320,001	-
Right-of-use assets - operating lease	3,363,435	1,460,055
Property, plant, and equipment, net	<u>253,411,258</u>	<u>200,127,968</u>
Total Long-Term Assets	<u>288,202,511</u>	<u>225,936,680</u>
Total Assets	<u><u>\$ 361,924,338</u></u>	<u><u>\$ 283,636,550</u></u>

Christian Health Care Center (dba Christian Health) and Affiliates
Consolidated Statements of Financial Position
December 31, 2024 and 2023

(Continued)

	2024	2023
LIABILITIES AND NET ASSETS		
Liabilities		
Current Liabilities		
Current portion of long-term debt	\$ 8,128,551	\$ 2,812,601
Accounts payable and accrued expenses	7,336,959	5,981,658
Accrued payroll and vacation	5,034,549	3,377,555
Accrued interest	1,697,357	2,052,201
Deferred revenue	2,445,726	1,812,462
Promissory note payable	2,000,000	-
Lines of credit	5,400,000	-
Operating lease liabilities	470,353	43,364
Due to third parties	1,381,335	1,411,316
Total Current Liabilities	33,894,830	17,491,157
Long-Term Liabilities		
Benefits payable	1,146,105	1,163,105
Other liabilities	13,700,800	12,964,925
Refundable fee obligations	33,355,999	33,800,685
Future service obligation	6,151,701	-
Deferred revenue	57,827,199	48,348,697
Operating lease liabilities	2,913,380	1,416,691
Long-term debt, less current portion	138,334,886	118,609,483
Total Long-Term Liabilities	253,430,070	216,303,586
Total Liabilities	287,324,900	233,794,743
Net Assets		
Without donor restrictions	69,632,751	48,447,228
With donor restrictions	4,966,687	1,394,579
Total Net Assets	74,599,438	49,841,807
Total Liabilities and Net Assets	\$ 361,924,338	\$ 283,636,550

Christian Health Care Center (dba Christian Health) and Affiliates
Consolidated Statements of Operations
Years Ended December 31, 2024 and 2023

	2024	2023
Revenues		
Patient service revenue	\$ 99,318,904	\$ 85,367,360
Rents	3,772,144	3,316,155
Service fee revenue	11,776,769	9,435,205
Amortization of life care and service fees	7,530,968	4,858,736
Grant revenue	1,886,004	700,388
Other revenue	6,438,678	4,979,124
Total Revenues	130,723,467	108,656,968
Expenses		
Salaries and wages	67,675,558	56,021,323
Employee benefits	16,421,027	13,238,589
Supplies and other	31,165,806	26,016,046
Interest and amortization	5,813,369	5,623,450
Depreciation and amortization of intangible asset	10,697,156	9,732,130
Total Expenses	131,772,916	110,631,538
Operating Loss	(1,049,449)	(1,974,570)
Other Income (Expenses)		
Investment return	2,521,974	1,869,696
Gifts, contributions, and special events (net of direct costs of \$122,000 and \$116,653 for 2024 and 2023, respectively without donor restrictions)	1,654,311	1,941,835
Fundraising expenses	(129,414)	(71,200)
Change in fair value of derivative instrument	1,133,130	(2,126,115)
Net assets released from restrictions	74,500	-
Total	5,254,501	1,614,216
Excess (Deficiency) of Revenues over Expenses	4,205,052	(360,354)
Grant proceeds for capital expenditures and other	176,476	413,904
Change in pension liability to be recognized in future periods	982,604	440,272
Inherent contribution of net assets	15,736,042	-
Forgiveness of debt	85,349	-
Change in Net Assets Without Donor Restrictions	21,185,523	493,822
Changes in Net Assets With Donor Restrictions		
Change in beneficial interest in remainder trust	-	56,106
Inherent contribution of net assets	3,510,993	-
Contributions	104,500	-
Net assets released from restrictions	(74,500)	-
Investment return	31,115	-
Change in Net Assets With Donor Restrictions	3,572,108	56,106
Change in Net Assets	24,757,631	549,928
Net Assets, Beginning of Year	49,841,807	49,291,879
Net Assets, End of Year	\$ 74,599,438	\$ 49,841,807

Christian Health Care Center (dba Christian Health) and Affiliates
Consolidated Statements of Changes in Net Assets
Years Ended December 31, 2024 and 2023

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions			Total Net Assets
		Purpose and Time Restrictions	Permanent Endowment	Total	
Balance at December 31, 2022	\$ 47,953,406	\$ 610,492	\$ 727,981	\$ 1,338,473	\$ 49,291,879
Deficiency of revenue over expenses	(360,354)	-	-	-	(360,354)
Other Changes in Net Assets					
Grant proceeds for capital expenditures and other	413,904	-	-	-	413,904
Change in pension liability to be recognized in future periods	440,272	-	-	-	440,272
Change in beneficial interest in remainder trust	-	56,106	-	56,106	56,106
Change in net assets	493,822	56,106	-	56,106	549,928
Balance at December 31, 2023	48,447,228	666,598	727,981	1,394,579	49,841,807
Excess of revenue over expenses before net assets released from restrictions	4,130,552	-	-	-	4,130,552
Other Changes in Net Assets					
Grant proceeds for capital expenditures and other	176,476	-	-	-	176,476
Change in pension liability to be recognized in future periods	982,604	-	-	-	982,604
Inherent contribution of net assets	15,736,042	3,510,993	-	3,510,993	19,247,035
Forgiveness of debt	85,349	-	-	-	85,349
Contributions	-	104,500	-	104,500	104,500
Release from restrictions	74,500	(74,500)	-	(74,500)	-
Investment return	-	31,115	-	31,115	31,115
Change in Net Assets	21,185,523	3,572,108	-	3,572,108	24,757,631
Balance at December 31, 2024	\$ 69,632,751	\$ 4,238,706	\$ 727,981	\$ 4,966,687	\$ 74,599,438

Christian Health Care Center (dba Christian Health) and Affiliates
Consolidated Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
Operating Activities		
Change in net assets	\$ 24,757,631	\$ 549,928
Items not requiring (providing) operating cash flows		
Depreciation	10,823,147	9,614,015
Amortization of deferred financing costs	66,929	271,620
(Recovery) amortization of intangible assets	(125,991)	118,116
Net realized and unrealized gains on investments	(2,435,224)	(1,639,806)
Change in fair value derivative instrument	(1,133,130)	2,126,115
Change in pension liability to be recognized in future periods	(982,604)	(440,272)
Amortization of advance fees - The Vista	(5,928,982)	(5,038,016)
Amortization of advance fees - Holland Christian Home	(1,291,892)	-
Noncash operating lease expense	11,183	-
Inherent contribution received in the acquisitions	(19,247,035)	-
Change in future service obligation	(308,655)	-
Contributions for acquisition of property and equipment	-	(418,836)
Cash received under nonrefundable advance fees - The Vista	8,594,900	11,455,432
Changes in		
Accounts receivable, net	(2,113,905)	(1,561,020)
Other current assets	(79,605)	2,347,358
Other assets	1,883,049	(2,033,373)
Accounts payable and accrued expenses, accrued payroll, and accrued interest	(476,693)	(1,559,997)
Benefits payable, pension obligation, and other liabilities	(927,208)	2,033,539
Due from related parties and affiliates	(1,342,758)	-
Due to related parties and affiliates	(644,286)	-
Due to third parties	(29,981)	525,902
Deferred revenue	614,878	311,315
Net Cash Provided by Operating Activities	9,683,768	16,662,020
Investing Activities		
Purchases of property, plant, and equipment	(9,726,496)	(17,058,442)
Purchases of short-term investments and assets limited as to use	(13,037,196)	(9,684,798)
Proceeds from disposition of short-term investments and assets limited as to use	1,910,270	4,987,806
Payment to Holland Christian Home	-	(300,000)
Cash received in acquisition	5,779,158	-
Net Cash Used in Investing Activities	(15,074,264)	(22,055,434)

Christian Health Care Center (dba Christian Health) and Affiliates
Consolidated Statements of Cash Flows
Years Ended December 31, 2024 and 2023

(Continued)

	2024	2023
Financing Activities		
Proceeds from issuance of long-term debt	\$ 7,278,626	\$ 20,847,531
Principal payments on long-term debt	(2,812,906)	(26,647,751)
Proceeds from issuance of line of credit	1,500,000	-
Refundable entrance fee deposits - The Vista	740,300	7,185,831
Refundable entrance fee refunds - The Vista	(2,693,645)	(1,164,111)
Payment on deferred financing costs	-	(532,083)
Proceeds from contribution for acquisition of property and equipment	-	418,386
Notes receivable	780,368	-
Net Cash Provided by Financing Activities	4,792,743	107,803
Increase (Decrease) in Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents	(597,753)	(5,285,611)
Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents, Beginning of Year	29,064,845	34,350,456
Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents, End of Year	\$ 28,467,092	\$ 29,064,845
Reconciliation of Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents to the Balance Sheets		
Cash and cash equivalents	\$ 20,006,381	\$ 21,252,538
Restricted cash in assets limited as to use	8,460,711	7,812,307
	\$ 28,467,092	\$ 29,064,845
Supplemental Cash Flows Information		
Cash paid during the year for interest	\$ 5,680,496	\$ 6,014,973
Property and equipment in accounts payable	\$ 193,818	\$ 485,275

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Organization

Individuals associated with churches from the Reformed tradition founded Christian Health Care Center (dba Christian Health) in 1911. Christian Health and its affiliates (collectively, the Company) provide senior life, short-term rehabilitation, and mental health services from a campus in Wyckoff and Hawthorne, New Jersey and on two additional campuses in Wayne, New Jersey. Programs on the Company's 78-acre Wyckoff/Hawthorne campus consist of a 254-skilled bed nursing facility (Heritage Manor), a 44-bed specialized long-term care behavior management facility (Southgate), a 95-bed assisted living residence (Longview), a 39-bed congregate residence (Hillcrest), a 40-unit senior residential housing program (Evergreen Court), a continuing care retirement community (The Vista) with 161 independent living units, a 58-bed mental health facility (Ramapo Ridge), and two mental health outpatient programs. Programs on the two campuses in Wayne provide 250 units, CHCC of Wayne, LLC (dba Siena Village), and 164 units, Summer Hill of Wayne, LP (dba Summer Hill), of senior residential housing.

The Holland Christian Home Association (the Association) has proudly served the needs of the senior community for more than a century. At the core of its mission is Life Care – a continuum of care that essentially allows its residents to pay one fee on entrance and live worry-free, assured of skilled nursing care should they need it. In addition, the Association also offers Per Diem and Respite Care. It also offers Respite Care in its Mountain View Nursing Unit for individuals who need short- or long-term skilled nursing care or assistance with activities of daily living.

The Holland Christian Home Foundation, Inc. (the Foundation) is a not-for-profit organization formed to ensure and secure the economic future of the Association, through gifts given by donors, directed for its intended use, so its ministry of love and compassion can be enhanced and continued. The Foundation serves to connect professional excellence, Christian integrity, and dedicated stewardship with individuals, organizations, and companies who cherish and support the Association.

NewBridge Services, Inc. was incorporated in New Jersey on January 25, 1963, under the provisions of New Jersey's Title 15: 1-1. It provides behavioral health services at nine locations in Morris, Passaic, and Sussex Counties. NewBridge Services, Inc.'s support comes primarily from patient fees, Medicaid reimbursements, and government grants and contracts.

NewBridge Fund, Inc., an affiliate of NewBridge Services, Inc., was incorporated in New Jersey on November 15, 1985 to provide supplemental financial support for the programs and activities of NewBridge Services, Inc. and to support community mental health programs within the catchment area. NewBridge Housing I, Inc. and NewBridge Housing II, Inc., are affiliates of NewBridge Services, Inc. whose purpose is to purchase and operate real estate for group homes under the U.S. Department of Housing and Urban Development's (HUD) Section 811 Supportive Housing for Persons with Disabilities Program. Evans Place Housing, Inc., an affiliate of NewBridge Services, Inc., purpose is to purchase, develop, and operate an affordable housing project on property located in Pompton Plains, New Jersey that formerly housed the NewBridge Services, Inc. corporate headquarters. Start Easy Eagle Development Corp's (SEED) purpose is to work with government bodies, municipalities, and other nonprofit organizations to develop affordable and supportive housing for persons with special needs in northern New Jersey. Jersey City Two, LLC, an affiliate of SEED, is a nonprofit, limited liability company that owns multifamily homes in Jersey City and Clifton, New Jersey that consist of units for individuals with special needs or for affordable housing. The Juliet, LLC, an affiliate of SEED, is a nonprofit, limited liability company that owns one property consisting of eleven units of affordable housing in Sparta, New Jersey addressing homelessness and special needs. Bergen Cares, LLC, an affiliate of SEED, is a nonprofit, limited liability that owns multifamily properties in Bergen County, New Jersey that consist of units of affordable housing for homeless individuals. SEED Cares, LLC, an affiliate of SEED, is a nonprofit, limited liability company that was established to own future affordable housing projects of SEED. The entity is dormant.

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Wayne Senior Housing Development Corporation (Wayne) is a nonprofit corporation engaged in the development and renovation of low- and moderate-income senior citizens' housing projects. As of December 31, 2024, Wayne entered into a commitment in November 2024 in the amount of \$12,000,000 to purchase a property in Totowa, New Jersey and made a deposit of \$100,000. In May 2025, Wayne deposited \$1,000,000 as security for the project with a title company.

The accompanying consolidated financial statements include the consolidated financial position and operating results of Christian Health, the Christian Health Care Center Foundation, Inc. dba Christian Health Foundation (the Foundation), CHCC CCRC, Inc. dba The Vista, Siena Village, Summer Hill, Visiting Homemaker Services of Passaic County, Inc. dba Home Care Options (Home Care Options), CH of Summer Hill Managing Member LLC (Managing Member), Wayne Senior Housing Development Corporation (Wayne), Holland Christian Home Association (dba Windmere) and Foundation (collectively, Holland Christian Home), and NewBridge Services, Inc. and Affiliates (collectively, NewBridge). The Foundation was established to assist Christian Health in the furtherance of its charitable mission. Christian Health is the sole member of the Foundation, The Vista, Siena Village, Summer Hill, Home Care Options and Managing Member.

Effective August 3, 2022, Christian Health acquired and became the sole member of Home Care Options, a New Jersey not-for-profit corporation established in 1954 to offer assistance with problems caused by illness or social and environmental stress by providing a variety of in-home services in northern New Jersey. These services include, but are not limited to, certified home health aides' services, bath services, respite care, registered nurse home care, needs assessment, and supervision.

On December 30, 2022, Christian Health closed on a transaction with National Equity Fund (NEF) to renovate the Summer Hill apartments. As part of this transaction, a new ownership structure was established whereby the property (totaling approximately \$11,422,000) and certain related assets and liabilities were sold from Summer Hill of Wayne, LP to a newly created entity, Summer Hill of Wayne II, LLC (Summer Hill II), for \$14,000,000. As part of the transaction, Summer Hill II received \$2,500,000 of equity from NEF and a \$20,100,000 construction loan commitment. In consideration of the transaction, Summer Hill II issued a note payable of \$5,000,000 bearing interest at 5% to Summer Hill, which is recorded at \$2,700,000 net of a reserve of \$2,300,000 as a long-term receivable for Summer Hill, included in other assets in the Company's consolidated financial statements, for payments to be received from NEF in the future for developer fees. As part of the transaction, all of the outstanding debt for Summer Hill (approximately \$9,203,000) was repaid. The members of Summer Hill II are NEF, which owns 99.99% and a newly created entity, Managing Member, a subsidiary of Christian Health, which serves as the managing member of Summer Hill II and owns 0.01%. NEF holds the controlling interest in Summer Hill II. Managing Member has recorded its equity method investment in Summer Hill II of \$100 within other assets in the Company's consolidated financial statements. In 2023, intangible assets previously recorded by Summer Hill with a net carrying value of approximately \$1,407,000 were written off.

In 2023, Christian Health initiated a joint venture with Valley Hospital to construct a 46-bed skilled nursing facility. The project costs are to be allocated between Christian Health and Valley Hospital at 60% and 40%, respectively. As of December 31, 2024, the agreement has not been finalized.

As discussed in Note 18, Christian Health became a sole member of Wayne Senior Housing Development Corporation (Wayne), Holland Christian Home Association (dba Windmere) and Foundation (collectively, Holland Christian Home), and NewBridge Services, Inc. and Affiliates (collectively, NewBridge) in 2024.

All significant intercompany and inter-entity balances and transactions have been eliminated in the accompanying consolidated financial statements.

CARES Act Funding

Under the CARES Act, the Company was eligible to receive an employee retention credit (ERC) against the employer portion of Social Security taxes for certain wages. The ERC was designed to encourage employers to

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

retain employees during the COVID-19 pandemic. The Company had determined it was eligible for ERC for the period of March 13, 2020 to September 30, 2021, as extended through further legislation. The Company submitted amended Forms 941-X for calendar year 2020 and 2021 to claim the ERC. The Company recognized \$1,275,000 as other revenue for ERC in 2023. The ERC funds are subject to examination and audit.

Holland Christian Home applied for the ERC by amending its previously filed forms 941 for the first, second, and third quarters for 2021 and as a result, received the reimbursement of the amended returns in February 2023 for a total of \$2,479,394 plus \$149,294 of earned interest. While management believes that it qualifies for the ERC under the credit's partial suspension provisions, the Company was unable to determine whether it substantially met the ERC eligibility barriers under FASB ASC 958-605. As Holland Christian Home was unable to determine whether it substantially met the ERC's eligibility barriers, it has not recorded the ERC funds received as grant revenue and instead has recorded the ERC funds received as refundable advances. As of December 31, 2024, Holland Christian Home has recorded \$2,628,688 as refundable advances. The Company will record the ERC funds received as grant revenue, if and when it is able to determine that the ERC eligibility barriers have been substantially met or the statute of limitations has expired.

In 2023, the Company applied for reimbursement for qualifying expenses under the Federal Emergency Management Agency (FEMA) Disaster Relief Fund. The Company received reimbursement payment advances and recognized approximately \$1,494,000 as other revenue (for reimbursement of operating costs) in 2023. There were no FEMA funds received or recorded in 2024. The FEMA funds are subject to examination and audit.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the 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, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The Company considers all highly liquid financial instruments with a maturity of three months or less when purchased to be cash equivalents, except for amounts included in short-term investments. Amounts within restricted cash include cash and cash equivalents held within assets whose use is limited and represent funds set aside within the investment portfolio based on management's policy or contractual arrangements. Management believes that the institutions are viable entities and minimal risk of loss exists. At December 31, 2024, the Company's cash accounts exceeded federally insured limits by approximately \$2,000,000.

Receivables for Patient Care

The Company's patient accounts receivables are stated at the estimated net realizable amounts from payors, net of implicit price concessions, which are generally less than the established billing rates. These established billing rates produce payments under cost reimbursement methodologies, prospective payment formulas, or negotiated rates which cover the majority of the Company's patient services.

The Company provides an allowance for credit losses, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions adjusted for current conditions and reasonable and supportable forecasts.

The Company determines its estimates of explicit price concessions which represent adjustments and discounts based on contractual agreements, its discount policies, and historical experience by payor groups. The Company determines its estimate of implicit price concessions based on its historical collection experience by classes of patients.

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Investments and Investment Income

Investments in marketable securities are reported at fair value in the accompanying consolidated statements of financial position. The fair value of marketable investments is determined by reference to quoted market prices. The Company's interest in a hedge fund limited partnership is reported based on the fund's net asset value derived from the application of the equity method of accounting. The Company's risk with respect to the hedge fund's investment activities, which may include securities lending, short sales, and trading in futures or other derivative products, is limited to the Company's capital balance with the fund. Donated investments are recorded at their fair value at the date of gift. All investments are classified as trading securities.

Investment income (including realized gains and losses on investments, interest, and dividends) and net change in unrealized gains and losses are included in the excess (deficiency) of revenue over expenses unless the income is restricted by donor or law. Investment income related to assets held by trustees under debt financing arrangements is included in loss from operations.

Assets Limited as to Use

Assets limited as to use include assets held by trustees under debt financing agreements, escrow deposits, and assets designated for a deferred employee compensation plan.

Contributions

Contributions are provided to the Company either with or without restrictions placed on the gift by the donor. Revenue and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Company overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment, and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of operations as net assets released from restrictions.

Gifts and investment income having donor stipulations which are satisfied in the period the gift is received and the investment income is earned are reported as revenue and net assets without donor restrictions.

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Government Grants

Support funded by grants is recognized as the Company meets the conditions prescribed by the grant agreement, performs the contracted services, or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Deferred Financing Costs

Deferred financing costs represent costs incurred to obtain financing and are amortized over the term of the related debt using the effective interest method.

Intangible Assets

Definite-lived intangible assets of the Company represent the estimated fair value of leases acquired through the Siena Village business combination. Amortization is calculated using the straight-line method over the estimated useful lives of the intangible assets as defined below.

Land lease

99 years

The Company reviews the carrying value of its definite-lived intangible assets for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. If these future undiscounted cash flows are less than the carrying value of the asset, then the carrying amount of the asset is written down to its fair value, based on the related estimated discounted future cash flows. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the intangible assets are used and the effects of obsolescence, demand, competition, and other economic factors.

Property, Plant, and Equipment

Property, plant, and equipment are recorded at cost, except for donated property, plant, and equipment, which are recorded at fair value at the date of donation. Annual provisions for depreciation of property, plant, and equipment are computed using the straight-line method over the estimated useful lives of the assets (ranging from 3 to 40 years).

Long-Lived Asset Impairment

The Company evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended December 31, 2024 and 2023.

Insurance Liabilities

The Company maintains claims-made professional and general liability and worker's compensation coverage through a commercial insurance carrier. The Company recorded an estimated insurance recovery receivable and an insurance claim liability related to workers' compensation, professional and general liabilities of approximately \$1,480,000 and \$2,262,500 at December 31, 2024 and 2023, respectively, which are included in other assets, net and other liabilities in the accompanying consolidated financial statements.

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

The Company has a self-insured employee health insurance plan and maintains stop-loss coverage with an insurance company for claims in excess of \$200,000 for the years ended December 31, 2024 and 2023. At December 31, 2024 and 2023, the Company has recorded reserves for incurred but not reported medical claims of \$738,000 and \$625,000, which are included in other liabilities within the accompanying consolidated statements of financial position.

Refundable Fee Obligations

Residents of The Vista are required to pay an advanced fee to obtain a non-transferable right to lifetime occupancy at the Company's independent living, assisted living, or nursing facilities. Current residents have selected one of two continuing care contract plans: Life Care or Non-Life Care. Each plan offers a 90%, 50%, and traditional, refundable options, as defined.

Refundable advance fees to which The Vista does not expect to be entitled are recorded as a refundable fee obligation upon receipt. Refunds are reduced by sums owed by the resident to The Vista, including repayment of subsidies provided to the resident and the cost of refurbishing the resident's independent living unit.

Under the 90% and 50% refundable options, 10% and 50%, respectively, of the advance fees are refundable to the resident on a declining balance basis amortized at 2% per month after residency in independent living is established, or 4% per month for residency in a nursing facility, after which they are non-refundable. Non-refundable fees are recorded as deferred revenue upon receipt and amortized to income as performance obligations are satisfied using the straight-line method over the estimated remaining life expectancy of the resident, adjusted annually.

The Vista has an obligation to provide future services and use of facilities to current residents. Future cash flows, discounted at 5% annually, are projected to exceed these costs, and thus no liability for future service obligations is recorded.

The Vista is regulated by the New Jersey Department of Community Affairs pursuant to the *Continuing Care Retirement Community Regulation and Financial Disclosure Act* (the Act). The Act requires, among other things, that The Vista establish and maintain liquid reserves which generally are equal to the greater of 15% of the projected annual operating expenses (excluding depreciation) or the principal and interest due in the next 12 months on bonds issued to finance the construction of The Vista (see Note 9(A)). The Vista met that requirement at December 31, 2024 and 2023.

Retirement Community Obligations

Residents of Holland Christian Home that have elected a lifecare contract are required to pay an advance fee to obtain a nontransferable right to lifetime occupancy at the independent living or nursing facility. Current residents have selected a custom Continuing Care Residency Agreement. The residents can select a contract with a higher entrance fee and lower monthly services fees or a low entrance fee or no entrance fee and then pay higher monthly service fees. The Continuing Care Residency Agreements entitle the resident to living accommodations and healthcare and other services for their entire life as long as the resident continues to pay their monthly service fee.

Entrance fees are based upon each resident's contract. Under each resident's contract, entrance fees are refundable to the resident on a declining balance basis amortized generally over four years (unless otherwise specified in the resident's contract) after which they are nonrefundable. Entrance fees are recorded as deferred revenue from entrance fees upon receipt and amortized into revenue as performance obligations are satisfied using the straight-line method over the estimated remaining life expectancy of the respective resident. All resident contracts are subject to declining balance amortization and there are not currently any contracts that have permanent nonrefundable components.

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Obligation to Provide Future Services

Holland Christian Home annually considers 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 advance fees and other related cash inflows. If the present value of the net cost of future services and the use of facilities exceeds the deferred revenue from advance fees plus other related cash inflows, a liability is recorded (obligation to provide future services and use of facilities) with the corresponding charge to income.

Holland Christian Home has an obligation to provide future services and use of facilities to current residents. Future cash flows, discounted at 5% annually, are projected to be below these costs. Accordingly, a liability for future service obligations of \$6,151,701 has been recorded at December 31, 2024.

Beneficial Interest in Perpetual Trusts

The Holland Christian Home Foundation has been designated as the beneficiary under several perpetual trusts. A perpetual trust is held by a third-party and is an arrangement in which the donor establishes and funds a trust to exist in perpetuity that is administered by an individual or organization other than the beneficiary. The Foundation has the irrevocable right to receive the income earned on the trust's assets but will never receive the assets themselves. The Holland Christian Home Foundation recognizes contribution revenue at the time an irrevocable trust created at the fair value of the trust's assets, which approximates the discounted present value of cash flows from the beneficial interest. The contribution revenue is classified as net assets with donor restrictions. The Foundation revalues its interest in the perpetual trusts annually and reports any gains or losses as changes to the value of the trusts in the consolidated statements of operations and changes in net assets as changes in net assets with donor restrictions. In May 2025, the Holland Christian Home Foundation was dissolved, and all activities were transferred to the CHCC Foundation.

Net Assets

Net assets, revenue, gains, and losses are classified based on the existence or absence of donor or grantor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for board designated purposes and resources.

Net assets with donor restrictions are subject to donor or certain grantor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor.

Net assets with donor restrictions that are permanent endowments have been restricted by donors to be maintained in perpetuity. The Company follows the requirements of the *Uniform Prudent Management of Institutional Funds Act* as it relates to its permanently restricted contributions and endowment net assets, as enacted by the State of New Jersey in 2009.

Net Patient Service Revenue

Net patient service revenue is reported at the amount that reflects the consideration to which the Company expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and include variable consideration (reductions to revenue) for retroactive revenue adjustments due to settlement of ongoing and future audits, reviews, and investigations.

The Company uses a portfolio approach to account for categories of patient contracts as a collective group rather than recognizing revenue on an individual contract basis. Based on historical collection trends and other analyses, the Company believes that revenue recognized by utilizing the portfolio approach approximates the revenue that would have been recognized if an individual contract approach were used.

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

The Company's initial estimate of the transaction price for services provided to patients subject to revenue recognition is determined by reducing the total standard charges related to the patient services provided by various elements of variable consideration, including contractual adjustments, discounts, implicit price concessions, and other reductions to the Company's standard charges. The Company determines the transaction price associated with services provided to patients who have third-party payor coverage on the basis of contractual or formula-driven rates for the services rendered. The estimates for contractual allowances and discounts are based on contractual agreements, the Company's discount policies, and historical experience. For uninsured and under-insured patients who do not qualify for charity care, the Company determines the transaction price associated with services on the basis of charges reduced by implicit price concessions. Implicit price concessions included in the estimate of the transaction price are based on the Company's contractual agreements historical collection experience for applicable patient portfolios. Under the Company's charity care policy, a patient who has no insurance or is under-insured and is ineligible for any government assistance program has his or her bill reduced to the discounted rates under the Company's self-pay patient policy. Patients who meet the Company's criteria for free care are provided care without charge; such amounts are not reported as revenue.

Generally, the Company bills patients and third-party payors several days after the services are performed and/or the patient is discharged. Patient service revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Company. Patient service revenue for performance obligations satisfied over time is recognized based on estimated expected payment at that point in time. The Company believes that this method provides a reasonable depiction of the transfer of services over the term of the performance obligation based on the services needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients receiving services through the term of their stay.

From time to time, the Company will receive overpayments of patient balances from third-party payors or patients resulting in amounts owed back to either the patients or third-party payors. These amounts are excluded from revenue and are recorded as liabilities until they are refunded. As of December 31, 2024 and 2023, the Company has a liability for refunds to third-party payors and patients recorded approximately \$2,041,000 and \$1,411,000, respectively.

Revenue from contracts with customers for the years ended December 31, 2024 and 2023, by payor, is as follows:

	<u>2024</u>	<u>2023</u>
Patient service revenue		
Commercial insurance and managed care organizations	\$ 17,616,575	\$ 14,131,688
Medicaid and Medicaid managed care	21,268,802	19,056,010
Medicare	33,132,366	31,175,418
Self-pay and other	<u>27,301,161</u>	<u>21,004,244</u>
Total patient service revenue	99,318,904	85,367,360
Rents	3,772,144	3,316,155
Service fee revenue	11,776,769	9,435,205
Amortization of life care and service fees	<u>7,530,968</u>	<u>4,858,736</u>
	<u>\$ 122,398,785</u>	<u>\$ 102,977,456</u>

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

The following table provides information about the Company's receivables from contracts with customers:

	2024	2023
Accounts receivable, beginning of year	\$ 10,087,195	\$ 8,526,175
Accounts receivable, end of year	12,919,816	10,087,195

Deductibles, copayments and coinsurance under third-party payment programs which are the patient's responsibility are included within the third-party payor amounts above.

Subsequent changes to the estimate of the transaction price (determined on a portfolio basis when applicable) are generally recorded as adjustments to patient service revenue in the period of the change. For the years ended December 31, 2024 and 2023, changes in the Company's estimates of implicit price concessions, discounts, contractual adjustments, or other reductions to expected payments for performance obligations satisfied in prior periods were not significant. Portfolio collection estimates are updated quarterly based on collection trends. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay (determined on a portfolio basis when applicable) are recorded as credit loss expense.

The Company does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to the Company's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less. However, the Company does, in certain instances, enter into payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

Service Fee Revenue

Service fee revenue is reported at amounts that reflect the consideration the Company expects to receive in exchange for continuing care retirement community services provided. These amounts are due from residents or third-party payors and include provisions for variable consideration. Service fee revenue is recognized as performance obligations are satisfied.

The Company has determined that the services included under the residency agreements have the same timing and pattern of transfer and are performance obligations that are satisfied over time. The Company recognizes revenue under ASC 606, *Revenue Recognition from Contracts with Customers*, for its residency agreements for which it has estimated that the non-lease components of such residency agreements are the predominant component of the contract.

Holland Christian Home has elected the lessor practical expedient within Accounting Standards Codification (ASC) 842, *Leases*, and recognizes, measures, presents, and discloses the revenue for services under residency agreements based upon the predominant component, either the lease or nonlease component, of the contracts. The Company has determined that the services included under the residency agreements have the same timing and pattern of transfer and are performance obligations that are satisfied over time. The Company recognizes revenue under ASC 606, *Revenue Recognition from Contracts With Customers*, for its residency agreements for which it has estimated that the nonlease components of such residency agreements are the predominant component of the contract.

Performance Indicator

The consolidated statements of operations include excess (deficiency) of revenue over expenses as the performance indicator. Changes in net assets without donor restrictions which are excluded from the performance indicator include grant proceeds for capital expenditures, inherent contribution of net assets, and change in pension

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

liability to be recognized in future periods and the change in interest in Foundation assets. Transactions deemed by management to be ongoing and central to the provision of the Company's services are reported as revenue and expenses from operations.

Tax Status

Christian Health, the Foundation, The Vista, Home Care Options, Wayne, Holland Christian Home and NewBridge are not-for-profit corporations, as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The entities are also exempt from state and local income taxes. Siena Village, Summer Hill and Managing Member are disregarded for tax purposes. Disregarded entity status provides that the Company is subject to unrelated business income taxation on Siena Village and Summer Hill income derived from activities not specific to the Company. Provisions for income tax are not material to the consolidated financial statements.

Guarantees

In 2023, the Company guaranteed certain loans payable held by unconsolidated affiliates, Holland Christian Home limited to 50% of the outstanding indebtedness during the initial 12 months of the \$8,400,000 loan and unlimited in connection with the outstanding indebtedness after the 1st day of the 13th month through the maturity date of the \$8,400,000. The fair value was estimated based on fees charged by third parties for comparable guarantees. At December 31, 2023, the total outstanding balances on guaranteed loans were approximately \$5,743,000. Effective August 1, 2024, the Company became sole member of Holland Christian Home, and the debt is included in the consolidated statements of financial position.

Wayne has guaranteed the low income housing tax credits and related loan held by unconsolidated affiliates, Wayne Senior Housing Sisco, LP. The fair value is estimated based on fees charged by third parties for comparable guarantees. As of December 31, 2024, these amounts are immaterial and not recorded in the financial statements.

Contract Liability

Amounts received related to services that have not yet been provided to customers are contract liabilities. Contract liabilities consist of payments made by customers or third-party payors for services not yet performed.

		2024		
	Obligated Group	The Vista	Holland Christian Home	Total
Balance, beginning of year	\$ 894,973	\$ 49,266,186	\$ -	\$ 50,161,159
Effects of				
Liability assumed through acquisition		-	9,631,521	9,631,521
Revenue recognized that was included in the contract liability balance at the beginning of the period	(894,973)	(5,928,982)	(1,291,892)	(8,115,847)
Increase due to cash received, excluding amounts recognized as revenue during the period	<u>1,357,444</u>	<u>7,039,004</u>	<u>199,644</u>	<u>8,596,092</u>
Balance, end of year	<u>\$ 1,357,444</u>	<u>\$ 50,376,208</u>	<u>\$ 8,539,273</u>	<u>\$ 60,272,925</u>

Notes Receivable

On December 4, 2015, Wayne entered into a seller's note agreement with Wayne Senior Citizens Runnymede Corporation (Runnymede), a non-consolidating related party. The note bears interest at a rate of 3.24% per annum, payable from Net Cash Flow as defined in Wayne's partnership agreement. The note matures on September 1,

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

2045. As of December 31, 2024, the note had a balance of \$2,816,519 and unpaid interest was \$970,896. Interest incurred for the year ended December 31, 2024 was \$388,806.

Revision

Certain immaterial revision has been made to the 2023 consolidated statements of operations and Note 1 – net patient service revenue to reduce net patient service revenue by \$770,000. This adjustment reflects the removal of grant income for Home Care Option that was previously included in patient service revenue. This revision did not have a significant impact on the financial statement line items impacted.

Note 2. Grant Reimbursements Receivable and Future Commitments

The Company receives its grant support through periodic claims filed with the respective funding sources, not to exceed a limit specified in the funding agreement. Since the financial statements of the Company are prepared on the accrual basis, all earned portions of the grants not yet received as of December 31, 2024, have been recorded as receivables. The grant commitments will be recognized into revenue as allowable expenses are incurred or milestones are achieved. Following are the grant commitments that extend beyond December 31, 2024:

	<u>Term</u>	<u>Grant Amount</u>	<u>Earned or Forfeited</u>	<u>Funding Available</u>
State of New Jersey Department of Children and Families	July 1, 2024 – June 30, 2025	\$ 1,534,455	\$ 675,715	\$ 858,740
New Jersey Division of Mental Health Services and Addiction Services	January 1, 2025 – December 31, 2025	1,115,638	-	1,115,638
New Jersey Division of Mental Health Services and Addiction Services	October 1, 2024 – September 30, 2025	377,353	89,573	287,780
NJ Division of Mental Health Services	October 1, 2024 – September 30, 2025	76,711	7,308	69,403
Workforce Development Board of NJ	October 1, 2024 – September 30, 2025	300,209	87,494	212,715
		<u>\$ 3,404,366</u>	<u>\$ 860,090</u>	<u>\$ 2,544,276</u>

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Note 3. Availability and Liquidity of Financial Assets

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2024 and 2023, comprise the following:

	<u>2024</u>	<u>2023</u>
Financial assets at year-end		
Cash and cash equivalents	\$ 20,006,381	\$ 21,252,538
Short-term investments	27,643,680	13,831,601
Assets limited as to use, current portion	4,817,271	4,273,462
Accounts receivable, net	12,919,816	10,087,195
Other current assets	<u>8,334,679</u>	<u>8,255,074</u>
	73,721,827	57,699,870
Less board designated net assets	<u>(4,288,367)</u>	<u>(4,273,462)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 69,433,460</u>	<u>\$ 53,426,408</u>

The Company has certain board-designated assets limited as to use which are not available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been excluded in the quantitative information above for financial assets to meet general expenditures within one year. As part of the Company'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 Company invests cash in excess of daily requirements in short-term investments and money market funds.

Note 4. Charity Care

The Company maintains records to identify and monitor the level of charity care it provides. These records include total charges forgone for services and supplies furnished under its charity care policy. As the collection of amounts determined to qualify as charity care is not pursued, such services are not reported as patient revenue. The cost of charity care is derived from both estimated and actual data. The estimated cost of charity care includes the direct and indirect cost of providing such services and is estimated utilizing the Company's ratio of cost to gross charges, which is then multiplied by the gross uncompensated charges associated with providing care to charity patients.

In addition, the Company provides several other charitable programs and activities, such as educational and health monitoring programs, that are primarily offered for the benefit of the local communities that the Company serves. In accordance with its mission, the Company commits substantial resources to sponsor a broad range of services to both the indigent and the broader community. Community benefits provided to the indigent include the cost of providing services to persons who cannot afford health care due to inadequate resources and/or who are uninsured or underinsured. This type of community benefit includes the costs of traditional charity care, unpaid costs of care provided to beneficiaries of Medicaid and other indigent public programs, services such as free clinics and meal programs for which a patient is not billed or for which a nominal fee has been assessed, and cash and in-kind donations of equipment, supplies, or staff time volunteered on behalf of the community.

Community benefits provided to the broader community include the costs of providing services to other populations who may not qualify as indigent but need special services and support. This type of community benefit includes the costs of services such as health promotion and education, health clinics and screenings, all of which are not billed

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

or can be operated only on a deficit basis, unpaid portions of training health professionals such as medical residents, nursing students and students in allied health professions, and the unpaid portions of testing medical equipment and controlled studies of therapeutic protocols.

A summary of the estimated cost of community benefits provided to both the indigent and the broader community follows:

	<u>2024</u>	<u>2023</u>
Community benefits provided to the indigent		
Charity care provided	\$ 1,683,600	\$ 891,000
Unpaid cost of public programs, Medicaid, and other indigent care programs	7,854,400	8,311,300
Community benefits provided to the broader community		
Non-billed services for the community	<u>80,000</u>	<u>94,100</u>
Balance, end of year	<u>\$ 9,618,000</u>	<u>\$ 9,296,400</u>

Note 5. Short-Term Investments and Assets Limited as to Use

Assets Limited as to Use

Assets limited as to use at December 31, 2024 and 2023 include:

	<u>2024</u>	<u>2023</u>
Restricted cash	\$ 8,460,711	\$ 7,812,307
Certificates of deposit	727,981	727,981
Equity securities	5,025,330	4,721,109
Bonds	5,215,414	2,542,226
Alternatives	-	163,609
Fixed income	<u>455,061</u>	<u>2,155,665</u>
	<u>\$ 19,884,497</u>	<u>\$ 18,122,897</u>

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Assets limited as to use are maintained for the following purposes. Management determines the classification of current versus long-term based on the intended use of the assets within the upcoming year:

	<u>2024</u>	<u>2023</u>
Under debt financing arrangements	\$ 8,959,195	\$ 8,294,189
Escrow deposits	2,776,954	1,887,265
Board designated	4,288,367	4,273,462
Permanently restricted by donor	727,981	727,981
Deferred employee compensation plan	<u>3,132,000</u>	<u>2,940,000</u>
Total assets limited as to use	19,884,497	18,122,897
Less current portion	<u>(4,817,271)</u>	<u>(4,273,462)</u>
Assets limited as to use, less current portion	<u>\$ 15,067,226</u>	<u>\$ 13,849,435</u>

Short-Term Investments

Short-term investments at December 31, 2024 and 2023 include:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 11,317,739	\$ 7,033,926
Certificates of deposit	1,062,680	322,164
Equity securities	2,921,087	2,499,258
Mutual funds	3,470,471	2,588,244
Fixed income	8,312,160	878,330
Limited partnership	<u>559,543</u>	<u>509,679</u>
	<u>\$ 27,643,680</u>	<u>\$ 13,831,601</u>

Investment return, excluding return derived from assets held by trustees under debt financing arrangements, is as follows:

	<u>2024</u>	<u>2023</u>
Interest and dividend income - other holdings	\$ 117,865	\$ 229,890
Net realized gains and losses	1,825,922	908,974
Net change in unrealized gains and losses	<u>609,302</u>	<u>730,832</u>
	<u>\$ 2,553,089</u>	<u>\$ 1,869,696</u>

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Note 6. Property and Equipment

Property and equipment at December 31, 2024 and 2023 consists of:

	2024	2023
Land and land improvements	\$ 24,297,380	\$ 5,965,269
Building and improvements	267,589,329	225,899,127
Major movable equipment	19,490,245	18,751,601
Fixed and other equipment	47,622,498	42,861,474
Transportation vehicles	<u>3,242,982</u>	<u>3,183,261</u>
Total fixed assets	362,242,434	296,660,732
Less accumulated depreciation	<u>(118,498,406)</u>	<u>(107,675,259)</u>
	243,744,028	188,985,473
Construction in progress	<u>9,667,230</u>	<u>11,142,495</u>
Net	<u><u>\$ 253,411,258</u></u>	<u><u>\$ 200,127,968</u></u>

Substantially all property, plant, and equipment have been collateralized under debt agreements.

The Company capitalized interest of approximately \$248,252 and \$475,600 during 2024 and 2023, respectively, related to construction projects.

Note 7. Leases

Accounting Policies

The Company determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of ROU assets and lease liabilities on the consolidated statements of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Company determines lease classification as operating or finance at the lease commencement date.

The Company combines lease and nonlease components, such as common area and other maintenance costs, and accounts for them as a single lease component in calculating the ROU assets and lease liabilities for its office buildings and employee vehicles.

At lease commencement, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Company has made a policy election to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined either by using a period comparable with the lease term, or estimated as the 30 year risk-free rate as the longest term available, which is estimated by the Company to be not materially different from a rate for a 99-year lease.

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Lease expense is generally recognized on a straight-line basis over the lease term.

Nature of Leases

The Company has entered into the following lease arrangements:

Operating Leases

Sienna Village leases land for 99 years with expiration date of December 31, 2092 and annual payments of \$50,000.

NewBridge Services, Inc. leases office and residential space for its activities in three communities: Parsippany, Haskell, and Sparta, New Jersey. Leases expire at various dates through December 31, 2034.

All Leases

The Company has no material related-party leases.

Quantitative Disclosures

The lease cost and other required information for the years ended December 31, 2024 and 2023 are:

	<u>2024</u>	<u>2023</u>
Lease cost		
Operating lease cost	\$ 201,459	\$ 50,000
Other information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 1,902,767	\$ 50,000
Weighted-average remaining lease term		
Operating leases	31.22 years	69 years
Weighted-average discount rate		
Operating leases	3.91%	2.97%

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Future minimum lease payments and reconciliation to the consolidated statement of financial position at December 31, 2024 are as follows:

	Operating Leases
2025	\$ 477,186
2026	434,070
2027	362,129
2028	369,407
2029	238,594
Thereafter	<u>3,765,755</u>
Total future undiscounted lease payments	5,647,141
Less imputed interest	<u>(2,263,408)</u>
Lease liabilities	<u><u>\$ 3,383,733</u></u>

Note 8. Benefits Payable

Benefits payable represents amounts due toward death benefit certificates held by subscribers of an unrelated not-for-profit organization that was previously merged into the Company. These certificates entitle the subscribers to receive a death benefit and is calculated based on the dollar value of the certificate that they had purchased. As of December 31, 2024 and 2023, there were 2,144 and 2,175 certificates outstanding, respectively.

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Note 9. Long-Term Debt

Long-term debt consists of the following:

	2024	2023
National Financing Authority (NFA) 2019 Series A Bonds (A)	\$ 62,980,000	\$ 62,980,000
New Jersey Health Care Facilities Financing Authority (NJHCFFA)		
Revenue and Refunding Series 1997 B Bonds (B)	2,400,000	2,900,000
NJHCFFA Variable Rate Series 2005 Bond (C)	3,690,000	3,930,000
NJHCFFA Variable Rate Revenue Series 2009 Bonds (D)	4,885,000	5,800,000
NFA 2020 Series A Bonds (E)	14,361,813	14,871,937
NFA 2020 Series B Bonds (E)	12,182,923	12,613,071
NFA Series 2023 Bonds Siena Village (F)	13,230,152	13,428,000
NFA Series 2023 Bonds (G)	14,184,956	7,419,531
Other obligations	-	11,953
Columbia Bank Original Mortgage HCH (H)	5,747,611	-
HCH Promissory Note (H)	2,000,000	-
Housing and Urban Development (HUD) loan NewBridge (I)	3,342,621	-
New Jersey Housing and Mortgage Finance Agency (NJHMFA)		
loan NewBridge (I)	7,729,157	-
Columbia NewBridge (I)	736,811	-
County/Local Funding NewBridge (I)	639,349	-
New Jersey Department of Community Affairs NewBridge (I)	2,438,227	-
Pompton Reformed Church New Bridge (I)	514,154	-
	151,062,774	123,954,492
Less unamortized deferred financing costs	(2,599,337)	(2,532,408)
Less current portion (long-term debt, promissory note payable)	(10,128,551)	(2,812,601)
	<u>\$ 138,334,886</u>	<u>\$ 118,609,483</u>

(A) On August 15, 2019, the NFA issued \$119,980,000 of Revenue Bonds on behalf of The Vista (NFA 2019 Bonds). The proceeds for the bonds were used to finance the cost of construction of The Vista, to repay the outstanding balance of pre-construction and preliminary construction financing (discussed further below), to fund a related debt service reserve fund and capitalized interest, and to pay a portion of the costs of issuance of the 2019 Bonds. The NFA 2019 Bonds were issued in three series (Series 2019 A Bonds, Series 2019 B Bonds and Series 2019 C Bonds):

The Series 2019 A Bonds, with an aggregate principal amount of \$62,980,000 (of which all is outstanding) were sold at a premium of approximately \$1,498,000. Repayment of principal will begin in 2026. The bonds mature on July 1, 2039, 2046, and 2054 and bear interest at fixed rates ranging from 5.25% to 5.75%.

The NFA 2019 Bonds are secured by a first security interest in the gross receipts of The Vista, a first mortgage lien on a leasehold interest in the property that The Vista is built upon, and by certain funds and accounts created under the terms of the loan agreement.

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

In connection with the NFA 2019 Bonds, Christian Health provided a Liquidity Support Account (LSA) to the Master Trustee, totaling \$5,000,000 that consists of \$2,000,000 in cash and cash equivalents and a \$3,000,000 irrevocable, direct pay letter of credit issued for the benefit of the Master Trustee. The LSA is recorded within Christian Health's assets limited as to use and The Vista's other liabilities and such amounts are eliminated in consolidation.

Christian Health entered into a subordinated note payable in 2017 with The Vista to advance funds to pay for pre-construction costs. The principal and interest on the note payable of \$6,500,000 is payable from available funds after The Vista will achieve stabilized occupancy, which is expected to be in 2025. The note bears interest at a rate of 7.50% per annum and will be due when certain restrictions are met. The subordinated note and the note payable is recorded within Christian Health's other assets and The Vista's other liabilities and such amounts are eliminated in consolidation. Accrued interest of \$2,662,000 and \$2,174,000 has been recorded as of December 31, 2024 and December 31, 2023, respectively, in Christian Health and The Vista. Such amounts are eliminated in consolidation.

- (B) On January 7, 1998, the New Jersey Health Care Facilities Financing Authority (NJHCFFA) issued \$10,500,000 of Revenue and Refunding Series 1997 B Bonds (Series 1997 B Bonds). The Series 1997 B Bonds carry a variable interest rate with maturities through 2028. The average interest rate during 2024 and 2023, was 3.49% and 3.97%, respectively. The proceeds of the Series 1997 B Bonds were used for the construction of the assisted living facility and are secured by substantially all the assets and gross receipts of Christian Health and the Foundation (collectively, the Obligated Group) and a letter of credit with a bank. The letter of credit is approximately \$2,439,000 and expires January 1, 2026.
- (C) In December 2005, the Obligated Group financed \$6,600,000 through NJHCFFA Variable Rate Series 2005 Bonds for the construction and equipping of a two-story addition to the inpatient mental health facility, the acquisition of property situated adjacent to the Wyckoff/Hawthorne campus, and various other renovations. The Series 2005 Bonds are payable in annual principal installments through July 2035 and at a variable interest rate (not to exceed 12%) that averaged 3.94% and 4.81% during 2024 and 2023, respectively. The bonds are secured by a letter of credit with a bank. The letter of credit is approximately \$3,755,000 and expires January 1, 2026.
- (D) On February 19, 2009, NJHCFFA issued \$14,970,000 of Series 2009 Variable Rate Revenue Bonds (Series 2009 Bonds) on behalf of the Obligated Group. The proceeds were used for the refunding of NJHCFFA Series A Bonds issued in 1997 and renovations to the existing nursing facility. The Series 2009 Bonds are payable in annual principal installments through July 2038 with interest at a variable interest rate (not to exceed 12%). The interest rate as of December 31, 2024 and 2023 was 3.60% and 3.88%, respectively. The Series 2009 Bonds are secured by a letter of credit with a bank with an available amount of approximately \$2,954,000, which expires January 1, 2026.

The holders of the Series 1997 B Bonds (b), the Series 2005 (c) Bonds, and the Series 2009 Bonds (d), have the right to tender their bonds for purchase on a weekly basis. The reimbursement terms of the letters of credit securing these debt issuances provide that, in the event of a bondholder demand for repayment, the Company would reimburse the letter of credit bank over a long-term period if adequate funds are not available from the remarketing of the bonds.

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

- (E) On December 15, 2020, the NFA issued two tax-exempt non-qualified revenue bonds in the amount of \$16,300,000 (Series 2020A Bonds) and \$13,000,000 (Series 2020B Bonds) on behalf of the Obligated Group. The Series 2020A Bonds were issued to repay then outstanding capital improvement loans. The Series 2020B Bonds were issued for financing the costs of constructing and equipping certain improvements to the nursing home and mental health facilities. The NFA 2020 Series A and B Bonds have a 25-year term, maturing in 2045, bearing interest at a variable rate of the 90-day SIFMA plus 1.87%, with a rate floor of 2.19%. The interest rate for the Series 2020 A is 5.16% and Series 2020 B Bonds is 5.02% as of December 31, 2024 and 2023, respectively.

In connection with the issuance of the Series 2020A and 2020B Bonds, the Obligated Group entered into two 10-year derivative instruments (the Swap Agreements). For the Series 2020A Bonds, the swap period is from January 4, 2021 through December 2031. For the Series 2020B Bonds, the swap period is from January 1, 2024 through December 2033.

- (F) On December 14, 2023, the 2015 Bonds issued by New Jersey Economic Development Authority (NJEDA) was refinanced with NFA. The NFA Series 2023 Bonds Siena Village are payable in monthly installments on a 30-year fully amortizing basis through December 2053 and bear interest at a variable rate based on Secured Overnight Financing Rate (SOFR) plus 185 basis points. Siena Village also entered into an interest rate swap agreement, which expires on January 2, 2031 and has an interest rate of 4.4%. The interest rate at December 31, 2024 and 2023 was 4.36% and 4.44%, respectively. The debt is secured by a first leasehold mortgage on a gross receipts pledge of Siena Village.

- (G) On October 27, 2023, the NFA issued tax-exempt non-qualified revenue bonds in the amount of \$20,000,000 (NFA Series 2024 Bonds) on behalf of the Obligated Group and entered into an interest rate swap agreement, which expires on January 1, 2033 and has an interest rate of 5.16%. The Series 2024 Bonds were issued for financing the costs of constructing and equipping certain improvements to the nursing home and mental health facilities. The NFA 2024 Series Bonds have a 30-year term, maturing in 2053, bearing interest at a variable rate based on Secured Overnight Financing Rate (SOFR) plus 85 basis points. The interest rate for the Series 2024 Bonds as of December 31, 2024 and 2023 was 5.32% and 5.16%, respectively.

In connection with the issuance of the Series 2024 Bonds, the Obligated Group entered into a 10-year derivative instrument (the Swap Agreement). For the Series 2024 Bonds, the swap period is from November 2024 through November 2033 and has an interest rate of 5.16%.

- (H) On September 20, 2018, Holland Christian Home entered into an agreement with a private lender for a promissory note in the amount of \$1,000,000, with an original maturity date of September 30, 2023. Then Holland Christian Home entered into a series of two additional notes with the same lender on January 11, 2019, in the amount of \$500,000 each. One of the \$500,000 promissory notes had a maturity date of January 11, 2024, and the other had a maturity date of January 23, 2024. All three promissory notes have an annual fixed interest rate of 3.0%, which is to be paid in quarterly installments. During the period, no principal payments were made. As of December 31, 2024, the total outstanding principal balance was \$2,000,000 (Note 17).

On November 2, 2023, Holland Christian Home entered into a Subordination Agreement with the private lender which amended the terms of the three promissory notes. The notes became subordinated to the \$8,400,000 line of credit (Note 10) and will remain classified as current on the consolidated statement of financial position as of December 31, 2024 as they are past their respective maturity dates and have not been repaid and are currently due.

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

On November 2, 2023, Holland Christian Home entered into an agreement with Columbia Bank. Under the terms of the new mortgage agreement, the maturity date of the mortgage payable was modified to October 1, 2025, at which time all outstanding principal and interest payments are due. Until the maturity date no principal payments are due but the Company is required to make monthly interest payments equal to 3.5% per annum of the outstanding principal. For the period ended December 31, 2024, the outstanding balance on the mortgage payable was \$5,747,611. As of December 31, 2024, these amounts are currently due.

- (l) Between December 2006 and September 2012, NewBridge Services, Inc. and Affiliates purchased various properties that are being used in their respective affordable housing programs. Financing for these projects has been principally provided by loans from the New Jersey Housing and Mortgage Finance Agency's (NJHMFA) Special Needs Housing Trust Fund. The loans are secured by mortgages on the various properties. Annual interest rates and maturity dates are indicated in the schedule below. Depending on the terms of the specific loan and as noted in the schedule below, loans are repaid using a percentage of the project's available cash flow or through monthly payments of principal and/or interest. For loans that are repaid using a project's cash flow, if the project does not generate positive cash flow, there will be no annual payment or subsequent penalty for the year. Additionally, at maturity, NewBridge Services, Inc. and Affiliates will have the option to pay the unpaid balance or enter into a new mortgage agreement with NJHMFA. During 2023, NJHMFA reclaimed the Special Needs escrow funds on a number of properties, reducing the outstanding principal on these loans. As of December 31, 2024, cash flow mortgage payments remain outstanding.

Between June 2002 and May 2013, NewBridge Services, Inc. and Affiliates received financing from the U.S. Department of Housing and Urban Development (HUD) under both the Section 811 Supportive Housing Program and the Supportive Housing Program authorized by the *McKinney-Vento Homeless Assistance Act*. Financing received under the Section 811 Supportive Housing Program is non-interest bearing. The loans are secured by mortgages on the respective properties that require, for a period of forty years, the properties be made available to persons with very low incomes with disabilities, after which time the mortgages will be deemed to be paid and discharged. Financing received under the *McKinney-Vento Homeless Assistance Act* is non-interest-bearing with deed restrictions filed that require the properties to be operated in accordance with HUD guidelines. After a period of 10 years from the date of receiving a Certificate of Occupancy, the financing amortizes at a rate of 10% per year, and after a period of 20 years the deed restriction is removed.

NewBridge Services, Inc. and Affiliates acquired various properties during the period January 2001 and September 2012 that required funding over and above the funding received from the New Jersey Housing and Mortgage Finance Agency and the U.S. Department of Housing and Urban Development. With the exception of the funding received from the NJ Department of Community Affairs (NJDCa) (which charges 1% annual interest and requires principal repayment from cash flow), all others are non-interest-bearing. Unpaid interest on the NJDCa debt is added to the outstanding principal.

Properties are secured either by mortgages and notes payable, or by deed restrictions that require the properties to be operated as affordable housing for a specified period.

Through the use of derivative financial instruments, the Obligated Group is exposed to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contracts. When the fair value of the derivative contract is positive, the counterparty owes the Obligated Group, which creates credit risk to the Obligated Group. When the fair value of the derivative contract is negative, the Obligated Group owes the counterparty, and there is no credit risk to the Obligated Group at that point in time. The Obligated Group minimizes the credit risk in derivative instruments by entering into transactions that require the counterparty to post collateral for the benefit of the fair value of the derivative contract. Market risk is the adverse effect on the value of the financial instrument that results from a change in interest rates. The fair value of derivative instruments is determined utilizing

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

forward interest rate estimates and present value techniques and is therefore considered a Level 2 financial instrument (as described in Note 12).

The following is a summary of the outstanding fixed payor rate swaps as of December 31, 2024:

Origination Date	Notional Amounts	The Company Receives	The Company Pays	Maturity Date
December 2020 Series A	\$ 14,361,813	79.5% of SOFR +1.67%	2.41%	January 2031
December 2020 Series B	12,182,923	79.5% of SOFR +1.51%	2.50%	January 2033
October 2023 Series	14,434,000	79.5% of SOFR +1.47%	5.16%	November 2033
December 2023 Series B	13,230,152	80% of 1M SOFR + 1.36%	4.44%	January 2031

The Swap Agreements do not qualify for hedge accounting; therefore, the change in the fair value of the Swap Agreements (approximately \$1,133,000 and \$(2,126,000) for the years ended December 31, 2024 and 2023, respectively) is recorded as change in fair value of derivative instrument within the accompanying consolidated statements of operations. The corresponding long-term receivable of approximately \$3,147,000 and \$2,997,000 is recorded within other assets and long term liabilities of approximately \$687,000 and \$1,603,000 recorded within other liabilities in the consolidated statements of financial position at December 31, 2024 and 2023, respectively.

Under the terms of the various loan documents for its long-term debt, the Obligated Group, Siena Village, Summer Hill, The Vista, Holland Christian Home and NewBridge are required to maintain certain financial ratios and comply with other restrictive financial covenants as described in the respective agreements. Management believes the Obligated Group, Siena Village, Summer Hill, The Vista were in compliance with the applicable financial covenants at December 31, 2024 and 2023.

Aggregate annual maturities requirements of long-term debt at December 31, 2024 are:

	Vista NFA Series Bonds (A)	Obligated Group & Siena Village (B), (C), (D), (E), (F) (G)	Holland Christian Home (H)	NewBridge (I)	Total
2025	\$ -	\$ 2,327,000	\$ 13,147,611	\$ 53,940	\$ 15,528,551
2026	860,000	2,368,448	-	52,483	3,280,931
2027	905,000	2,424,242	-	37,795	3,367,037
2028	955,000	2,482,938	-	485,252	3,923,190
2029	1,005,000	1,941,197	-	37,058	2,983,255
Thereafter	59,255,000	53,391,019	-	14,733,791	127,379,810
Total	<u>\$ 62,980,000</u>	<u>\$ 64,934,844</u>	<u>\$ 13,147,611</u>	<u>\$ 15,400,319</u>	156,462,774
Less unamortized deferred financing costs					<u>(2,599,337)</u>
					<u>\$ 153,863,437</u>

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Note 10. Lines of Credit

The Obligated Group has a bank line of credit with \$3,000,000 available at December 31, 2024 and 2023. Advances under the line of credit bear an interest rate of 7.75%. The line of credit is secured by substantially all the Obligated Group's assets and gross receipts maturing on December 14, 2024. At December 31, 2024 and 2023, there were no outstanding amounts drawn on the line of credit.

On November 2, 2023, Holland Christian Home entered into a new promissory note with Columbia Bank that acts as a line of credit in which the Company can draw down up to \$8,400,000. The total principal amount of all outstanding principal draws on the line of credit and all accrued interest matures on November 1, 2025. No principal payments are due before this maturity date. Interest is paid monthly. The line of credit bears an interest rate equal to the greater of the prime rate or the minimum interest rate, which is equal to 7.5% per annum. Christian Health has made certain guarantees to Columbia Bank on behalf of the Company regarding this line of credit. The outstanding principal balance under the line of credit as of December 31, 2024 was \$5,400,000.

NewBridge Services, Inc. renewed its secured line of credit with a bank in October 2023 in the amount of \$400,000 for general working capital needs at the WSJ Prime rate + 0.25% (floating), with a minimum rate of 3.5% expiring on August 1, 2025. The working capital line is secured by the Company's assets and is renewable at the bank's option. There was no outstanding balance on the line of credit as of December 31, 2024.

Note 11. Pension Plans

Benefit Plan

The Company has a defined benefit pension plan (the Plan) that was frozen effective December 31, 1999. Benefits ceased to accrue after that date and all participants in the Plan became fully vested in 2005.

The funded status of the Plan as recognized in the Company's consolidated statements of financial position is as follows:

	<u>2024</u>	<u>2023</u>
Change in benefit obligation		
Benefit obligation at beginning of year	\$ 11,261,954	\$ 11,180,803
Interest cost	549,792	579,332
Expected return on plan assets	(526,701)	289,890
Benefit paid	<u>(778,998)</u>	<u>(788,071)</u>
Benefit obligation at end of year	<u>10,506,047</u>	<u>11,261,954</u>
Change in plan assets		
Fair value of plan assets at beginning of year	7,925,689	7,010,294
Actual return on plan assets	667,479	925,830
Employer contributions	853,000	777,636
Benefits paid	<u>(778,998)</u>	<u>(788,071)</u>
Fair value of plan assets at end of year	<u>8,667,170</u>	<u>7,925,689</u>
Unfunded status of plan	<u>\$ (1,838,877)</u>	<u>\$ (3,336,265)</u>

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

The funded status of the pension plan is included in other liabilities in the consolidated statements of financial position. The accumulated benefit obligation for the Company's pension plan totaled \$10,506,047 and \$11,261,954 at December 31, 2024 and 2023, respectively.

At December 31, 2024 and 2023, there are approximately \$1,478,000 and \$2,399,000, respectively, of actuarial losses that have not yet been recognized in net periodic pension cost, but have been cumulatively recorded in net assets without donor restrictions. The actuarial gains in 2024 and 2023, primarily relate to changes in discount rate and mortality assumptions used to measure the projected benefit obligation.

The Company recorded net periodic pension cost as follows:

	2024	2023
Interest cost on the projected benefit obligation	\$ 549,792	\$ 579,332
Expected return on plan assets	(497,095)	(439,725)
Net amortization and deferrals	224,723	263,442
Net periodic pension benefit cost	<u>\$ 277,420</u>	<u>\$ 403,049</u>

The following assumptions were used in determining the benefit obligations and net periodic benefit costs:

	2024	2023
Weighted-average assumptions used to determine benefit obligations at December 31		
Discount rate	5.50%	5.05%
Weighted-average assumptions used to determine net periodic benefit cost for the year ended December 31		
Discount rate	5.05%	5.42%
Expected long-term rate of return on plan assets	6.30%	6.30%

The expected long-term rate of return on plan assets was selected by applying historical yields to the asset allocation of the Plan's portfolio. A 6.30% expected long-term return on plan assets was based on the investment policy and asset allocation in effect as of the beginning of 2024 and 2023, respectively.

The Plan's investment policy is designed to achieve the following long-term investment objectives:

- To maintain or exceed a target funding level of 100% of the Plan's liabilities, defined as the market value of the portfolio assets as a percentage of the accumulated benefit obligation
- To achieve a long-term rate of return as established by management

Recognizing that the pension liabilities are of a long-term nature, the objective is to achieve these goals over a three- to five-year timeframe.

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

The asset allocation guidelines and permissible ranges by asset category are as follows:

	Guideline Allocation	Permissible Range
Asset category		
Equities	66%	34% to 100%
Debt securities	22%	8% to 74%
Other	12%	Up to 42%

The Plan's asset allocations by asset category are as follows:

	2024	2023
Equities	70%	64%
Debt securities	24%	26%
Other	6%	10%
	100%	100%

The Plan has received a favorable ruling from the Internal Revenue Service to operate as a church plan. Under church plan status, the Plan is not subject to many of the compliance provisions of the *Employee Retirement Income Security Act of 1974* (ERISA), such as minimum funding levels.

The Company makes contributions to the Plan based on the recommendations of its consulting actuary and subject to available cash resources. The Company expects to contribute \$816,000 to the Plan in 2024. Benefits under the Plan are not covered by the Pension Benefit Guaranty Corporation.

The measurement date used to determine the pension amounts is December 31. The benefit payments under the Plan are expected to be paid as follows:

2025	\$ 860,000
2026	860,000
2027	850,000
2028	860,000
2029	870,000
2030 - 2033	4,130,000

Pension Plan Assets

Following is a description of the valuation methodologies used for pension plan assets measured at fair value on a recurring basis and recognized in the accompanying consolidated statements of financial position as well as the general classification of pension plan assets pursuant to the valuation hierarchy.

Where quoted market prices are available in an active market, plan assets are classified within Level 1 of the valuation hierarchy. Level 1 plan assets include cash and cash equivalents, equity securities, and mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of plan assets with similar characteristics or discounted cash flows. Level 2 plan assets include fixed income.

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

The fair values of the Company's pension plan assets at December 31, 2024 and 2023, by asset class, are as follows:

	2024	
	Total	Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)
Equity securities		
U.S. large cap	\$ 2,719,201	\$ 2,719,201
U.S. mid cap	688,186	688,186
U.S. small cap	528,460	528,460
International developed equity	1,574,334	1,574,334
International emerging equity	492,410	492,410
Mutual funds - fixed income		
Investment grade	2,049,518	2,049,518
Fixed income other	615,061	615,061
Total	\$ 8,667,170	\$ 8,667,170

	2023	
	Total	Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)
Cash equivalents	\$ 437,933	\$ 437,933
Equity securities		
U.S. large cap	1,723,513	1,723,513
U.S. mid cap	866,666	866,666
International developed equity	1,789,656	1,789,656
International emerging equity	665,136	665,136
Mutual funds - fixed income		
Investment grade	2,022,230	2,022,230
Fixed income other	420,555	420,555
Total	\$ 7,925,689	\$ 7,925,689

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Defined Contribution Plan

Effective January 1, 2000, the Company adopted a defined contribution 401(k) plan (the 401(k) Plan). The 401(k) Plan provides for employer and employee contributions. Employees can make elective contributions to the 401(k) Plan of up to 100% of compensation, which will be contributed by the Employer of the Plan, unless prohibited by applicable deferral limits. Employer contributions to the Plan consist of a regular contribution and a matching contribution. The matching employer contribution is 50% of a Participant's elective deferrals for the plan year as described below:

Less than one year of service	Not eligible for matching employer
One but less than six years	Up to 2% of participant's compensation
Six but less than 15 years	Up to 3% of participant's compensation
Fifteen years or more	Up to 4% of participant's compensation

Pension expense under the 401(k) Plan was approximately \$1,208,000 and \$1,145,000 for the years ended December 31, 2024 and 2023, respectively, and are included in fringe benefits in the functional expenses.

Deferred Employee Compensation Plan

Effective January 1, 2002, the Company adopted a deferred compensation 457(b) plan (the 457(b) Plan). The 457(b) Plan provides for employee contributions and discretionary employer contributions. Employees can make elective contributions to the 457(b) Plan of up to 100% of compensation, unless prohibited by applicable deferral limits. The Company has not made any discretionary contributions to the 457(b) Plan for the years ended December 31, 2024 and 2023. The consolidated statements of financial position as of December 31, 2024 and 2023 include an asset and liability of approximately \$3,132,000 and \$2,940,000, respectively, related to the 457(b) Plan recorded within assets limited as to use and other assets and other liabilities.

Note 12. Net Assets

Net Assets With and Without Donor Restrictions

The Company has internally designated certain net assets without donor restrictions for discretionary employee expenditures, such as employee events and residents' assistance.

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Net assets with and without donor restrictions at December 31, 2024 and 2023 are available for the following purposes and/or time restrictions:

Net assets with donor restrictions	
Endowment	
Permanently restricted	\$ 727,981
Not subject to spending policy or appropriation	
Beneficial interest in remainder trust	670,083
Beneficial interest in perpetual trust (Holland Christian Home)	
Ada Berdan Charitable Trust	198,240
Burhans Foundation Fund	125,989
John Vandersluys Trust	143,870
Purpose restricted	
Scholarship fund	64,875
Renew and refresh fund	227,947
State of New Jersey capital advances	2,710,298
Jobs Plus youth program computers	30,000
Jobs Plus program scholarships	58,143
Others	12,746
Total net assets with donor restrictions	<u>4,970,172</u>
Net assets without donor restrictions	
General	65,340,899
Employee fund	723,102
Residents' assistance	3,565,265
Total net assets without donor restrictions	<u>69,629,266</u>
	<u>\$ 74,599,438</u>

Net Assets Released From Restrictions

Net assets of \$74,500 were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors.

Foundation fundraising income is reported net of related expenses of approximately \$122,000 and \$116,000 in 2024 and 2023, respectively.

Note 13. Beneficial Interest in Remainder Trust

The Company is the charitable beneficiary of a beneficial interest in trust held by others. The present value of future distributions from the trust is included within assets limited as to use. A contribution was recognized at the date that the trust was established, after recording liabilities for the present value of the estimated future payments to be made to the primary beneficiary. The beneficial trust asset is adjusted during the term of the trust for changes in the value of the trust's underlying asset and other changes in the estimates of future benefits.

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

The estimated value of the expected future cash flows is \$670,083 and \$666,598 which represents the fair value of the trust assets at December 31, 2024 and 2023, respectively. The income from this trust is \$3,485 and \$56,102 for 2024 and 2023, respectively.

Note 14. Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy comprises three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Recurring Measurements

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2024 and 2023:

	2024				
	Fair Value Measurements Using				Investments Measured at NAV (A)
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
Assets					
Cash and cash equivalents	\$ 11,317,739	\$ 11,317,739	\$ -	\$ -	\$ -
Certificate of deposit	1,062,680	1,062,680	-	-	-
Equity securities					
U.S. large cap	1,764,848	1,764,848	-	-	-
U.S. mid cap	73,099	73,099	-	-	-
U.S. small cap	327,261	327,261	-	-	-
Foreign equities	755,879	755,879	-	-	-
Fixed income					
Corporate bonds	448,828	-	448,828	-	-
U.S. Treasury bills	7,863,332	7,863,332	-	-	-
Mutual funds					
U.S. large cap	978,536	978,536	-	-	-
International developed equity	245,811	245,811	-	-	-
Mutual funds - fixed income					
Government bonds	12,873	12,873	-	-	-
Corporate bonds	987,184	-	987,184	-	-
Municipal securities	64,648	-	64,648	-	-
Fixed income and other	1,133,829	-	1,133,829	-	-
Mutual funds – other					
Commodities and natural resources	47,590	47,590	-	-	-
Limited partnership	559,543	-	-	-	559,543
Total short term investments	27,643,680	24,449,648	2,634,489	-	559,543
Beneficial interest in remainder trust	1,138,182	468,099	-	670,083	-
Interest rate swap agreement	3,147,339	-	3,147,339	-	-
	<u>\$ 31,929,201</u>	<u>\$ 24,917,747</u>	<u>\$ 5,781,828</u>	<u>\$ 670,083</u>	<u>\$ 559,543</u>
Liabilities					
Interest rate swap agreement	\$ 686,919	\$ -	\$ 686,919	\$ -	\$ -

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

	2024	
	Total	Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)
Assets		
Cash and cash equivalents	\$ 8,460,711	\$ 8,460,711
Certificate of deposit	727,981	727,981
Equity securities		
U.S. large cap	2,607,567	2,607,567
U.S. mid cap	292,348	292,348
Foreign equities	176,002	176,002
Mutual funds - equity		
U.S. large cap	838,999	838,999
U.S. mid cap	295,008	295,008
U.S. small cap	295,695	295,695
International developed equity	490,833	490,833
International emerging equity	28,878	28,878
Mutual funds - fixed income		
Government bonds	1,268,009	1,268,009
Corporate bonds	3,854,538	3,854,538
High yield bonds	41,740	41,740
International developed/emerging market bonds	51,127	51,127
Fixed income - other	399,308	399,308
Mutual funds - other		
Global public REITs	55,753	55,753
Total assets limited as to use	\$ 19,884,497	\$ 19,884,497

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

	2023				
	Fair Value Measurements Using				Investments Measured at NAV (A)
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
Assets					
Cash and cash equivalents	\$ 7,033,926	\$ 7,033,926	\$ -	\$ -	\$ -
Certificate of deposit	322,164	322,164	-	-	-
Equity securities					
U.S. large cap	1,433,921	1,433,921	-	-	-
U.S. small cap	357,160	357,160	-	-	-
Foreign equities	708,177	708,177	-	-	-
Fixed income					
Corporate bonds	878,330	878,330	-	-	-
Mutual funds					
U.S. large cap	619,674	619,674	-	-	-
Mutual funds - fixed income					-
Corporate bonds	982,260	982,260	-	-	-
Government bonds	986,310	986,310	-	-	-
Limited partnership	509,679	-	-	-	509,679
Total short term investments	13,831,601	13,321,922	-	-	509,679
Beneficial interest in remainder trust	666,598	-	-	666,598	-
Interest rate swap agreement	2,997,137	-	2,997,137	-	-
	<u>\$ 17,495,336</u>	<u>\$ 13,321,922</u>	<u>\$ 2,997,137</u>	<u>\$ 666,598</u>	<u>\$ 509,679</u>
Liabilities					
Interest rate swap agreement	<u>\$ 1,603,565</u>	<u>\$ -</u>	<u>\$ 1,603,565</u>	<u>\$ -</u>	<u>\$ -</u>

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

	2023	
	Total	Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)
Assets		
Cash and cash equivalents	\$ 7,812,307	\$ 7,812,307
Certificate of deposit	727,981	727,981
Equity securities		
U.S. large cap	2,091,524	2,091,524
U.S. mid cap	561,945	561,945
U.S. small cap	62,047	62,047
Foreign equities	176,002	176,002
Mutual funds - equity		
U.S. large cap	425,999	425,999
U.S. mid cap	371,819	371,819
U.S. small cap	285,149	285,149
International developed equity	701,846	701,846
International emerging equity	40,611	40,611
Mutual funds - fixed income		
Government bonds	988,450	988,450
Corporate bonds	3,093,062	3,093,062
High yield bonds	296,904	296,904
International developed/emerging market bonds	41,740	41,740
Fixed income - other	208,537	208,537
Mutual funds - other		
Global public REITs	203,281	203,281
Commodities and natural resources	33,693	33,693
Total assets limited as to use	\$ 18,122,897	\$ 18,122,897

(A) Certain investments that are measured at fair value using NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated 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. Such securities are classified

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Beneficial Interest in Perpetual Trusts

Fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement. Due to the nature of the valuation inputs, the interest is classified within Level 3 of the hierarchy.

Interest Rate Swap Agreement

The fair value is estimated using 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.

Level 3 Reconciliation

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying statements of financial position using significant unobservable (Level 3) inputs:

	Beneficial Interest in Trust
Balance, January 1, 2023	\$ 610,492
Total realized and unrealized gains and losses included in change in net assets	
Unrealized depreciation on investments	56,106
Balance, December 31, 2023	666,598
Total realized and unrealized gains and losses included in change in net assets	
Unrealized appreciation on investments	3,485
Balance, December 31, 2024	<u>\$ 670,083</u>

Investments in certain entities measured at fair value using NAV per share as a practical expedient consist of the following:

	2024 NAV	2023 NAV	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
(A) Ziegler I	\$ 106,200	\$ 113,347	\$ -	Quarterly	60 days
(A) Ziegler II	281,013	284,202	-	Quarterly	60 days
(A) Ziegler III	172,330	112,130	215,625	Quarterly	60 days
	<u>\$ 559,543</u>	<u>\$ 509,679</u>	<u>\$ 215,625</u>		

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

- (A) These limited partnerships seek to invest predominantly in senior living industries that are technology driven startups. These investments are subject to the terms of the respective limited partnership or other agreements and operating agreements.

Note 15. Functional Expenses

The functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general, and fundraising categories based on the direct expenses charged, time allocations, and other methods.

The Company's consolidated program services consist of certain health care and related services. For the years ended December 31, 2024 and 2023, program expenses related to providing these services are summarized as follows:

	2024				
	Senior Life, Short-Term Rehabilitation, and Mental Health Services	Management and General	Fundraising	Direct Cost of Special Events	Total
Salaries and wages	\$ 45,389,128	\$ 22,286,430	\$ -	\$ -	\$ 67,675,558
Employee benefits	11,035,575	5,385,452	-	-	16,421,027
Supplies and other	15,042,453	16,123,353	129,414	122,000	31,417,220
Interest and amortization	3,894,525	1,918,844	-	-	5,813,369
Amortization of intangible asset	-	-	-	-	-
Depreciation	7,125,396	3,571,760	-	-	10,697,156
Total expenses	82,487,077	49,285,839	129,414	122,000	132,024,330
Less direct cost of special events	-	-	-	(122,000)	(122,000)
Total expenses	<u>\$ 82,487,077</u>	<u>\$ 49,285,839</u>	<u>\$ 129,414</u>	<u>\$ -</u>	<u>\$ 131,902,330</u>
	2023				
	Senior Life, Short -Term Rehabilitation, and Mental Health Services	Management and General	Fundraising	Direct Cost of Special Events	Total
Salaries and wages	\$ 40,506,207	\$ 15,515,116	\$ -	\$ -	\$ 56,021,323
Employee benefits	9,773,787	3,464,802	-	-	13,238,589
Supplies and other	10,017,498	15,998,548	71,200	116,653	26,203,899
Interest and amortization	4,048,884	1,574,566	-	-	5,623,450
Amortization of intangible asset	118,116	-	-	-	118,116
Depreciation	6,922,090	2,691,924	-	-	9,614,014
Total expenses	71,386,582	39,244,956	71,200	116,653	110,819,391
Less direct cost of special events	-	-	-	(116,653)	(116,653)
Total expenses	<u>\$ 71,386,582</u>	<u>\$ 39,244,956</u>	<u>\$ 71,200</u>	<u>\$ -</u>	<u>\$ 110,702,738</u>

Note 16. Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Contributions

Approximately 28% of all contributions were received from two donors in 2023. No large contributions were made in 2024.

Concentrations of Credit Risk

The Company grants credit, under contractual arrangements, without collateral to its residents and patients, many of whom are from the northern New Jersey area and are insured under third-party payor agreements. Concentrations of gross accounts receivable from patients and third-party payors were as follows:

	2024	2023
Medicare	21%	27%
Medicaid	35%	23%
Self-pay patients and residents	7%	10%
Commercial and other insurance	37%	40%
	100%	100%

Litigation

Various lawsuits and claims arising in the normal course of operations are pending or on appeal against the Company. While the ultimate effect of such actions cannot be determined at this time, it is the opinion of management that litigation will not result in losses in excess of insurance coverage and will not materially affect the consolidated financial position or results of operations of the Company. No provision has been made in the accompanying consolidated financial statements for any deductibles or claims that have been incurred but not reported.

Medical Malpractice Claims

Estimates related to the accrual for medical malpractice claims are described in Note 1.

Investments and Pension Plan Investment

The Company and its pension plan invest 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 accompanying consolidated statements of financial position.

Note 17. Related-Party Transactions

Christian Health serves as the managing member of CH of Summer Hill Managing Member, LLC and has a receivable of \$125,000 at December 31, 2024 and 2023, respectively. Furthermore, Christian Health is authorized to act as managing member of the Summer Hills of Wayne II, LLC and do all acts and things necessary, appropriate, incidental to, or convenient for the furtherance and accomplishment of the Summer Hills of Wayne II, LLC purpose.

The total \$2,000,000 promissory notes payable from Holland Christian Home (Note 9) as of December 31, 2024, was made by the wife of a member of the Board of Directors.

Holland Christian Home received \$1,300,000 from Christian Health in the form of a related party loan payable. There is no formal terms or written agreement governing this related party loan payable. The related party loan payable does not bear interest and had an outstanding principal balance of \$1,300,000 as of December 31, 2024. This was eliminated on a consolidated basis.

Christian Health provides administrative and management services to related party, which is eliminated in consolidated basis.

Interest is not charged on intercompany payables and receivables.

Note 18. Acquisitions

Wayne Senior Housing

In January 2024, Christian Health became sole member of Wayne Senior Housing Development Corporation (Wayne) to offer senior residential housing in New Jersey. Wayne is a nonprofit corporation organized on October 30, 2015 pursuant to Title 15A of the New Jersey Revised Statutes, as amended from time to time, and also known as the *New Jersey Nonprofit Corporation Act* (the Nonprofit Corp Act). Wayne engaged in the development and renovation of a 242-unit low- and moderate-income senior citizens' housing project (the "Project" and doing business as Edward Sisco Village).

In 2024, Christian Health recorded an inherent contribution of approximately \$7,100,000 in relation to assets acquired of approximately \$7,100,000 (primarily cash, property and equipment, investment, and other assets). The accompanying consolidated financial statements include the consolidated financial position at December 31, 2024 and operating results for the year 2024.

Holland Christian Home

In 2023 and 2022, Christian Health entered into agreements to become the sole member of two related not-for-profit entities.

In July 2024, Christian Health received all the governmental approval and became a sole member of Holland Christian Home Association (dba Windmere) and Foundation (collectively, Holland Christian Home) to offer continuing care in New Jersey. The Holland Christian Home Association (the Association) is a nonprofit organization that provides continuum of care that essentially allows its residents to pay one fee on entrance and live worry-free, assured of skilled nursing care should they need it. In addition, the Association also offers Per Diem and Respite Care. The Holland Christian Home Foundation, Inc. (the Foundation) is a not-for-profit organization formed to ensure and secure the economic future of the Association, through gifts given by donors, directed for its intended use, so its ministry of love and compassion can be enhanced and continued. The Foundation serves to connect professional excellence, Christian integrity, and dedicated stewardship with individuals, organizations, and companies who cherish and support the Association. In May 2025, the Holland Christian Home Foundation was dissolved, and all activities were transferred to the CHCC Foundation.

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

In 2024, Christian Health recorded an inherent contribution of approximately \$1,910,000 in relation to assets acquired of approximately \$34,333,190 (primarily cash, property and equipment, investment, and other assets) and liabilities assumed of approximately \$32,423,000 (primarily debt, refundable advances and accrued expenses). The accompanying consolidated financial statements include the consolidated financial position at December 31, 2024 and operating results for the period August 1, 2024 to December 31, 2024 for Holland Christian Home.

NewBridge Services

In August 2024, Christian Health received all the governmental approval and became a sole member of NewBridge Services, Inc. and Affiliates (collectively, NewBridge) to offer behavioral services in New Jersey. NewBridge was incorporated in New Jersey on January 25, 1963, under the provisions of New Jersey's Title 15: 1-1. It provides behavioral health services at nine locations in Morris, Passaic, and Sussex Counties. NewBridge Services, Inc.'s support comes primarily from patient fees, Medicaid reimbursements, and government grants and contracts.

In 2024, Christian Health recorded an inherent contribution of approximately \$10,236,000 in relation to assets acquired of approximately \$28,761,000 (primarily cash, right-of-use assets – operating leases, property and equipment, investment, and other assets) and liabilities assumed of approximately \$18,484,010 (primarily debt, accounts payable and accrued expenses and due to third parties). The accompanying consolidated financial statements include the consolidated financial position at December 31, 2024, and operating results for the period September 1, 2024 to December 31, 2024 for NewBridge.

Christian Health Care Center (dba Christian Health) and Affiliates
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

The following table summarizes the amounts of the assets acquired and liabilities assumed recognized at acquisition date:

	<u>1/1/2024</u>	<u>8/1/2024</u>	<u>9/1/2024</u>	
	<u>Wayne</u>	<u>Holland</u>	<u>NewBridge</u>	<u>Total</u>
	<u>Senior</u>	<u>Christian</u>		
	<u>Housing</u>	<u>Home</u>		
Recognized amounts of identifiable assets acquired and liabilities assumed				
Current assets	\$ 3,000,352	\$ 2,661,217	\$ 3,726,747	\$ 9,388,316
Property, plant, and equipment	-	31,200,000	22,962,057	54,162,057
Notes receivable	4,100,369	-	-	4,100,369
Right-of-use assets - operating lease	-	-	2,031,781	2,031,781
Assets held in trust	-	471,973	-	471,973
	<u>7,100,721</u>	<u>34,333,190</u>	<u>28,720,585</u>	<u>70,154,496</u>
Current liabilities	-	1,708,064	1,587,855	3,295,919
Short-term debt	-	12,192,947	-	12,192,947
Refundable fee obligations	-	9,433,396	-	9,433,396
Future service obligation	-	6,460,356	-	6,460,356
Refundable ERTC advances	-	2,628,688	-	2,628,688
Operating lease liabilities	-	-	2,040,895	2,040,895
Long-term debt	-	-	14,855,260	14,855,260
	<u>-</u>	<u>32,423,451</u>	<u>18,484,010</u>	<u>50,907,461</u>
Total identifiable net assets - contribution received	<u>\$ 7,100,721</u>	<u>\$ 1,909,739</u>	<u>\$ 10,236,575</u>	<u>\$ 19,247,035</u>

Note 19. Subsequent Events

In May 2025, the Holland Christian Home Foundation was dissolved, and all activities were transferred to the CHCC Foundation.

Subsequent events have been evaluated through July 25, 2025, which is the date the consolidated financial statements were issued.

Supplementary Information

Christian Health Care Center (dba Christian Health) and Affiliates
Consolidating Statement of Financial Position
December 31, 2024

	Christian Health	Christian Health Foundation	Eliminations/ Reclassifications	Total Obligated Group	Siena Village	Summer Hill	The Vista	Home Care Options	CH of Summer Hill Managing Member	Wayne Senior Housing	Holland Christian Home	NewBridge	Eliminations/ Reclassifications	Consolidated Total
ASSETS														
Current Assets														
Cash and cash equivalents	\$ 3,267,460	\$ 2,018,708	\$ -	\$ 5,286,168	\$ 1,634,276	\$ 53,751	\$ 8,845,307	\$ 1,055,973	\$ -	\$ 1,026,428	\$ 894,077	\$ 1,210,401	\$ -	\$ 20,006,381
Short-term investments	4,993,404	161,463	-	5,154,867	-	-	17,079,418	614,213	-	2,737,328	997,337	1,060,517	-	27,643,680
Assets limited as to use, current portion	4,259,966	-	-	4,259,966	-	-	-	-	-	-	557,305	-	-	4,817,271
Accounts receivable, net	11,106,542	-	-	11,106,542	19,656	-	73,315	836,284	-	-	227,605	743,332	(86,918)	12,919,816
Other current assets	9,629,495	58,552	-	9,688,047	-	-	708,607	150,810	125,004	3,565	82,353	200,580	(2,624,287)	8,334,679
Total Current Assets	33,256,867	2,238,723	-	35,495,590	1,653,932	53,751	26,706,647	2,657,280	125,004	3,767,321	2,758,677	3,214,830	(2,711,205)	73,721,827
Long-Term Assets														
Assets limited as to use	5,668,005	-	-	5,668,005	290,021	-	8,491,132	-	-	-	-	618,068	-	15,067,226
Other assets, net	19,586,893	-	-	19,586,893	66,282	3,044,610	-	-	100	-	-	152,221	(13,820,060)	9,030,046
Due from affiliates and other related parties	537,177	-	-	537,177	775,000	1,242,758	-	-	-	328,623	-	209,707	(1,421,884)	1,671,381
Assets held in trust	-	670,083	-	670,083	-	-	-	-	-	-	468,099	-	-	1,138,182
Interest in the assets of the Foundation	2,905,816	-	(2,905,816)	-	-	-	-	-	-	-	-	-	-	-
Intangible assets, net	-	-	-	-	1,200,982	-	-	-	-	-	-	-	-	1,200,982
Notes receivable	-	-	-	-	-	-	-	-	-	3,320,001	-	-	-	3,320,001
Right-of-use assets - operating lease	-	-	-	-	1,453,418	-	-	-	-	-	-	1,910,017	-	3,363,435
Property, plant, and equipment, net	78,327,066	-	-	78,327,066	13,478,289	-	107,115,495	-	-	115,250	30,902,917	23,472,241	-	253,411,258
Total Assets	\$ 140,281,824	\$ 2,908,806	\$ (2,905,816)	\$ 140,284,814	\$ 18,917,924	\$ 4,341,119	\$ 142,313,274	\$ 2,657,280	\$ 125,104	\$ 7,531,195	\$ 34,129,693	\$ 29,577,084	\$ (17,953,149)	\$ 361,924,338
LIABILITIES AND NET ASSETS														
Liabilities														
Current Liabilities														
Current portion of long-term debt	\$ 2,100,900	\$ -	\$ -	\$ 2,100,900	\$ 226,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,747,611	\$ 53,940	\$ -	\$ 8,128,551
Accounts payable and accrued expenses	4,767,432	2,990	-	4,770,422	44,989	36,140	942,116	1,412	-	16,596	449,965	1,075,319	-	7,336,959
Accrued payroll and vacation	3,843,774	-	-	3,843,774	-	-	-	107,657	-	-	375,007	708,111	-	5,034,549
Accrued interest	101,530	-	-	101,530	50,538	-	1,545,289	-	-	-	-	-	-	1,697,357
Due to affiliates and other related parties	-	-	-	-	-	1,135,517	1,179,560	76,660	125,004	-	1,877,788	209,830	(4,604,359)	-
Deferred revenue	1,357,444	-	-	1,357,444	-	-	855,465	-	-	-	232,817	-	-	2,445,726
Promissory note payable	-	-	-	-	-	-	-	-	-	-	2,000,000	-	-	2,000,000
Lines of credit	-	-	-	-	-	-	-	-	-	-	5,400,000	-	-	5,400,000
Operating lease liabilities	-	-	-	-	43,167	-	-	-	-	-	-	427,186	-	470,353
Due to third parties	1,381,335	-	-	1,381,335	-	-	-	-	-	-	-	-	-	1,381,335
Total Current Liabilities	13,552,415	2,990	-	13,555,405	364,794	1,171,657	4,522,430	185,729	125,004	16,596	16,083,188	2,474,386	(4,604,359)	33,894,830
Long-Term Liabilities														
Benefits payable	1,146,105	-	-	1,146,105	-	-	-	-	-	-	-	-	-	1,146,105
Other liabilities	9,849,845	-	-	9,849,845	3,242,269	2,678,783	8,650,005	-	-	-	2,628,688	-	(13,348,790)	13,700,800
Refundable fee obligations	-	-	-	-	-	-	33,355,999	-	-	-	-	-	-	33,355,999
Future service obligation	-	-	-	-	-	-	-	-	-	-	6,151,701	-	-	6,151,701
Deferred revenue	-	-	-	-	-	-	49,520,743	-	-	-	8,306,456	-	-	57,827,199
Operating lease liabilities	-	-	-	-	1,410,251	-	-	-	-	-	-	1,503,129	-	2,913,380
Long-term debt, less current portion	48,593,546	-	-	48,593,546	12,656,467	-	61,855,352	-	-	-	-	15,229,521	-	138,334,886
Total Liabilities	73,141,911	2,990	-	73,144,901	17,673,781	3,850,440	157,904,529	185,729	125,004	16,596	33,170,033	19,207,036	(17,953,149)	287,324,900
Net Assets														
Without donor restrictions	65,745,334	2,905,816	(2,905,816)	65,745,334	1,244,143	490,679	(15,591,255)	2,471,551	100	7,514,599	185,993	7,571,607	-	69,632,751
With donor restrictions	1,394,579	-	-	1,394,579	-	-	-	-	-	-	773,667	2,798,441	-	4,986,687
Total Net Assets	67,139,913	2,905,816	(2,905,816)	67,139,913	1,244,143	490,679	(15,591,255)	2,471,551	100	7,514,599	959,660	10,370,048	-	74,599,438
Total Liabilities and Net Assets	\$ 140,281,824	\$ 2,908,806	\$ (2,905,816)	\$ 140,284,814	\$ 18,917,924	\$ 4,341,119	\$ 142,313,274	\$ 2,657,280	\$ 125,104	\$ 7,531,195	\$ 34,129,693	\$ 29,577,084	\$ (17,953,149)	\$ 361,924,338

Christian Health Care Center (dba Christian Health) and Affiliates
Consolidating Statement of Financial Position
December 31, 2023

	Christian Health	Christian Health Foundation	Eliminations/ Reclassifications	Total Obligated Group	Siena Village	Summer Hill	The Vista	Home Care Options	CH of Summer Hill Managing Member	Eliminations/ Reclassifications	Consolidated Total
ASSETS											
Current Assets											
Cash and cash equivalents	\$ 4,259,182	\$ 1,045,849	\$ -	\$ 5,305,031	\$ 1,674,862	\$ 208,892	\$ 12,800,890	\$ 1,262,863	\$ -	\$ -	\$ 21,252,538
Short-term investments	4,141,107	119,128	-	4,260,235	-	-	8,996,226	575,140	-	-	13,831,601
Assets limited as to use	4,273,462	-	-	4,273,462	-	-	-	-	-	-	4,273,462
Accounts receivable, net	9,477,096	-	-	9,477,096	9,590	151	-	600,358	-	-	10,087,195
Prepaid expenses and other current assets	9,070,817	272,770	-	9,343,587	-	545,737	1,885,008	140,563	125,004	(3,784,825)	8,255,074
Total Current Assets	31,221,664	1,437,747	-	32,659,411	1,684,452	754,780	23,682,124	2,578,924	125,004	(3,784,825)	57,699,870
Long-Term Assets											
Assets limited as to use	5,244,277	-	-	5,244,277	270,868	-	8,334,290	-	-	-	13,849,435
Other assets, net	19,190,731	666,598	-	19,857,329	675,000	2,915,592	-	-	100	(14,023,790)	9,424,231
Interest in the assets of the Foundation	2,103,845	-	(2,103,845)	-	-	-	-	-	-	-	-
Intangible assets, net	-	-	-	-	1,074,991	-	-	-	-	-	1,074,991
Right-of-use assets - Operating Lease	-	-	-	-	1,460,055	-	-	-	-	-	1,460,055
Property, plant, and equipment, net	75,164,373	-	-	75,164,373	13,884,993	-	111,078,602	-	-	-	200,127,968
Total Assets	\$ 132,924,890	\$ 2,104,345	\$ (2,103,845)	\$ 132,925,390	\$ 19,050,359	\$ 3,670,372	\$ 143,095,016	\$ 2,578,924	\$ 125,104	\$ (17,808,615)	\$ 283,636,550
LIABILITIES AND NET ASSETS											
Liabilities											
Current Liabilities											
Current portion of long-term debt	\$ 2,614,753	\$ -	\$ -	\$ 2,614,753	\$ 197,848	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,812,601
Accounts payable and accrued expenses	4,439,605	500	-	4,440,105	84,127	405,480	4,836,366	405	-	(3,784,825)	5,981,658
Accrued payroll	3,249,676	-	-	3,249,676	-	-	-	127,879	-	-	3,377,555
Accrued interest	224,980	-	-	224,980	58,108	-	1,769,113	-	-	-	2,052,201
Deferred revenue	894,973	-	-	894,973	-	-	917,489	-	-	-	1,812,462
Operating lease liabilities	-	-	-	-	43,364	-	-	-	-	-	43,364
Due to third parties	1,411,316	-	-	1,411,316	-	-	-	-	-	-	1,411,316
Total Current Liabilities	12,835,303	500	-	12,835,803	383,447	405,480	7,522,968	128,284	-	(3,784,825)	17,491,157
Long-Term Liabilities											
Benefits payable	1,163,105	-	-	1,163,105	-	-	-	-	-	-	1,163,105
Other liabilities	12,288,008	-	-	12,288,008	3,454,378	2,774,213	8,472,116	-	-	(14,023,790)	12,964,925
Refundable fee obligations	-	-	-	-	-	-	33,800,685	-	-	-	33,800,685
Deferred revenue	-	-	-	-	-	-	48,348,697	-	-	-	48,348,697
Operating lease liabilities	-	-	-	-	1,416,691	-	-	-	-	-	1,416,691
Long-term debt, less current portion	43,840,652	-	-	43,840,652	12,843,726	-	61,925,105	-	-	-	118,609,483
Total Liabilities	70,127,068	500	-	70,127,568	18,098,242	3,179,693	160,069,571	128,284	-	(17,808,615)	233,794,743
Net Assets											
Without donor restrictions	61,403,243	2,103,845	(2,103,845)	61,403,243	952,117	490,679	(16,974,555)	2,450,640	125,104	-	48,447,228
With donor restrictions	1,394,579	-	-	1,394,579	-	-	-	-	-	-	1,394,579
Total Net Assets	62,797,822	2,103,845	(2,103,845)	62,797,822	952,117	490,679	(16,974,555)	2,450,640	125,104	-	49,841,807
Total Liabilities and Net Assets	\$ 132,924,890	\$ 2,104,345	\$ (2,103,845)	\$ 132,925,390	\$ 19,050,359	\$ 3,670,372	\$ 143,095,016	\$ 2,578,924	\$ 125,104	\$ (17,808,615)	\$ 283,636,550

Christian Health Care Center (dba Christian Health) and Affiliates
Consolidating Statement of Operations
Year Ended December 31, 2024

	Christian Health	Christian Health Foundation	Eliminations/ Reclassifications	Total Obligated Group	Siena Village	Summer Hill	The Vista	Home Care Options	CH of Summer Hill Managing Member	Wayne Senior Housing	Holland Christian Home	NewBridge	Eliminations/ Reclassifications	Consolidated Total
Revenues														
Patient service revenue	\$ 92,652,027	\$ -	\$ -	\$ 92,652,027	\$ -	\$ -	\$ -	\$ 2,363,643	\$ -	\$ -	\$ 2,162,395	\$ 2,140,839	\$ -	\$ 99,318,904
Rents	467,805	-	-	467,805	2,958,166	-	-	-	-	-	-	346,173	-	3,772,144
Service fee revenue	-	-	-	-	-	-	11,776,769	-	-	-	-	-	-	11,776,769
Amortization of life care and service fees	-	-	-	-	-	-	5,964,982	-	-	-	1,565,986	-	-	7,530,968
Grant revenue	-	-	-	-	-	-	-	654,473	-	-	-	1,231,531	-	1,886,004
Other revenue	5,689,203	-	-	5,689,203	84,320	-	509,813	217	-	426,144	110,891	266,810	(648,720)	6,438,678
Total Revenues	98,809,035	-	-	98,809,035	3,042,486	-	18,251,564	3,018,333	-	426,144	3,839,272	3,985,353	(648,720)	130,723,467
Expenses														
Salaries and wages	56,219,300	-	-	56,219,300	491,092	-	3,484,149	2,439,633	-	-	2,578,401	2,462,983	-	67,675,558
Employee benefits	13,812,995	-	-	13,812,995	129,007	-	898,530	441,368	-	-	845,819	293,308	-	16,421,027
Supplies and other	22,991,871	-	-	22,991,871	1,275,701	-	5,319,708	180,963	125,004	12,266	828,686	1,080,327	(648,720)	31,165,806
Interest and amortization	1,579,056	-	-	1,579,056	639,823	-	3,227,803	-	-	-	275,190	91,497	-	5,813,369
Depreciation and amortization of intangible asset	5,169,196	-	-	5,169,196	528,737	-	4,572,964	-	-	-	297,083	129,176	-	10,697,156
Total Operating Expenses	99,772,418	-	-	99,772,418	3,064,360	-	17,503,154	3,061,964	125,004	12,266	4,825,179	4,057,291	(648,720)	131,772,916
Operating Income (Loss)	(963,383)	-	-	(963,383)	(21,874)	-	748,410	(43,631)	(125,004)	413,878	(985,907)	(71,938)	-	(1,049,449)
Other Income (Expenses)														
Investment return	1,247,338	46,657	-	1,293,995	16,356	-	1,122,390	64,542	-	-	10,434	14,257	-	2,521,974
Gifts, contributions, and special events (net of direct costs of \$122,000 for 2024, without donor restrictions)	-	1,654,311	-	1,654,311	-	-	-	-	-	-	-	-	-	1,654,311
Fundraising expenses	-	(124,998)	-	(124,998)	-	-	-	-	-	-	(4,416)	-	-	(129,414)
Change in fair value of derivative instruments	835,586	-	-	835,586	297,544	-	-	-	-	-	-	-	-	1,133,130
Net assets released from restrictions	-	-	-	-	-	-	-	-	-	-	-	74,500	-	74,500
Contributions from (to) affiliate	773,999	(773,999)	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Income (Expenses)	2,856,923	801,971	-	3,658,894	313,900	-	1,122,390	64,542	-	-	6,018	88,757	-	5,254,501
Excess (Deficiency) of Revenue over Expenses	1,893,540	801,971	-	2,695,511	292,026	-	1,870,800	20,911	(125,004)	413,878	(979,889)	16,819	-	4,205,052
Other Changes in Net Assets Without Donor Restrictions														
Grant proceeds for capital expenditures	176,476	-	-	176,476	-	-	-	-	-	-	-	-	-	176,476
Change in pension liability to be recognized in future periods	982,604	-	-	982,604	-	-	-	-	-	-	-	-	-	982,604
Inherent contribution of net assets	-	-	-	-	-	-	-	-	-	7,100,721	1,165,882	7,469,439	-	15,736,042
Forgiveness of debt	-	-	-	-	-	-	-	-	-	-	-	85,349	-	85,349
Subordinate note interest income	487,500	-	-	487,500	-	-	-	-	-	-	-	-	(487,500)	-
Subordinate note interest expenses	-	-	-	-	-	-	(487,500)	-	-	-	-	-	487,500	-
Change in Net Assets Without Donor Restrictions	3,540,120	801,971	-	4,342,091	292,026	-	1,383,300	20,911	(125,004)	7,514,599	185,993	7,571,607	-	21,185,523
Changes in Net Assets With Donor Restrictions														
Net change in interest in Foundation net assets	801,971	-	(801,971)	-	-	-	-	-	-	-	-	-	-	-
Inherent contribution of net assets	-	-	-	-	-	-	-	-	-	-	743,857	2,767,136	-	3,510,993
Contributions	-	-	-	-	-	-	-	-	-	-	-	104,500	-	104,500
Net assets released from restrictions	-	-	-	-	-	-	-	-	-	-	-	(74,500)	-	(74,500)
Investment return	-	-	-	-	-	-	-	-	-	-	29,810	1,305	-	31,115
Change in Net Assets With Donor Restrictions	801,971	-	(801,971)	-	-	-	-	-	-	-	773,667	2,798,441	-	3,572,108
Change in Net Assets	4,342,091	801,971	(801,971)	4,342,091	292,026	-	1,383,300	20,911	(125,004)	7,514,599	959,660	10,370,048	-	24,757,631
Net Assets, Beginning of Year	62,797,822	2,103,845	(2,103,845)	62,797,822	952,117	490,679	(16,974,555)	2,450,640	125,104	-	-	-	-	49,841,807
Net Assets, End of Year	\$ 67,139,913	\$ 2,905,816	\$ (2,905,816)	\$ 67,139,913	\$ 1,244,143	\$ 490,679	\$ (15,591,255)	\$ 2,471,551	\$ 100	\$ 7,514,599	\$ 959,660	\$ 10,370,048	\$ -	\$ 74,599,438

Christian Health Care Center (dba Christian Health) and Affiliates
Consolidating Statement of Operations
Year Ended December 31, 2023

	Christian Health	Christian Health Foundation	Eliminations/ Reclassifications	Total Obligated Group	Siena Village	Summer Hill	The Vista	Home Care Options	CH of Summer Hill Managing Member	Eliminations/ Reclassifications	Consolidated Total
Revenues											
Patient service revenue	\$ 83,436,207	\$ -	\$ -	\$ 83,436,207	\$ -	\$ -	\$ -	\$ 1,931,153	\$ -	\$ -	\$ 85,367,360
Rents	457,489	-	-	457,489	2,858,666	-	-	-	-	-	3,316,155
Service fee revenue	-	-	-	-	-	-	9,435,205	-	-	-	9,435,205
Amortization of life care and service fees	-	-	-	-	-	-	4,858,736	-	-	-	4,858,736
Grant revenue	-	-	-	-	-	-	-	700,388	-	-	700,388
Other revenue	6,663,032	-	-	6,663,032	65,365	-	260,540	1,583	125,004	(2,136,400)	4,979,124
Total Revenues	90,556,728	-	-	90,556,728	2,924,031	-	14,554,481	2,633,124	125,004	(2,136,400)	108,656,968
Expenses											
Salaries and wages	49,984,845	-	-	49,984,845	490,035	-	3,354,828	2,191,615	-	-	56,021,323
Employee benefits	11,619,860	-	-	11,619,860	128,001	-	985,211	505,517	-	-	13,238,589
Supplies and other	20,304,017	-	-	20,304,017	1,375,445	-	6,201,039	271,945	-	(2,136,400)	26,016,046
Interest and amortization	1,151,327	-	-	1,151,327	728,267	-	3,743,856	-	-	-	5,623,450
Depreciation	4,725,668	-	-	4,725,668	738,839	-	4,267,623	-	-	-	9,732,130
Total Expenses	87,785,717	-	-	87,785,717	3,460,587	-	18,552,557	2,969,077	-	(2,136,400)	110,631,538
Operating Income (Loss)	2,771,011	-	-	2,771,011	(536,556)	-	(3,998,076)	(335,953)	125,004	-	(1,974,570)
Other Income (Expenses)											
Investment return	944,884	27,669	-	972,553	20,198	-	831,508	45,437	-	-	1,869,696
Gifts, contributions, and special events (net of direct costs of \$116,653 for 2023, without donor restrictions)	-	1,941,835	-	1,941,835	-	-	-	-	-	-	1,941,835
Fundraising expenses	-	(71,200)	-	(71,200)	-	-	-	-	-	-	(71,200)
Change in fair value of derivative instruments	(1,894,853)	-	-	(1,894,853)	(231,262)	-	-	-	-	-	(2,126,115)
Contributions from (to) affiliate	1,376,319	(1,376,319)	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenue over Expenses	3,197,361	521,985	-	3,719,346	(747,620)	-	(3,166,568)	(290,516)	125,004	-	(360,354)
Other Changes in Net Assets Without Donor Restrictions											
Grant proceeds for capital expenditures	413,904	-	-	413,904	-	-	-	-	-	-	413,904
Change in pension liability to be recognized in future periods	440,272	-	-	440,272	-	-	-	-	-	-	440,272
Subordinate note interest income	2,174,000	-	-	2,174,000	-	-	-	-	-	(2,174,000)	-
Subordinate note interest expenses	-	-	-	-	-	-	(2,174,000)	-	-	2,174,000	-
Change in Net Assets Without Donor Restrictions	6,225,537	521,985	-	6,747,522	(747,620)	-	(5,340,568)	(290,516)	125,004	-	493,822
Changes in Net Assets With Donor Restrictions											
Net change in interest in Foundation net assets	578,091	-	(578,091)	-	-	-	-	-	-	-	-
Change in beneficial interest in remainder trust	-	56,106	-	56,106	-	-	-	-	-	-	56,106
Change in Net Assets With Donor Restrictions	578,091	56,106	(578,091)	56,106	-	-	-	-	-	-	56,106
Change in Net Assets	6,803,628	578,091	(578,091)	6,803,628	(747,620)	-	(5,340,568)	(290,516)	125,004	-	549,928
Net Assets, Beginning of Year	55,994,194	1,525,754	(1,525,754)	55,994,194	1,699,737	490,679	(11,633,987)	2,741,156	100	-	49,291,879
Net Assets, End of Year	\$ 62,797,822	\$ 2,103,845	\$ (2,103,845)	\$ 62,797,822	\$ 952,117	\$ 490,679	\$ (16,974,555)	\$ 2,450,640	\$ 125,104	\$ -	\$ 49,841,807