DISCLOSURE STATEMENT

October 2024

Issuance of a certificate of registration by the Maryland Department of Aging does not constitute approval, recommendation or endorsement of a continuing care retirement community by the Department, nor is it evidence of, nor does it attest to, the accuracy or completeness of the information set forth in this Disclosure Statement.

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The Lutheran Village at Miller's Grant, Inc.

DISCLOSURE STATEMENT

October 2024

The following Disclosure Statement is given in compliance with Section 10-425 of the Human Services Article of the Annotated Code of Maryland.

1. Facility and Owner. Name, address and description of the facility and identity of the owner of the facility and the land on which it is located.

The Lutheran Village at Miller's Grant, Inc. is a not-for-profit 501(c)(3) incorporated in the State of Maryland. LVMG is also a wholly owned subsidiary of Lutheran Social Ministries of Maryland (LSMMD). LVMG owns 50 acres of land in Ellicott City, Maryland and operates a continuing care retirement community known as "The Lutheran Village at Miller's Grant" or "Miller's Grant".

Entity Information & Tax-Exempt Status

Entity Name: The Lutheran Village at Miller's Grant, Inc.

Entity & Facility Address: 9000 Fathers Legacy. Ellicott City, MD 21042

State of Incorporation: Maryland

Registered Agent: Jeff Branch, President and Chief Executive Officer

Tax Status: 501(c)3

Description of Facility and Expansion Update

Miller's Grant is situated on 50 acres adjacent to the Charles E. Miller Library, Ellicott City 50+ and Senior Center. The address is: 9000 Fathers Legacy, Ellicott City, MD 21042. Nearby is Patapsco Valley State Park.

Convenient to major roads and thoroughfares and only minutes from the Baltimore Washington International Airport, Miller's Grant offers easy access to Baltimore's Inner Harbor and Washington, DC.

Miller's Grant is located in Ellicott City which is steeped in tradition and a rich history. Boutique shops, award winning restaurants, museums and the architecture of granite buildings reflect and capture the essence of Ellicott City which was founded in 1772.

The land on which the community is built was donated by Grey Rock Community, Inc. ("Grey Rock"). Paul Miller, the President of Grey Rock and the Miller family are Ellicott City philanthropists having donated land for several Ellicott City projects.

The community includes 205 apartments, 36 unique single and duplex homes, 12 skilled nursing units, 20 assisted living units, licensed for 36 beds, parking, a community center, and administration areas. The community amenities include a swimming pool, medical suite, fitness center, wellness center, activities rooms, garden tracts, concierge services and multiple dining venues for the enjoyment of residents.

The Lutheran Village at Miller's Grant is engaged in Construction for phase II of the community. An application/project was submitted to the Department of Aging in April 2022; the application/project was approved. This is now an active project with all permits being received. Phase II includes an expansion of the Assisted Living and Skilled Nursing centers with a prevision for a new Memory Care Program/Unit Development. The expansion of the general Assisted Living will add four beds, bringing the count to 24 rooms, licensing for 30 beds. The community expects to license larger one bedroom units for double occupancy to accommodate cohabitants (i.e., couples). The community has started the licensure process with Maryland Health Care Commission and Office of Health Care Quality. The new Memory Care Program/Unit Development will be licensed for 20 specialized licensed assisted living beds in 18 physical rooms. The Skilled nursing center will be made up of 16 total private rooms, licensed for 18 beds. This phase includes a Performing Arts/Chapel center, Gastro Pub and an additional 43 residential units with associated amenities.

2. Name and Address of Provider and Sole Member

LVMG is the provider with a mailing address of 9000 Fathers Legacy, Ellicott City, Maryland 21042. The Lutheran Village of Miller's Grant was a wholly owned subsidiary of Carroll Lutheran Village Inc. until October 2018 when the corporation restructured. Carroll Lutheran Village, Inc. and The Lutheran Village at Miller's Grant, Inc. are now sister organizations under the parent corporation – Lutheran Social Ministries of Maryland. Lutheran Social Ministries of Maryland is a 501.c.3. Carroll Lutheran Village and The Lutheran Village at Miller's Grant will each retain

a separate Board of Trustees and budgets. Additionally, both communities 6 are assessed a Management Services Fee from the parent organization for overall management and supporting services.

3. Organizational Structure and Management of the Provider

LVMG is a Maryland not-for-profit corporation and has qualified for 501(c)(3) status as a tax-exempt organization under the Internal Revenue Code. As noted above LVMG is a wholly owned subsidiary of Lutheran Social Ministries of Maryland, under the direction Jeff Branch.

4. Names and Occupations of Officers and Board of Trustee Members and Related Information

As a not-for-profit, non-stock corporation, no individual person owns an equitable or beneficial interest in LVMG.

LVMG's officers and their occupations are:

Jeff Branch; President/CEO, LSMMD

Dorothy Plantz; Chair Howard Community College as the Director of Admissions and Advising Bob   Muir Vice Chair Retired- Howard County Community College- Director of Client Solutions, Business Training Center and professor

Anthony McLaughlin; Treasurer/Secretary CPA

LVMG's Board of Trustees and their occupations are:

George Conklin;

Retired - Northrop Grumman Electronic Systems as Director, Human Resources & Communications

Richard Funke;

Retired Navy Captain, worked as engineer

Jim Geier;

It Executive

Sandy Hornor;

Marketing partner of an investment firm

Ken Hunter, Resident;

Retired, Former Director of Budget, US Congress

Andre Lingham;

Retired – Howard County Police officer specializing in elder abuse.

Senior Liaison at Howard County Government

R. Anthony McLaughlin

Retired - CPA

Bob Muir

Retired- Howard County Community College- Director of Client Solutions, Business Training Center and professor

Dorothy Plantz

Retired - Howard Community College as the Director of Admissions and Advising

Paul Miller, Resident

Retired- Former Developer

None of the individuals have a 10% or greater financial interest in any entity that is anticipated to provide goods, premises, or services with a value of $10,000 or more to the facility or provider in a fiscal year.

In addition, no member of the Board of Trustees of LVMG: (i) has been convicted of a felony or pleaded nolo contendere to a felony charge, if the felony involved fraud, embezzlement, fraudulent conversion, or misappropriation of property; (ii) has been held liable or enjoined in a civil action by final judgment, if the civil action involved fraud, embezzlement, fraudulent conversion, or misappropriation as a fiduciary; (iii) has been subject to an effective injunctive or restrictive order of a court of record in an action that arose out of or related to business activity or health care, including an action that affected a license to operate a facility or service for senior, impaired, or dependent persons; or (iv) in the past 10 years, had a state or federal license or permit suspended or revoked because a governmental unit brought an action that arose out of or related to business activity or health care, including an action that affected a license to operate a facility or service for senior, impaired, or dependent persons.

5. Description of Governance, Meetings with Residents and Resident Board Member

LVMG, as a not-for-profit corporation, is managed under the support of its Board of Trustees and the Board and corporate staff of Lutheran Social Ministries of Maryland. Board members of both corporations receive no compensation for their services.

When selecting board members, the Governance Committee of the Board evaluates the experience and skills of current members, identifying areas of expertise which would complement current board and needs or future direction of the organization. The Governance Committee of the Board identifies potential board members that meet criteria. The President & CEO meets with potential board members to share information about our organization and verify interest. Potential board members are presented to the Governance Committee of the Board which generates discussion and passes a motion to recommend a nominee to the Board of Trustees for a vote.

The board comprises of two resident board members. Vacant resident board member seats are selected in a similar manner (I.e. skills that complement current board and/or needs or future direction of the organization) as all other board seats. Management identifies potential resident board members in two ways: 1) Requests the Resident Association provide a list of potential resident board member nominees with background information to the executive director or president & CEO at any time. 2) Through the move in/admission process, management is made aware of work history, volunteerism, expertise and interest. Management seeks to engage those residents to understand their interest in supporting the organization through board work. Nominees are provided to the Governance Committee for discussion and a motion to recommend a nominee(s) to the Board of Trustees for a vote.

Board members may serve up to two three year terms. They are required to take one year off the board once the second term is complete. The Governance Committee may consider a former board member who has been off the board for one year for future board service.

LVMG fully complies with §10-426 and 10-427 of the Human Services Article of the Annotated Code of Maryland. An authorized officer of LVMG meets at least annually with the residents to present a summary of its operations, significant changes from the previous year, and the goals and objectives for the next year. The officer receives and answer questions from residents at these meetings. Furthermore, at the request of the Residents Association, an officer of LVMG attends meetings of the Residents Association to give reports and to address issues.

At least one member of the Board of Trustees of LVMG is a resident in accordance with 10-427 of the Human Services Article of the Annotated Code of Maryland.

The Board of Trustees makes available to residents a summary of the non-confidential portions of the minutes of its meetings within one month of approval of the minutes.

6. Affiliation with Religious, Charitable or Other Nonprofit Organizations

LVMG is an affiliate of the Lutheran congregations of the Delaware-Maryland Synod, Evangelical Lutheran Church of America. However, it is not responsible for the financial or contractual obligations of LVMG.

7. Most Recent Certified Financial Statement under GAAP

The most recent certified financial statement is attached as Exhibit A.

8. Description of Long-term Financing

Management completed closing on permanent financing for The Lutheran Village at Miller's Grant in September of 2014. The Series A 2014 Bonds consist of $53,910,000 of Project Revenue Bonds with a range of maturities and interest yields between 5.00% and 6.25%.

In accordance with LVMG's Phase II Expansion, Management secured Project Revenue Bonds in December of 2023. The Series 2023 Bonds consist of $54,050,000 with a range of maturities and varying interest rates.

The Total Long-Term Debt, Net for the Community is $103,525,255. These funds remain a long-term obligation of the Community and the debt service is budgeted annually.

9. Cash Flow Forecast for Current and Next Two Fiscal Years

See Exhibit A (3).

10. Operating Reserve Requirements and LVMG's Investment Policy

The Lutheran Village at Miller's Grant is in full compliance with the operating reserve requirements as defined and described by the Maryland Annotated code, Title 10 Sections 420-421 of the Human Services Article. By statute, the required reserve will increase on January 1, 2023 fiscal year from 15% of net operating expenses to 25% of net operating expenses. LVMG has funded the reserve to date based on the 10 year funding provision allowed by 10-420(c)(1-2). LVMG will continue to utilize this provision accruing at the 25% operating reserve level.

As of June 30, 2024 , LVMG has accrued $3,803,753 toward the 25% Operating Reserve requirement and is at the 50 % level as allowed in the 10-year allowance to build the reserve

The Lutheran Village at Miller's Grant's investment policy related to reserves is one of conservatism. Investment assets generally consist of readily marketable US Government obligations and corporate securities. Principles of diversification are fundamental to the investment philosophy and are followed and achieved not only through an allocation of assets among various financial instruments, but also among various fund managers. The operating reserve fund investments are reviewed by its management and the Finance Committee of the Board and its subcommittee, the Investment Committee, on at least a quarterly basis. A member of the Board of Trustees sits on both Committees. In addition, the computed value of the reserve and the investments associated therewith are reviewed annually by the independent auditing, certified public accounting firm and the Board of Trustees.

11. Renewal, Replacement and Improvement of Facility

Miller' Grant has completed its start-up phase and is fully operational.

As defined in the bond documents, in addition to the Department of Aging reserve described in section 11, it will establish a renewal and replacement fund beginning in fiscal 2019. On an annual basis, LVMG reserves $180,000 to fund major capital outlays until the accumulated value of the reserve reaches

$2,000,000.

12. Description of Fees

A. Entrance Fees

Under the terms of the Residence and Care Agreement, the independent living resident will pay one of three types of Entrance Fees. Residents signing an independent living Residence and Care Agreement will sign either a Type C, 90% Refundable Contract, a Type C, 50% Refundable Contract, or a Type C Declining Balance Contract (offered to a limited number of residents on a first-come, first-serve basis).

If a Type C resident permanently transfers to a facility outside the Community, the Residence and Care Agreement shall terminate. See the Residence and Care Agreement for more information about relocations and transfers.

(Note that non-continuing care residents entering Miller's Grant directly as assisted living residents pay an entrance fee with access to the Health and Rehabilitation Center (that is, access to comprehensive care; residents entering directly as assisted living residents who pay a community fee will have no access to Health and Rehabilitation Center/comprehensive care).

Prior to the date of possession, if the Residence and Care Agreement is terminated for any reason by the resident, the resident shall receive a refund of all monies paid with the exception of: (i) the non-refundable

processing fee; and (ii) any special additional costs that do not exceed the costs of modification or the reasonable costs of restoration actually incurred by LVMG in connection with the customized improvements of the unit which were requested by the resident and described in an addendum to the Residence and Care Agreement.

The portion of the entrance fee to be refunded is neither held in trust or escrow. An Entrance Fee refund is contractually obligated following the termination of the Resident Care Agreement and re-occupancy of one's former unit. Carefully read the Residence and Care Agreement for the conditions that must be satisfied before LVMG is required to pay the Entrance Fee refund

Please see Exhibit B attached to this Disclosure Statement for current entrance fees.

B. Monthly Fee

Residents will also be required to pay a monthly fee (pro-rated in accordance with the residency agreement) for services and amenities. A monthly fee will be assigned to each type of residence based upon single or double occupancy of a residence. Residents who move to the Community's assisted living or comprehensive care units will pay a daily rate (billed monthly). The monthly fee may be adjusted from time to time by LVMG, in its discretion upon forty-five (45) days prior written notice to residents to reflect additional costs or liability for which there is no adequate, budgeted reserve (which includes, but is not limited to, increased operating expenses and inflation). Additional fees not included in the monthly fee may be revised upon thirty (30) days' prior written notice to residents. Please see Schedule A attached to this Disclosure Statement for projected monthly charges.

C. Additional Fees

Fees for services and items not included in the monthly fee or the daily rate will be provided in accordance with a published fee schedule provided to residents, and may include such items and services as: additional housekeeping and laundry services; guest rooms; salon services; transportation services; etc.

For the Village homes, Residents will be responsible for electric, heating and air conditioning at their cost.

Landline telephone costs are also an additional fee for all residents. Additional fees may be adjusted from time to time by LVMG, in its discretion, based upon operating costs and other financial needs of Miller's Grant. Thirty (30) days' written notice will be given to residents prior to any adjustments for additional fees.

13. Summary of Services

The resident's rights under the Residence and Care Agreement will not include any right, title or interest in or to the personal property or real property, land, or buildings owned by LVMG.

A. Independent Living Residents

The following benefits and services are available to independent living residents residing in Miller's Grant **Homes** at no extra fee:

+ Meal plan (meal allowance) per month of $300 per resident.

+ Maintenance of buildings and grounds (mechanical and electrical systems, building exterior, grass, shrubs planted by the community, and snow removal from sidewalks, driveways and parking areas);

+ Maintenance of the home including appliances provided by LVMG;

+ Care Coordinator who is a registered nurse, social work and chaplaincy support services

+ Cable TV as offered by LVMG and internet service as selected and provided by LVMG;

+ Water, sewer service and garbage collection;

+ Transportation for local shopping, physicians, and emergency services (for other than emergencies and scheduled group activities, LVMG requests 24-hour notice to provide such services);

+ Use of Miller's Grant common areas for dining, social activities, and educational programs;

+ Twenty-four hour Emergency Call System;

+ Security services;

+ Priority access to assisted living and comprehensive nursing care in accordance with the Residence and Care Agreement;

+ Wellness Center including gym and pool;

+ Access to a Medical Suite

The following benefits and services will be available to independent living residents in the **Apartments** at no extra fee:

+ Meal plan (meal allowance) per month of $300 per resident.

+ Maintenance of buildings and grounds (mechanical and electrical systems, building exterior, grass, shrubs planted by LVMG, and snow removal from sidewalks, driveways and parking areas);

+ Maintenance of the apartment including appliances provided by LVMG;

+ Care Coordinator who is a registered nurse, social work and chaplaincy support services

+ Cable TV as offered by LVMG and internet service as selected and provided by LVMG;

+ Heating, air conditioning, electric, water, sewer and garbage collection;

+ Transportation for local shopping, physicians, and emergency services (for other than emergencies and scheduled group activities, LVMG requests 24-hour notice to provide such services);

+ Use of Miller's Grant common areas for dining, social activities, and educational programs;

+ Twenty-four hour Emergency Call System;

+ Security services;

+ Priority access to assisted living and comprehensive nursing care in accordance with the Residence and Care Agreement;

+ Wellness Center including gym and pool;

+ Access to a Medical Suite

LVMG will make available nutritional and properly cooked meals daily from a choice of well-balanced menus. Independent living residents are entitled to a monthly allowance for meals which can be spent for meals at any of Miller's Grant dining venues. Any unused meal allowance cannot be transferred from one month to another month. A pro-rated credit will be issued for the unused meal allowance if the resident is absent from the community for seven (7) or more consecutive days in a calendar month and gives written notice to LVMG of the proposed absence.

The following benefits and services are available to independent living residents residing in Miller’s Grant Homes at an extra fee:

+ Housekeeping services

+ Specialty programs offered through resident life

+ Hair salon services

+ Massage services

+ Private catered events

+ RV parking

+ Storage facilities

+ Guest meals and rooms

+ Private duty nursing

+ Home health and home care services through community agencies

+ Meal delivery

+ Pet fee

+ Maintenance services over and above those normal covered in monthly service fee

+ Medical provider care offered through the medical suite. Contracted medical providers bill the resident and the resident health insurance (i.e. primary care, podiatry, etc)

+ Therapy services

The following benefits and services are available to independent living residents residing in Miller’s Grant Apartments at an extra fee:

+ Housekeeping services

+ Specialty programs offered through resident life

+ Hair salon services

+ Massage services

+ Private catered events

+ RV parking

+ Storage facilities

+ Guest meals and rooms

+ Private duty nursing

+ Home health and home care services through community agencies

+ Meal delivery

+ Pet fee

+ Maintenance services over and above those normal covered in monthly service fee

+ Medical provider care offered through the medical suite. Contracted medical providers bill the resident and the resident health insurance (i.e. primary care, podiatry, etc)

+ Therapy services

Residents who move to assisted living within the community or comprehensive care within the community shall sign an additional separate agreement for such services. Residents who move temporarily to assisted living within the community or move temporarily to comprehensive care within the community will be required to pay the monthly fee plus the fees for assisted living or comprehensive care, as applicable. See the Residence and Care Agreement for information about permanent relocations and transfers and other information on relocations and transfers.

14. No Surcharge

LVMG does not impose a surcharge.

15. Role of Residents Association

The Residents Association is available for all residents of Miller's Grant to meet at Miller's Grant privately to conduct business. The Residents Association will provide the Administration at LVMG with input regarding Millers Grant's services and amenities.

16. Internal Grievance Procedure

LVMG encourages residents to express their grievances and to suggest remedies or improvements in policies and services.

A resident or group of residents collectively may submit a written grievance to the Executive Director/designee, LVMG and are entitled to receive a written acknowledgment within five (5) days after receipt of the written grievance. The Executive Director/designee will assign personnel to investigate the grievance. A resident or group of residents who file a written grievance are entitled to a meeting with management of LVMG within thirty (30) days after receipt of the written grievance to present the grievance. LVMG will provide a response in writing within forty-five (45) days after receipt of the written grievance as to the investigation and resolution of the grievance.

Within thirty (30) days after LVMG provides its response to the grievance, a resident or group of residents or LVMG may seek mediation through one of the community mediation centers in the State or another mediation provider. If a resident, group of residents or LVMG seeks mediation under the preceding sentence, the mediation shall be nonbinding.

The resident, or any other person, may make oral or written complaints about a resident's care and may also suggest changes in the policies and services. Residents will not be harassed or discriminated against for making a complaint or suggesting a change in policy or service.

The community has provided the Department a required point of contact which is the Executive Director, in order to submit the required grievance data to the Department. Per HSA § 10-426(c), a summary of internal grievances must be provided at the last quarterly meeting of the year to the subscribers. The authorized officer of the provider will provide an aggregated, deidentified summary of internal grievances submitted.

17. Amendment of Disclosure Statement

LVMG will amend this Disclosure Statement if, at any time, LVMG or the Maryland Department of Aging believes an amendment is necessary to prevent the Disclosure Statement from containing any material misstatement

of fact, as required by Section 10-425 of the Human Services Article of the Annotated Code of Maryland to be stated in this Disclosure Statement or omits a material fact required by Section 10-425 of the Human Services Article of the Annotated Code of Maryland to be stated in this Disclosure Statement.

rkl ADVISORS for WHAT'S NEXT

The Lutheran Village at Miller's Grant, Inc. Obligated Group

Special-Purpose Financial Statements

June 30, 2024 and 2023

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June 30, 2024 and 2023

Independent Auditor's Report

To the Board of Trustees
The Lutheran Village at Miller's Grant, Inc.
Westminster, Maryland

Opinion

We have audited the special-purpose financial statements of The Lutheran Village at Miller's Grant, Inc. Obligated Group (the Corporation), which comprise the special-purpose balance sheet as of June 30, 2024 and 2023, the related special-purpose statements of operations, changes in net deficit, and cash flows for the years then ended, and the related notes to the special-purpose financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of June 30, 2024 and 2023, and the results of its operations and its cash flows for the years then ended on the basis of accounting as described in Note 2.

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 Special-Purpose Financial Statements section of our report. We are required to be independent of the Corporation 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 Matters

We draw attention to Note 2 of the financial statements, which describes the basis of accounting and the purpose for which the financial statements are prepared. The financial statements are prepared on the basis of the financial reporting provisions specified in Section 4 of the Master Trust Indenture dated September 1, 2014, as amended and supplemented by the Supplemental Master Trust Indenture Number 2 dated December 1, 2023, between The Lutheran Village at Miller's Grant, Inc. Obligated Group and Manufacturers and Traders Trust Company (the Master Trust Indenture), as discussed in Note 2, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 16 to the financial statements, the financial statements for the year ended June 30, 2023 have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

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Responsibilities of Management for the Special-Purpose Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions of the Master Trust Indenture, and for determining that this basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Special-Purpose Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation'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.

Restriction on Use

This report is intended solely for the information and use of the Board of Trustees and management of The Lutheran Village at Miller's Grant, Inc. Obligated Group, Lutheran Social Ministries of Maryland, Inc., Manufacturers and Traders Trust Company, as trustee, Wilmington Trust, N.A., KeyBank, N.A., Fulton Bank, N.A., and Old National Bank, as banks, and The Mayor and Common Council of Westminster, as issuer, for filing in accordance with the financial reporting provisions of the Master Trust Indenture and is not intended to be, and should not be used by, anyone other than these specified parties.

RKL LLP

October 17, 2024
Mechanicsburg, Pennsylvania

The Lutheran Village at Miller's Grant, Inc. Obligated Group

Special-Purpose Balance Sheet

	June 30, 2024	June 30, 2023
Assets		
Current Assets		
Cash and cash equivalents	$ 5,039,215	$ 1,167,699
Accounts receivable, net	364,039	244,052
Current portion of assets whose use is limited	2,866,263	2,835,762
Prepaid expenses and inventory	76,319	126,225
Total Current Assets	8,345,836	4,373,738
Investments	15,408,326	16,573,304
Assets Whose Use is Limited, Net	71,758,156	13,774,166
Interest Rate Swap Asset	529,778	-
Property and Equipment, Net	98,122,802	99,203,791
Total Assets	$ 194,164,898	$ 133,924,999

See accompanying notes.

The Lutheran Village at Miller's Grant, Inc. Obligated Group

Special-Purpose Balance Sheet (continued)

	June 30, 2024	June 30, 2023
Liabilities and Net Deficit		
Current Liabilities		
Current portion of long-term debt	**$ 1,240,000**	$ 1,180,000
Accounts payable	**272,611**	116,936
Accrued expenses	**487,102**	400,035
Accrued interest	**1,626,263**	1,655,762
Due to related parties	**481,187**	586,326
Entrance fee refunds	**5,915,689**	5,325,622
Total Current Liabilities	**10,022,852**	9,264,681
Refundable Deposits	**3,205,252**	23,910
Refundable Entrance Fees	**71,106,434**	71,226,717
Deferred Revenue from Entrance Fees	**18,651,655**	18,222,345
Long-Term Debt, Net	**103,523,255**	51,779,291
Total Liabilities	**206,509,448**	150,516,944
Net Assets (Deficit)		
Without donor restrictions	**(12,910,288)**	(17,760,127)
With donor restrictions	**565,738**	1,168,182
Total Net Deficit	**(12,344,550)**	(16,591,945)
Total Liabilities and Net Deficit	**$ 194,164,898**	$ 133,924,999

See accompanying notes.

The Lutheran Village at Miller's Grant, Inc. Obligated Group

Special-Purpose Statement of Operations

	Years Ended June 30, 2024	2023
Revenues Without Donor Restrictions		
Net health care center resident services	$ 2,117,283	$ 1,933,630
Residential services		
Assisted living	2,104,848	2,196,989
Independent living	19,121,057	17,933,367
Other residential services	1,109,805	881,959
Interest and dividends	2,242,028	1,093,949
Realized gains	6,353	632,074
Contributions and bequests	6,429	(2,346)
Grant revenue	-	44,530
Other	202,080	116,392
Net assets released from restrictions	1,243,252	194,572
Total Revenues Without Donor Restrictions	28,153,135	25,025,116
Expenses		
Nursing services and resident care	3,519,494	3,441,225
Dietary services	3,654,063	3,361,315
General services	762,340	738,800
Housekeeping and laundry	518,665	446,416
Plant	4,167,296	4,099,061
General and administrative	3,493,045	3,195,718
Marketing and development	790,667	754,306
Depreciation	4,593,930	4,538,504
Interest	3,434,067	3,496,692
Total Expenses	24,933,567	24,072,037
Operating Income	3,219,568	953,079
Net Unrealized Gains on Investments	1,100,493	102,957
Unrealized Gain on Interest Rate Swap	529,778	-
Revenues in Excess of Expenses	4,849,839	1,056,036
Change in Net Deficit Without Donor Restrictions	$ 4,849,839	$ 1,056,036

See accompanying notes.

The Lutheran Village at Miller's Grant, Inc. Obligated Group

Special-Purpose Statement of Changes in Net Deficit

	Years Ended June 30, 2024	2023
Net Deficit Without Donor Restrictions		
Revenues in excess of expenses	$ 4,849,839	$ 1,056,036
Change in Net Deficit Without Donor Restrictions Before Transfer	4,849,839	1,056,036
Transfer of Net Assets to Related Parties	-	(5,079,641)
Change in Net Deficit Without Donor Restrictions After Transfer	4,849,839	(4,023,605)
Net Assets With Donor Restrictions		
Contributions		
Purpose restricted	316,217	107,997
Held in perpetuity	32,588	37,638
Interest and dividends	292,003	166,107
Net assets released from restrictions	(1,243,252)	(194,572)
Change in Net Assets With Donor Restrictions	(602,444)	117,170
Change in Net Assets (Deficit)	4,247,395	(3,906,435)
Net Deficit, Beginning of Year	(16,591,945)	(12,685,510)
Net Deficit, End of Year	$ (12,344,550)	$ (16,591,945)

See accompanying notes.

The Lutheran Village at Miller's Grant, Inc. Obligated Group

Special-Purpose Statement of Cash Flows

	Years Ended June 30, 2024	2023
Cash Flows from Operating Activities		
Change in net assets (deficit)	$ **4,247,395**	$ (3,906,435)
Adjustments to reconcile change in net assets (deficit) to net cash provided by (used in) operating activities		
Depreciation	**4,593,930**	4,538,504
Amortization of deferred financing costs	**121,467**	124,035
Amortization of bond discount	**11,576**	12,631
Unrealized gain on interest rate swap	**(529,778)**	-
Proceeds from nonrefundable entrance fees, existing units	**3,928,549**	3,819,809
Amortization of entrance fees	**(3,412,312)**	(3,426,679)
Change in allowance for expected credit losses	**18,402**	21,224
Net realized and unrealized gains on investments	**(1,106,846)**	(735,031)
Contributions restricted for long-term purposes	**(32,588)**	(37,638)
(Increase) decrease in assets		
Accounts receivable	**(138,389)**	(1,092)
Prepaid expenses and inventory	**49,906**	(53,590)
Increase (decrease) in liabilities		
Accounts payable	**155,675**	(383,164)
Accrued expenses	**87,067**	59,085
Accrued interest	**(29,499)**	(28,126)
Refundable deposits	**3,181,342**	(49,828)
Net Cash Provided by (Used in) Operating Activities	**11,145,897**	(46,295)
Cash Flows from Investing Activities		
Purchases of property and equipment	**(3,512,941)**	(2,149,474)
Net sales in investments and assets whose use is limited	**2,277,744**	3,733,657
Net Cash Provided by (Used in) Investing Activates	**(1,235,197)**	1,584,183
Cash Flows from Financing Activities		
Repayments of long-term debt	**(1,180,000)**	(1,125,000)
Proceeds from issuance of long-term debt	**54,050,000**	-
Payment of debt issuance costs	**(1,199,079)**	-
Proceeds from refundable entrance fees, existing units	**4,667,077**	5,503,366
Refunds of entrance fees	**(4,284,220)**	(4,746,095)
Contributions restricted for long-term purposes	**32,588**	37,638
Repayments (to) from related parties	**(105,139)**	578,670
Net Cash Provided by Financing Activities	**51,981,227**	248,579

See accompanying notes.

	Years Ended June 30, 2024	2023
Net Change in Cash, Cash Equivalents, and Restricted Cash and Cash Equivalents	**$ 61,891,927**	$ 1,786,467
Cash, Cash Equivalents, and Restricted Cash and Cash Equivalents at Beginning of Year	**13,312,205**	11,525,738
Cash, Cash Equivalents, and Restricted Cash and Cash Equivalents at End of Year	**$ 75,204,132**	$ 13,312,205
Cash, Cash Equivalents, and Restricted Cash and Cash Equivalents Consist of the Following in the Special-Purpose Balance Sheet		
Cash and cash equivalents	**$ 5,039,215**	$ 1,167,699
Assets whose use is limited		
Letter of credit collateral	**157,390**	133,238
Escrow deposits	**8,262,402**	3,621,456
Trustee held funds	**61,745,125**	8,389,812
Total Cash, Cash Equivalents, and Restricted Cash and Cash Equivalents	**$ 75,204,132**	$ 13,312,205
Supplemental Disclosure of Cash Flow Information		
Interest paid	**$ 4,421,955**	$ 3,388,152

See accompanying notes.

Note 1 - Nature of Operations

The Lutheran Village at Miller's Grant, Inc. (the Corporation or LVMG) is a continuing care retirement community located in Ellicott City, Maryland which began operations in February 2016 and consists of 241 independent living homes and apartments, 20 assisted living units, and 12 skilled nursing beds.

The Corporation is a 90% owner of LVMG Hospitality, Inc. (Hospitality). Hospitality was established as a for-profit entity for the purpose of providing food services to the Corporation.

Lutheran Social Ministries of Maryland, Inc. (LSMMD), a Maryland not-for-profit corporation, is the parent corporation of LVMG.

Note 2 - Summary of Significant Accounting Principles

A summary of significant accounting policies consistently applied in the preparation of the accompanying special-purpose financial statements follows.

Basis of Accounting

These special-purpose financial statements are presented to comply with the requirements set forth in the Master Trust Indenture between The Lutheran Village at Miller's Grant, Inc. Obligated Group and Manufacturers and Traders Trust Company (M&T) dated September 1, 2014, as amended and supplemented by the Supplemental Master Trust Indenture Number 2 dated December 1, 2023 (the Master Trust Indenture). The sole member of the Obligated Group is The Lutheran Village at Miller's Grant, Inc. Thus, these special-purpose financial statements do not include the consolidation of Hospitality.

Basis of Presentation

The Corporation follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under ASC 958, the Corporation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets (deficit) are classified as follows:

Net deficit without donor restrictions - Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions - Net assets that are subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that will be met either by actions of the Corporation and/or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed or when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Note 2 - Summary of Significant Accounting Principles (continued)

Use of Estimates

The preparation of special-purpose financial statements in accordance with the Master Trust Indentures 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 special-purpose financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash, Cash Equivalents, and Restricted Cash and Cash Equivalents

For purposes of the special-purpose statement of cash flows, the Corporation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash and cash equivalents.

Accounts Receivable and Allowance for Expected Credit Losses

In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments-Credit Losses* (Topic 326). The Corporation adopted ASU 2016-13 as of July 1, 2023. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Corporation that are subject to the guidance in FASB ASC Topic 326 was accounts receivable. The Corporation implemented the provisions of this standard. Management determined the ASU did not have a material impact on the Corporation's special-purpose financial statements.

The Corporation assesses collectability on all resident accounts prior to providing services. An allowance for expected credit losses is recognized to reduce accounts receivable to its net realizable value for impairment of revenues for changes in resident credit worthiness. The allowance is estimated by management based on factors such as aging of the accounts receivable and anticipated collection of the consideration. Accounts are written off through bad provision for expected credit losses when the Corporation has exhausted all collection efforts and accounts are deemed impaired. The allowance for expected credit losses is based on management's assessment of the collectability of specific customer accounts and the aging of the accounts receivable and totaled approximately $48,900 and $30,000 at June 30, 2024 and 2023, respectively.

Investments and Assets Whose Use is Limited

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the special-purpose balance sheet. The fair value of substantially all securities is determined by quoted market prices, with the exception of alternative investments. Alternative investments, which are not readily marketable, are valued at net asset value per share (NAV). Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in revenues in excess of expenses unless the income or loss is restricted by donor or law. Change in unrealized gains and losses on investments are included in revenues in excess of expenses. Interest income is measured as earned on the accrual basis. Dividends are measured based on the ex-dividend date. Purchases and sales of securities and realized gains and losses are recorded on a trade-date basis.

Note 2 - Summary of Significant Accounting Principles (continued)

Investments and Assets Whose Use is Limited (continued)

The Corporation's investments are comprised of a variety of financial instruments and are managed by investment advisors. The fair values reported in the special-purpose balance sheet are subject to various risks including changes in the equity markets, the interest rate environment and general economic conditions. Due to the level of risk associated with investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported in the special-purpose balance sheet could change materially in the near term. Contributed investments are initially valued at the quoted fair value on the date received, which is then treated as cost.

Assets whose use is limited include assets designated by the Board of Trustees for future capital improvements and other purposes, assets limited as to use under terms of debt agreements, reserve requirements or escrow accounts, and assets whose use is restricted by donors are classified as assets whose use is limited.

Property and Equipment

Property and equipment are stated at cost for all items purchased and fair market value at the date of receipt for contributed property. The Corporation's policy is to examine invoices in excess of $1,000 to determine whether the items should be capitalized or expensed. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets. When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the special-purpose statement of operations.

Long-Lived Assets

Long-lived assets, other than those held for sale, are reviewed for impairment whenever events or circumstances indicate that the carrying amount of the assets may not be recoverable. An asset is considered to be impaired when the undiscounted estimated net cash flows to be generated by the asset are less than the carrying amount. The impairment recognized is the amount by which the carrying amount exceeds the fair value amount. Fair value estimates are based on assumptions concerning the amount and timing of the estimated future cash flows and discount rates reflecting varying degrees of perceived risk. Management of the Corporation concluded that no impairment adjustments were required during the years ended June 30, 2024 or 2023.

Deferred Financing Costs

Financing costs were incurred in connection with the issuance of long-term debt. These costs are reported in the accompanying special-purpose balance sheet as a reduction of long-term debt and are being amortized over the life of the debt using the effective interest method.

Note 2 - Summary of Significant Accounting Principles (continued)

Derivative Contracts

The Corporation uses non-hedging derivatives to manage risks related to interest rate movements. Interest rate swap agreements are used to manage identified and approved exposures and are not used for speculative purposes. The interest rate swap agreements are recognized as either assets or liabilities on the special-purpose balance sheet and are measured at fair value. Interest rate swap agreements are often held for the life of the strategy but may reflect significant interim unrealized gains or losses depending on the change in value since the inception of the agreement. All unrealized and realized gains and losses from the interest rate swap agreements are reflected in the special-purpose statement of operations. Refer to Note 7 for more detail.

Entrance Fees

Residents are admitted to the Corporation under a Type C (Fee for Service) agreement and charged an initial entrance fee, a monthly fee and fees for services provided. Effective July 1, 2020, the Corporation offers three Type C (Fee for Service) plans: a declining balance plan, a 50% refundable plan, and a 90% refundable plan. A resident receives a qualified refund if they provide written notice of their intent to voluntarily terminate within the first 30 days of occupancy and in the event of death of one or two of the residents within the first 90 days of occupancy. Under the declining balance plan, a qualified refund amortizes at 3% per month for 90 days, or three months and the unqualified refund will amortize 10% upon occupancy and 1.5% per month thereafter. Under the 50% refundable plan, a qualified refund will amortize at 3% per month for 90 days and the unqualified refund will amortize 10% upon occupancy and 2% per month thereafter until 50% of the original entrance fee remains which is refundable upon termination of the residency agreement. Under the 90% refundable plan, a qualified refund amortizes at 3% per month for 90 days and the unqualified refund will amortize 10% upon occupancy and the resident will receive 90% of the original entrance fee upon termination of the residency agreement.

Prior to July 1, 2020, entrance fees were received under the terms of the Residence and Care Agreements. The Corporation offered a 90% refundable Type B (Modified Lifecare with a total of 60 days free health care) plan whereby 90% of the entrance fee paid is refundable upon termination of the residency agreement; a declining balance Type B (Modified Lifecare with a total of 60 days free health care) plan in which a refund will amortize 2% per month beginning after the first 90 days of occupancy; and a 50% refundable Type C (Fee for Service) plan, whereby 50% of the entrance fee paid is refundable upon termination of the residency agreement in which a refund of the remainder will amortize 10% in the first month, 0% for months two and three, and 2% per month thereafter.

Note 2 - Summary of Significant Accounting Principles (continued)

Entrance Fees (continued)

The nonrefundable portions of the contracts are accounted for as deferred revenue from entrance fees and are amortized to earned revenue using the straight-line method over the estimated remaining life expectancy of the residents, which approximates the period of time the goods and services under the agreements are expected to be transferred to residents. At the time of death or contract termination, the remaining nonrefundable balance is recognized as revenue. The refundable portion of the contracts totaled $71,106,434 and $71,226,717 at June 30, 2024 and 2023, respectively, and is not amortized into income and is reported as refundable entrance fees. Contractual refund obligations under all agreements totaled approximately $75,471,645 and $75,190,000 at June 30, 2024 and 2023.

Revenue from nonrefundable entrance fees received are recognized through amortization of the nonrefundable entrance fee using the straight-line method over annually adjusted estimated remaining life expectancies of the residents, which approximates the period of time the goods and services under the agreements are expected to be transferred to residents. The unamortized portion is classified as deferred revenues from entrance fees in the special-purpose balance sheet. Amortization of the Corporation independent living revenue from the Corporation's entrance fees was $3,412,312 and $3,426,679 for the years ended June 30, 2024 and 2023, respectively.

Obligation to Provide Future Service

The Corporation calculates the present value of the net cost of future service and use of facilities to be provided to current residents on an annual basis and compares that amount with the balance of deferred revenue from entrance fees. If the present value of the net obligation to provide future service and use of facilities (discounted at 5%) exceeds the deferred revenue from entrance fees, a liability is recorded with the corresponding charge to income. No such liability existed at June 30, 2024 and 2023.

Net Resident Service Revenues

Net health care center resident services and residential services (together net resident service revenues) are reported at the amount that reflects the consideration the Corporation expects to receive in exchange for the services provided. These amounts are due from residents or third-party payors and include variable consideration for retroactive adjustments, if any, under reimbursement programs. Performance obligations are determined based on the nature of the services provided. Net resident service revenues are recognized as performance obligations are satisfied.

Net resident service revenues are primarily comprised of skilled nursing, assisted and independent living revenue streams, which are primarily derived from providing housing, skilled nursing, assisted living and independent living services to residents at a stated daily or monthly fee, net of any explicit or implicit price concessions. The Corporation has determined that the services included in the stated daily or monthly fee for each level of care represents a series of distinct services that have the same timing and pattern of transfer. Therefore, the Corporation considers the services provided to residents in each level of care to be one performance obligation, which is satisfied over time as services are provided. As such, skilled nursing, assisted living and independent living revenues are recognized on a daily or month-to-month basis as services are rendered.

Note 2 - Summary of Significant Accounting Principles (continued)

Net Resident Service Revenues (continued)

The Corporation receives revenue for services under third-party payor programs, including Medicare, Medical Assistance, and other third-party payors. Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are included in the determination of the estimated transaction price for providing services. The Corporation estimates the transaction price based on the terms of the contract and correspondence with the third-party payor and historical payment trends and retroactive adjustments are recognized in future periods as final settlements are determined.

Disaggregation of Revenues

The Corporation disaggregates revenue from contracts with customers by type of service and payor source as this depicts the nature, amount, timing, and uncertainty of its revenue and cash flows as affected by economic factors. Net health care center residential services and residential services revenues consists of the following for the years ended June 30:

	2024				
	Health Care Center Resident Services	Assisted Living	Independent Living	Other Residential Services	Total
Self-pay	$ 1,915,369	$ 2,104,848	$ 15,706,745	$ 759,085	$ 20,486,047
Medicare	80,681	-	-	350,720	431,401
Medical Assistance	121,233	-	-	-	121,233
Amortization of nonrefundable entrance fees	-	-	3,412,312	-	3,412,312
	$ 2,117,283	$ 2,104,848	$ 19,121,057	$ 1,109,805	$ 24,452,993

	2023				
	Health Care Center Resident Services	Assisted Living	Independent Living	Other Residential Services	Total
Self-pay	$ 1,650,333	$ 2,196,989	$ 14,506,688	$ 540,392	$ 18,894,402
Medicare	177,112	-	-	341,567	518,679
Medical Assistance	106,185	-	-	-	106,185
Amortization of nonrefundable entrance fees	-	-	3,426,679	-	3,426,679
	$ 1,933,630	$ 2,196,989	$ 17,933,367	$ 881,959	$ 22,945,945

The Corporation has agreements with third-party payors that provide for payments to the Corporation at amounts different from its established rates. A summary of the principal payment arrangements with major third-party payors is as follows:

- Medicare: Nursing and ancillary services provided to Medicare beneficiaries are paid at prospectively determined rates per day. These rates vary according to a resident-specific classification system that is based on clinical, diagnostic, and other factors and the reimbursement methodology is subject to various limitations and adjustments.

- Medical Assistance: Nursing services provided to Medical Assistance program beneficiaries are paid at prospectively determined rates per day. These rates vary according to a resident-specific classification system that is based on clinical, diagnostic, and other factors and the reimbursement methodology is subject to various limitations and adjustments.

Note 2 - Summary of Significant Accounting Principles (continued)

Disaggregation of Revenues (continued)

As described above, the Medicare and Medical Assistance rates are based on clinical, diagnostic, and other factors. The determination of these rates is partially based on the Corporation's clinical assessment of its residents. The Corporation is required to clinically assess its residents at predetermined time periods throughout the year. The documented assessments are subject to review and adjustment by the Medicare and Medical Assistance programs.

The Corporation has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Corporation under these agreements includes prospectively determined rates per day or discounts from established charges.

Payment terms and conditions for the Corporation's resident contracts vary by contract type and payor source, although terms generally include payment to be made within 30 days. Net resident service fee revenues for recurring and routine monthly services are generally billed monthly in advance. Net resident service fee revenues for ancillary services are generally billed monthly in arrears. Additionally, nonrefundable entrance fees are generally billed and collected in advance of move-in. Revenues collected from residents in advance are recognized as deferred revenue from entrance fees until the performance obligations are satisfied and are included in deferred revenues from entrance fees in the accompanying special-purpose balance sheet. In 2024 and 2023, the Corporation recognized approximately $3,175,000 and $3,257,000, respectively, of revenue that was included in the deferred revenue from entrance fees balance as of July 1, 2023 and 2022, respectively. The Corporation applies the practical expedient in ASC 606 and therefore does not disclose amounts for remaining performance obligations that have original expected durations of one year or less.

Donated Services

A significant number of volunteers annually donate their services to the Corporation. The value of these donated services is not reflected in the special-purpose financial statements.

Grant Revenue

Grant revenue includes amounts received from federal and state funding sources related to the COVID-19 pandemic. The Corporation accounts for this funding in accordance with FASB ASC 958-605, *Guidance for Conditional Contributions*. Accordingly, revenues are recognized when barriers are substantially met, which occurs when the Corporation complies with the terms and conditions related to the purpose of the grants rather than those that are administrative in nature.

In March 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law to combat the financial effects of COVID-19. The CARES Act created a Provider Relief Fund (PRF) to provide financial support for hospitals and other healthcare providers. The Corporation, for the years ended June 30, 2024 and 2023, received $-0- and $44,530, respectively, related to this funding. In accordance with the original terms and conditions, the Corporation could apply the funding against lost revenues and eligible expenses. The Corporation incurred eligible expenses, in accordance with the term and conditions of the PRF for the years ended June 30, 2024 and 2023 of $-0- and $44,530, respectively, which are included in grant revenue in the accompanying special-purpose statement of operations.

Note 2 - Summary of Significant Accounting Principles (continued)

Grant Revenue (continued)

Noncompliance with the terms and conditions of the PRF and the state and other funding could result in repayment of some or all of the support, which can be subject to government review and interpretation. The majority of the funding received is subject to future reporting and audit requirements. These matters could cause reversal or claw-back of amounts previously recognized; however, an estimate of the possible effects cannot be made as of October 17, 2024, the date these special-purpose financial statements were issued. In addition, it is unknown whether there will be further developments in the regulatory guidance.

Income Taxes

The Corporation is a not-for-profit entity as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from income taxes on related activities pursuant to Section 509(a) of the IRC.

The Corporation follows the standards of accounting for uncertainty in income taxes according to the principles of FASB ASC 740, *Income Taxes*, which prescribes a recognition threshold and measurement attribute for the special-purpose financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It requires management to evaluate tax positions taken by the Corporation, including whether the entity is exempt from income taxes. Management evaluated the tax positions taken and concluded that the Corporation had taken no uncertain tax positions that require recognition or disclosure in the special-purpose financial statements. With few exceptions, the Corporation is no longer subject to income tax examinations by the U.S. Federal, state, or local tax authorities for years before 2021.

Measures of Operations

The special-purpose statement of operations includes the determination of operating income. Operating income includes only those revenues and expenses that are an integral part of its program activities and that are used to support operations, and excludes other income and expenses, if any.

Performance Indicator

The special-purpose statement of operations include the determination of revenues in excess of expenses. Change in net deficit without donor restrictions, which are excluded from revenues in excess of expenses. The special-purpose statement of operations also include the determination of revenues in excess of expenses as a performance indicator.

Note 3 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the special-purpose balance sheet date, comprise the following at June 30:

	2024	2023
Financial Assets		
Cash and cash equivalents	**$ 5,039,215**	$ 1,167,699
Accounts receivable, net	**364,039**	244,052
Investments	**15,408,326**	16,573,304
Escrow deposits	**8,262,402**	3,621,456
Certificate of deposit	**90,011**	89,872
Total Financial Assets	**$ 29,163,993**	$ 21,696,383

The Corporation designated a portion of its investments "reserved" to comply with the requirements of Maryland Department of Aging. Although the Corporation does not intend to utilize the reserves for general expenditures as part of its annual budget and approval process, amounts designated as the reserves could be made available as necessary. The reserves are included with the assets whose use is limited detail in Note 4, and do not have third-party restrictions or limitations on the withdrawal and subsequent liquidation of such funds.

As part of the Corporation's liquidity management plan, cash in excess of daily requirements are invested in short-term investments and money market funds.

Note 4 - Fair Value Measurements, Investments and Assets Whose Use is Limited, and Other Financial Instruments

Fair Value Measurements

For financial instruments required to be measured at fair value on a recurring basis, fair value is defined as 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 is measured using a hierarchy prioritizing the inputs used in determining valuations into three levels. The level within the fair value hierarchy is based on the lowest level input that is significant to the fair value measurement.

The levels of the fair value hierarchy are as follows:

Level 1 - Unadjusted quoted prices in active markets that are accessible to the Corporation for identical instruments.

Level 2 - Significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the instruments through corroboration with observable market data.

Level 3 - Significant unobservable inputs. The Corporation did not hold any Level 3 investments for the years ended June 30, 2024 and 2023.

Note 4 - Fair Value Measurements, Investments and Assets Whose Use is Limited, and Other Financial Instruments (continued)

Fair Value Measurements (continued)

The following tables present financial instruments measured at fair value at June 30:

	2024		
	Total	Level 1	Level 2
Reported at Fair Value			
Assets			
Investments and assets whose use is limited			
Mutual funds			
Equity	$ 9,697,725	$ 9,697,725	$ -
Bonds	2,964,315	2,964,315	-
Other	3,851,647	3,851,647	-
Equities	155,904	155,904	-
Total Investments and Assets Whose Use is Limited in the Fair Value Hierarchy	16,669,591	$ 16,669,591	$ -
Cash and cash equivalents (a)	71,506,114		
Alternative investments measured at NAV (a)	1,857,040		
Total Investments and Assets Whose Use is Limited	$ 90,032,745		

Note 4 - Fair Value Measurements, Investments and Assets Whose Use is Limited, and Other Financial Instruments (continued)

Fair Value Measurements (continued)

	2023		
	Total	**Level 1**	**Level 2**
Reported at Fair Value			
Assets			
Investments and assets whose use is limited			
Mutual funds			
Equity	$ 11,964,234	$ 11,964,234	$ -
Bonds	2,779,548	2,779,548	-
Other	4,574,168	4,574,168	-
Equities	198,336	198,336	-
Total Investments and Assets Whose Use is Limited in the Fair Value Hierarchy	19,516,286	$ 19,516,286	$ -
Cash and cash equivalents (a)	12,580,322		
Alternative investments measured at NAV (a)	1,086,624		
Total Investments and Assets Whose Use is Limited	$ 33,183,232		

(a) The amounts are presented together to reconcile total investments and assets whose is limited on the special-purpose balance sheet.

Investments and assets whose use is limited are presented together in the tables above as there are various investment and cash accounts that are allocated between the investment and assets whose use is limited lines on the special-purpose balance sheet. Investments and assets whose use is limited are presented in the special-purpose balance sheet as follows as of June 30:

	2024	**2023**
Investments	**$ 15,408,326**	$ 16,573,304
Current portion of assets whose use is limited	**2,866,263**	2,835,762
Assets whose use is limited, net	**71,758,156**	13,774,166
Total Investments and Assets Whose Use is Limited	**$ 90,032,745**	$ 33,183,232

Note 4 - Fair Value Measurements, Investments and Assets Whose Use is Limited, and Other Financial Instruments (continued)

Valuation Methodologies

Investments and assets whose use is limited are valued at fair value based on quoted market prices in active markets for mutual funds and equities. Bonds are valued based on market data for the same or comparable securities.

Alternative investments are comprised of hedge and real estate funds. The Corporation has a policy which permits investments in alternative investments that do not have a readily determinable fair value, and as such, has elected to use NAV as calculated on the reporting entity's measurement date as the fair value of the investment. The Corporation measures the fair value of an investment that does not have a readily determinable fair value, based on the NAV of the investment as a practical expedient, without further adjustment, unless it is probable that the investment will be sold at a value significantly different than the NAV. If the practical expedient NAV is not as of the reporting entity's measurement date, then the NAV is adjusted to reflect any significant events that would materially affect the value of the security and the NAV of the Corporation as of the valuation date. In using the NAV as a practical expedient, certain attributes of the investment, that may impact the fair value of the investment, are not considered in measuring fair value. Attributes of those investments include the investment strategies of the investees and may also include, but are not limited to, restrictions on the investor's ability to redeem its investments at the measurement date at NAV as well as any unfunded commitments.

The following table presents a list of the Corporation's alternative investments as of June 30:

	2024 Net Asset Value	2023 Net Asset Value	Unfunded Commitments	Investment Strategy	Redemption Frequency and Notice Period
GPB Automotive Portfolio Class B	$ **342,315**	$ 343,219	N/A	(a)	Monthly with 15 days notice
Independent Access Partners, LLC	**1,514,725**	743,405	$ **702,398**	(b)	Quarterly with 45 days notice
	$ **1,857,040**	$ 1,086,624			

(a) Objective is to seek capital appreciation by focusing on brand and geographically diverse dealership assets located in attractive growth markets that are backed by stable manufacturers with a demonstrated commitment to their U.S. automotive presence.

(b) Objective is to provide consistent, absolute returns in a long/short equity strategy through a diversified portfolio, which may include investments in securities products and other derivatives.

Note 4 - Fair Value Measurements, Investments and Assets Whose Use is Limited, and Other Financial Instruments (continued)

Assets Whose Use is Limited

Assets whose use is limited consist of the following as of June 30:

	2024	2023
Donor restricted funds	$ 565,738	$ 1,168,182
Certificate of deposit	90,011	89,872
Letter of credit collateral	157,390	133,238
Escrow deposits	8,262,402	3,621,456
Trustee held funds		
Expansion 2023A	14,550,570	-
PAC 2023B	14,725,564	-
Entrance fee 2023C funds	20,608,004	-
Funded interest 2023ABC funds	3,192,965	-
Cost of issuance fund	(22,238)	-
Renewal and replacement fund	1,113,862	885,579
Debt service reserve funds	4,675,749	4,559,667
Interest funds	1,656,199	1,763,125
Bond principal funds	1,244,215	1,181,217
Construction fund	235	224
Maryland Department of Aging reserve requirements	3,803,753	3,207,368
	74,624,419	16,609,928
Current portion	(2,866,263)	(2,835,762)
	$ 71,758,156	$ 13,774,166

Maryland Department of Aging Reserve Requirements

The Maryland Department of Aging requires providers of continuing care to maintain certain operating reserves that equal 15% of the facility's net operating expenses, as defined by the state, relating to continuing care contracts. The reserves must be kept in reasonably liquid form in the judgment of the provider.

The reserves shall be computed as of the end of the provider's most recent fiscal year. A new provider shall have up to ten years from the date of its initial certificate of registration to meet this requirement by reserving a minimum of 10% per year, up to 100% by the tenth year. The Corporation will be required to have a full reserve (100%) in fiscal year 2026.

Note 4 - Fair Value Measurements, Investments and Assets Whose Use is Limited, and Other Financial Instruments (continued)

Maryland Department of Aging Reserve Requirements (continued)

The Corporation has fully funded the reserve, which is calculated as follows:

Operating expenses, June 30, 2024	$ 24,933,568
Less	
Depreciation	4,593,930
Interest	3,434,067
Net Operating Expenses	16,905,571
Current reserve requirement percentage	25.00 %
	4,226,393
90% increment	90.00 %
Statutory Minimum Liquid Reserves Requirement (Rounded)	$ 3,803,753

Beginning January 1, 2023, the reserve requirement will be equal to 25% of the facility's net operating expenses, as defined by the State, relating to continuing care contracts. The Corporation has and will continue to incrementally increase its actual reserve to fund the required increase in the reserve percentage. As of June 30, 2024, the Corporation expects the required reserve under the 25% requirement to be approximately $4,226,000. As a result, the Corporation plans to incrementally increase the reserve by approximately $211,000, each year, during fiscal years 2025 and 2026.

Note 5 - Property and Equipment

Property and equipment are as follows as of June 30:

	2024	2023
Land*	$ 11,600,000	$ 11,600,000
Land improvements	340,108	306,193
Buildings and building improvements	106,543,506	106,099,161
Furniture and equipment	9,317,078	9,106,634
Vehicles	228,894	228,894
Construction in progress*	6,527,499	3,703,261
	134,557,085	131,044,143
Accumulated depreciation	(36,434,283)	(31,840,352)
Property and Equipment, Net	$ 98,122,802	$ 99,203,791

*Not depreciated

Note 6 - Long-Term Debt

Long-term debt consists of the following as of June 30:

	2024	2023
Series 2014A The Mayor and Common Council of Westminster Tax-Exempt Project Revenue Bonds; maturing at various dates from July 1, 2024 to July 1, 2044; interest rates from 5.00% to 6.25%	$ 53,910,000	$ 55,090,000
Bond issue discount, net	(248,545)	(260,121)
Series 2023A The Mayor and Common Council of Westminster Project Revenue Bonds in the original amount of $38,450,000, placed with Fulton Bank, N.A., (Series 2023A Bonds); monthly interest payments at a variable rate of 80% of 30-day term SOFR multiplied by 1.75% (5.66% at June 30, 2024) are due and commencing February 1, 2028 varying monthly installments of principal are due through the maturity date of December 1, 2053	16,000,000	-

Note 6 - Long-Term Debt (continued)

	2024	2023
Series 2023B The Mayor and Common Council of Westminster Project Revenue Bonds in the original amount of $15,550,000, placed with Fulton Bank, N.A., (Series 2023B Bonds); monthly interest payments at a variable rate of 80% of 30-day term SOFR multiplied by 1.75% (5.66% at June 30, 2024) are due and commencing February 1, 2026 varying monthly installments of principal are due through the maturity date of December 1, 2053	$ 15,550,000	$ -
Series 2023C The Mayor and Common Council of Westminster Project Revenue Bonds in the original amount of $25,500,000, placed with Old National Bank (Series 2023C Bonds); monthly interest payments at a variable rate of 80% of daily simple SOFR multiplied by 1.75% (5.66% at June 30, 2024) are due through December 1, 2028 and principal payments in amounts equal to the amount on deposit in the entrance fee redemption account are due on each entrance fee redemption date as defined by the bond document, with the remaining balance due on the maturity date of December 28, 2028	22,500,000	-
Deferred financing costs, net	(2,948,200)	(1,870,588)
	104,763,255	52,959,291
Current portion	(1,240,000)	(1,180,000)
Total Long-Term Debt, Net	$ 103,523,255	$ 51,779,291

The 2014 Bonds and 2023 Bonds are collateralized by substantially all real and personal property and equipment and gross revenues of the Corporation.

Interest expense on long-term debt charged to operations totaled $3,434,067 and $3,496,692 for the years ended June 30, 2024 and 2023, respectively. The amortization of deferred financing costs, included in interest expense on the accompanying special-purpose statement of operations, totaled $121,467 and $124,035 for the years ended June 30, 2024 and 2023, respectively. The bond issue premium is being amortized over the life of the bonds, using the effective interest method, and is included in interest expense on the accompanying special-purpose statement of operations. The amortization of the bond issue discount totaled $11,576 and $12,631 for the years ended June 30, 2024 and 2023, respectively. Interest totaling $1,091,432 and $-0- was capitalized for the years ended June 30, 2024 and 2023, respectively, as a component of the cost of property and equipment constructed for its own use.

Note 6 - Long-Term Debt (continued)

The long-term debt, exclusive of bond issue discount and deferred financing costs, maturing in the next five years at June 30 are as follows:

2025	$ 1,240,000
2026	1,419,874
2027	1,671,841
2028	2,101,856
2029	2,705,806

Note 7 - Derivative Contracts

The Corporation entered into an interest rate swap contract as of December 28, 2023, with Fulton Bank, N.A., with a maturity date of May 1, 2026, with a notional value of $16,000,000 at June 30, 2024, to hedge its exposure of interest rate fluctuation on its variable interest rate debt. The swap contract requires the Corporation to make or receive payment based on the difference between the fixed rate of 3.22% and the floating rate of 80% of USD-SOFR CME Term, which is amortized monthly through May 1, 2026, consistent with the terms of the Corporation's long-term debt. In accordance with ASC Topic 815, the Corporation recorded a derivative asset of $163,542 as of June 30, 2024, which is included in interest rate swap asset on the special-purpose balance sheet. The asset represents the present value of the increase in interest over the remaining term of the long-term debt as valued by the financial institution. The Corporation recognized a corresponding change to unrealized gain on interest rate swap on the special-purpose statement of operations.

The Corporation entered into an interest rate swap contract as of December 28, 2023, with Fulton Bank, N.A., with an effective date of May 1, 2026 and maturity date of December 28, 2033, with a notional value of $38,450,000 at June 30, 2024, to hedge its exposure of interest rate fluctuation on its variable interest rate debt. The swap contract requires the Corporation to make or receive payment based on the difference between the fixed rate of 2.88% and the floating rate of 80% of USD-SOFR CME Term, which is amortized monthly through December 28, 2033, consistent with the terms of the Corporation's long-term debt. In accordance with ASC Topic 815, the Corporation recorded a derivative asset of $149,832 as of June 30, 2024, which is included in interest rate swap asset on the special-purpose balance sheet. The asset represents the present value of the increase in interest over the remaining term of the long-term debt as valued by the financial institution. The Corporation recognized a corresponding change to unrealized gain on interest rate swap on the special-purpose statement of operations.

The Corporation entered into an interest rate swap contract as of December 28, 2023, with Fulton Bank, N.A., with a maturity date of December 28, 2033, with a notional value of $15,550,000 at June 30, 2024, to hedge its exposure of interest rate fluctuation on its variable interest rate debt. The swap contract requires the Corporation to make or receive payment based on the difference between the fixed rate of 3.03% and the floating rate of 80% of USD-SOFR CME Term, which is amortized monthly through December 28, 2033, consistent with the terms of the Corporation's long-term debt. In accordance with ASC Topic 815, the Corporation recorded a derivative asset of $100,173 as of June 30, 2024, which is included in interest rate swap asset on the special-purpose balance sheet. The asset represents the present value of the increase in interest over the remaining term of the long-term debt as valued by the financial institution. The Corporation recognized a corresponding change to unrealized gain on interest rate swap on the special-purpose statement of operations.

Note 7 - Derivative Contracts (continued)

The Corporation entered into an interest rate swap contract as of December 28, 2023, with Old National Bank, with a maturity date of December 22, 2025, with a notional value of $22,500,000 at June 30, 2024, to hedge its exposure of interest rate fluctuation on its variable interest rate debt. The swap contract requires the Corporation to make or receive payment based on the difference between the fixed rate of 3.45% and the floating rate of 80% of USD-SOFR, which is amortized monthly through December 22, 2025, consistent with the terms of the Corporation's long-term debt. In accordance with ASC Topic 815, the Corporation recorded a derivative asset of $116,231 as of June 30, 2024, which is included in interest rate swap asset on the special-purpose balance sheet. The asset represents the present value of the increase in interest over the remaining term of the long-term debt as valued by the financial institution. The Corporation recognized a corresponding change to unrealized gain on interest rate swap on the special-purpose statement of operations.

Derivative financial instruments are subject to various risks similar to non-derivative financial instruments, including market, credit, and liquidity. Risks may arise from unanticipated movements in interest rates or the ability of the counterparty to meet its obligations under the swap contract due to the occurrence of a credit event.

Note 8 - Related Party Transactions

During the years ended June 30, 2024 and 2023, the Corporation made parent equity transfers to LSMMD in the amount of $-0- and $5,079,641. The transfers were in accordance with the Acquisition, Affiliation, and Subsidiary Assessment Policy between LSMMD, CLV, and the Corporation.

The due from related parties or due to related parties primarily relate to amounts due to or from the Corporation from LSMMD and/or CLV, have no stated repayment terms and are expected to be repaid in the current operating cycle and thus is classified as current.

During 2024 and 2023, the Corporation had paid a management fee to LSMMD in the amount of approximately $2,398,000 and $2,275,000, respectively.

Note 9 - Net Assets With Donor Restrictions

Purpose restricted net assets represent unexpended contributions received for operating expenditures. Purpose restricted net assets totaled $198,726 and $833,758 at June 30, 2024 and 2023, respectively. Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes.

Held in perpetuity net assets are restricted to investment in perpetuity, the income which is available for resident assistance. Held in perpetuity net assets totaled $367,012 and $334,424 as of June 30, 2024 and 2023, respectively.

Note 10 - Retirement Plan

The Corporation participates in a retirement plan, known as the Thrift Plan for Employees of Lutheran Social Ministries of Maryland. During the years ended June 30, 2024 and 2023, the Corporation made contributions in an amount equal to 4% of employee earnings. Employer contributions related to the plan totaled approximately $110,000 and $87,000 for the years ended June 30, 2024 and 2023, respectively.

Note 11 - Expense by Nature and Function

The Corporation provides housing, healthcare and other related services to residents within its geographic location. The special-purpose financial statements report certain expense categories that are attributable to more than one program service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Expenses relating to providing these services as June 30 are approximately:

	2024			
	Program Service	General and Administrative	Fundraising	Total
Salaries and wages	$ 5,263,351	$ 724,548	$ -	$ 5,987,899
Payroll taxes and fringe benefits	913,325	70,760	-	984,085
Professional fees	1,512,180	27,448	-	1,539,628
Supplies	360,075	103,483	9,988	473,546
Building operations and maintenance	2,998,228	-	-	2,998,228
Food	1,244,690	-	-	1,244,690
Depreciation	3,676,118	917,812	-	4,593,930
Insurance	288,575	168	-	288,743
Interest	3,312,600	121,467	-	3,434,067
Provision for expected credit losses	29,031	-	-	29,031
Other operating	333,658	3,010,673	15,389	3,359,720
Total	$ 19,931,831	$ 4,976,359	$ 25,377	$ 24,933,567

Note 11 - Expense by Nature and Function (continued)

	2023			
	Program Service	General and Administrative	Fundraising	Total
Salaries and wages	$ 4,719,275	$ 566,767	$ -	$ 5,286,042
Payroll taxes and fringe benefits	799,022	65,604	-	864,626
Professional fees	1,429,567	105,087	-	1,534,654
Supplies	500,063	9,438	13,169	522,670
Building operations and maintenance	2,972,094	-	-	2,972,094
Food	1,180,610	-	-	1,180,610
Depreciation	3,659,708	878,796	-	4,538,504
Insurance	361,250	31,404	-	392,654
Interest	3,372,657	124,035	-	3,496,692
Other operating	399,712	2,875,889	7,890	3,283,491
Total	$ 19,393,958	$ 4,657,020	$ 21,059	$ 24,072,037

Note 12 - Benevolent Care

The Corporation participates in a moderate priced housing unit program (MIHU) to subsidize the monthly fee of certain residents based on their income. Total MIHU provided was approximately $79,000 and $107,000 for the years ended June 30, 2024 and 2023, respectively.

The Corporation extends charity care and other support to residents, who meet certain criteria under its benevolent care policy and are unable to pay for services, at all levels of care as needed and when appropriate without charge or at amounts less than its established rates. Because the Corporation does not pursue collection of amounts determined to be benevolent care, they are not reported as resident service revenues.

The Corporation maintains records to identify and monitor the level of charity care it provides. The costs associated with the charity care services provided are estimated by applying a cost-to-charge ratio to the amount of gross uncompensated charges for the residents receiving charity care. The level of charity care provided by the Corporation amounted to approximately $348,000 and $188,000 in 2024 and 2023, respectively, including costs related to the medical assistance program of approximately $89,000 and $80,000 in 2024 and 2023, respectively.

Note 13 - Concentrations of Credit Risk

Financial instruments, which subject the Corporation to concentrations of credit risk, consist primarily of cash and cash equivalents, short-term investments (such as certificates of deposit), and receivables.

Note 13 - Concentrations of Credit Risk (continued)

The Corporation typically maintains cash and cash equivalents in local banks, which at times may exceed the amounts insured by the Federal Deposit Insurance Corporation. The Corporation has not experienced any losses from maintaining cash accounts in excess of federally insured limits. Management believes that it is not subject to any significant credit risk on its cash accounts. Common stocks, mutual funds, corporate bonds, and alternative investments are uninsured.

The Corporation's investments are subject to fluctuations in the fair values of those investments.

The Corporation grants credit to its residents and other third-party payors, primarily Medicare, Medical Assistance and various commercial insurance companies. The Corporation maintains reserves for potential credit losses and such losses have historically been within management's expectations.

Note 14 - Medical Malpractice Claims Coverage

The Corporation maintains occurrence based professional liability coverage through a commercial insurance carrier. Management believes no incidents have occurred or will be asserted that will exceed the insurance coverage or will have a material adverse effect on the special-purpose financial statements.

Note 15 - Commitments and Contingencies

Senior Living Industry

The senior living services and healthcare industries are subject to numerous laws, regulations, and administrative directives of federal, state, and local governments and agencies. Compliance with these laws, regulations and administrative directives is subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for resident services previously billed. The Corporation is not aware of any material incidents of noncompliance; however, the possible future financial effects of this matter, if any, are not presently determinable.

Agreements Regarding Construction Projects

The Corporation has entered into several contracts for their Phase II construction project in aggregate amounts not to exceed $62,615,933. At June 30, 2024, $56,686,857 remained to be billed on these contracts.

Note 16 - Restatement

The 2023 special-purpose financial statements have been restated to correct a misstatement related to depreciation expense as previously reported. A prior period adjustment was recorded in the amount of $433,264 to decrease property and equipment, net in the special-purpose balance sheet and to increase depreciation expense in the special-purpose statement of operations as of and for the year ended June 30, 2023. The effect of the restatement was to decrease change in net assets without donor restrictions by $433,264 for the year ended June 30, 2023.

Note 17 - Reclassifications

Certain items in the 2023 special-purpose financial statements have been reclassified to conform to the 2024 special-purpose financial statement presentation. These changes did not affect net assets as of or for the year ended June 30, 2024.

Note 18 - Subsequent Events

The Corporation has evaluated subsequent events through October 17, 2024. This date is the date the special-purpose financial statements were available to be issued. No material events subsequent to June 30, 2024 were noted.

The Lutheran Village at MILLERS GRANT, Inc.
Balance Sheets

	Actual June 30, 2023	Proposed Plan June 30, 2024	Actual June 30, 2024	Proposed Plan June 30, 2025	Forecast June 30, 2026	Forecast June 30, 2027
Assets						
Current Assets:						
Cash & cash equivalents	$ 1,167,699	$ 2,114,876	$ 5,039,215	$ 5,190,391	$ 6,047,058	$ 6,228,470
Accounts receivable	244,052	256,092	364,039	261,966	688,680	718,650
Marketable securities	16,573,304	19,724,500	15,408,326	17,891,865	5,659,886	25,889,247
Current portion of assets whose use is limited or restricted	2,835,762	2,859,513	2,866,263	1,419,874	1,671,841	2,101,856
Prepaid expenses and inventory	126,225	130,012	76,319	78,609	80,967	83,396
Total current assets	$ 20,947,042	$ 25,084,992	$ 23,754,162	$ 24,842,705	$ 14,148,431	$ 35,021,618
Assets whose use is limited or restricted	13,774,166	14,234,049	71,758,156	55,484,579	33,927,540	27,647,909
Interest Rate Swap Asset			529,778	545,671	562,041	-
Property and equipment at cost	$ 131,044,143	$ 131,758,804	$ 134,557,085	$ 154,318,173	$ 196,616,381	$ 207,676,269
less accumulated depreciation	31,840,352	36,210,006	36,434,283	41,489,572	47,579,182	54,558,094
Net property and equipment	$ 99,203,791	$ 95,548,799	$ 98,122,802	$ 112,828,601	$ 149,037,199	$ 153,118,175
Total Assets	$ 133,924,999	$ 134,867,839	$ 194,164,898	$ 193,701,556	$ 197,675,212	$ 215,787,703

The Lutheran Village at MILLERS GRANT, Inc.
Balance Sheets

	Actual June 30, 2023	Proposed Plan June 30, 2024	Actual June 30, 2024	Proposed Plan June 30, 2025	Forecast June 30, 2026	Forecast June 30, 2027
Liabilities and Net Assets						
Current Liabilities:						
Accounts payable and accrued expenses	$ 516,971	$ 532,480	$ 759,713	$ 782,504	$ 1,933,737	$ 1,991,749
Accrued Interest	1,655,762	1,619,513	1,626,263	1,654,047	3,638,911	3,698,665
Entrance fee refunds	5,325,622	5,432,134	5,915,689	6,034,003	6,154,683	6,277,776
Due to related party	586,326	603,916	481,187	495,623	510,491	525,806
Current portion of long term debt	1,180,000	1,240,000	1,240,000	1,419,874	1,671,841	2,101,856
Total current liabilities	$ 9,264,681	$ 9,428,043	$ 10,022,852	$ 10,386,051	$ 13,909,662	$ 14,595,852
Other liabilities:						
Refundable advance fees	$ 71,226,717	$ 71,226,717	$ 71,106,434	$ 71,106,434	$ 71,106,434	$ 71,106,434
Deferred revenue from advance fees	18,222,345	19,007,557	18,651,655	19,201,892	19,872,507	37,753,703
Resident deposits	23,910	24,388	3,205,252	3,237,305	3,269,678	3,302,374
Long term debt	53,910,000	52,670,000	106,720,000	105,300,126	103,578,285	101,476,429
Long term debt bond issue discount	(260,121)	(245,161)	(248,545)	(233,585)	(207,913)	(183,110)
Reclassed Def'd Financing Net	(1,870,588)	(1,738,479)	(2,948,200)	(2,816,091)	(2,626,737)	(2,437,167)
Total other liabilities	$ 141,252,263	$ 140,945,022	$ 196,486,596	$ 195,796,081	$ 194,992,254	$ 211,018,663
Total Liabilities	$ 150,516,944	$ 150,373,065	$ 206,509,448	$ 206,182,131	$ 208,901,916	$ 225,614,515
Net Assets:						
Without donor restrictions	$ (17,760,127)	$ (17,895,261)	$ (12,910,288)	$ (14,208,642)	$ (14,148,738)	$ (13,967,370)
With donor restrictions	1,168,182	2,390,035	565,738	1,728,067	2,922,034	4,140,558
Temporarily restricted	*833,758*	*2,030,611*	*198,726*	*1,336,055*	*2,496,131*	*3,679,408*
Permanently restricted	*334,424*	*359,424*	*367,012*	*392,012*	*425,904*	*461,151*
Total Net Assets	$ (16,591,945)	$ (15,505,226)	$ (12,344,550)	$ (12,480,575)	$ (11,226,704)	$ (9,826,812)
Total Liabilities and Net Assets	$ 133,924,999	$ 134,867,839	$ 194,164,898	$ 193,701,557	$ 197,675,212	$ 215,787,703

The Lutheran Village at MILLERS GRANT, Inc.
Statements of Cash Flows
For the Years Ended June 30

	2023 Actual	2024 Proposed Plan	2024 Actual	2025 Proposed Plan	2026 Forecast	2027 Forecast
Operating Activities:						
Increase (decrease) in net assets	$ (3,906,435)	$ 653,455	$ 4,247,395	$ (136,025)	$ 1,253,871	$ 1,399,892
Adjustments to reconcile increase (decrease) in net assets by operating activities:						
Depreciation	4,538,504	4,802,918	4,593,930	5,055,289	6,089,610	6,978,912
Amortization of loan financing cost	124,035	132,109	121,467	132,109	189,354	189,570
Amortization of bond discount	12,631	14,960	11,576	14,960	25,672	24,803
Amortization of advance fees	(3,426,679)	(3,268,464)	(3,412,312)	(3,333,834)	(3,333,834)	(3,400,510)
Net realized and unrealized losses on investments & Swap	(735,031)	0	(1,636,624)	0	0	0
Change in allowance for uncollectible accounts	21,224	0	18,402	0	0	0
Decrease (increase) in accounts receivable	(1,092)	(12,040)	(138,389)	102,073	(426,714)	(29,970)
PPP loan forgiveness & Deferred Grant revenue	0	0	0	0	0	0
Decrease (increase) in entrance fee deposits	0	0	0	0	0	0
Decrease (increase) in prepaid expenses	(53,590)	(3,787)	49,906	(2,290)	(2,358)	(2,429)
Increase (decrease) in payables and accrued expenses	(324,079)	15,509	242,742	22,791	1,151,232	58,012
Increase (Decrease) in accrued interest	(28,126)	(36,250)	(29,499)	27,784	1,984,864	59,754
Increase (Decrease) in resident deposits	(49,828)	478	3,181,342	32,053	32,373	32,697
Contributions restricted for long term purpose	(37,638)	(25,000)	(32,588)	(25,000)	(33,892)	(35,247)
Other long term liabilities	0	0	0	0	0	0
Accrued interest, note payable, related party	0	0	0	0	0	0
Proceeds from non-refundable entrance fees, existing units	3,819,809	0	3,928,549	0	0	0
Net cash provided <used> by operating activities	$ (46,295)	$ 2,273,888	$ 11,145,897	$ 1,889,911	$ 6,930,178	$ 5,275,483
Investing Activities:						
Additions to property and equipment and construction in progress	$ (2,149,474)	$ (714,661)	$ (3,512,941)	$ (19,761,088)	$ (42,298,208)	$ (11,059,888)
Net Sale or (Purchase) of assets whose use is limited	3,733,657	(4,020,321)	2,277,744	(2,739,199)	(7,141,163)	(7,603,799)
Net cash provided <used> in investing activities	$ 1,584,183	$ (4,734,982)	$ (1,235,197)	$ (22,500,287)	$ (49,439,371)	$ (18,663,687)
Financing Activities:						
Repayment of debt	$ (1,125,000)	$ (1,180,000)	$ (1,180,000)	$ (1,240,000)	$ (23,919,874)	$ (1,671,841)
Proceeds from issuance of long-term debt			54,050,000		22,450,000	
Payments of debt issuance cost			(1,199,079)			
Proceeds from entrance fees, existing units	5,503,366	9,517,554	4,667,077	9,741,040	27,100,000	14,200,000
Proceeds from entrance fees, new units	0	0	0	0	0	0
(Decrease) increase in accrued interest	0	0	0	0	0	0
(Decrease) increase in refundable deposits	0	0	0	0	0	0
Increase (Decrease) in current due to related party	578,670	17,590	(105,139)	14,436	14,869	15,315
Refunds of entrance fees	(4,746,095)	(6,003,315)	(4,284,220)	(5,736,591)	(5,818,294)	(6,727,444)
Proceeds from restricted contributions	37,638	25,000	32,588	25,000	33,892	35,247
Net cash provided <used> in financing activities	$ 248,579	$ 2,376,829	$ 51,981,227	$ 2,803,885	$ 19,860,592	$ 5,851,277
Net Change in Cash, Cash Equivalents, and Restricted Cash and Cash Equivalents	$ 1,786,467	$ (84,264)	$ 61,891,927	$ (17,806,492)	$ (22,648,600)	$ (7,536,927)
Cash, Cash Equivalents, and Restricted Cash and Cash Equivelents - Beginning of Year	11,525,738	13,312,205	13,312,205	75,204,132	57,397,640	34,749,040
Cash, Cash Equivalents, and Restricted Cash and Cash Equivelents - End of Year	$ 13,312,205	$ 13,227,941	$ 75,204,132	$ 57,397,640	$ 34,749,040	$ 27,212,113

The Lutheran Village at MILLERS GRANT, Inc.
Calculations of Required Ratios

	Actual 6/30/2023	Proposed Plan 6/30/2024	Actual 6/30/2024	Proposed Plan 6/30/2025	Forecast 6/30/2026	Forecast 6/30/2027
DAYS CASH ON HAND						
Cash Accounts From Balance Sheet						
Cash and cash equivalents	$ 2,053,278	$ 2,114,876	$ 5,039,215	$ 5,190,391	$ 6,047,058	$ 6,228,470
Marketable Securities	16,796,414	19,724,500	15,655,727	17,891,865	5,659,886	25,889,247
Department of Aging Reserve	3,207,368	2,704,883	3,803,753	2,878,226	3,883,545	4,532,825
Interest Fund	-	-	-	1,654,047	3,638,911	3,698,665
Escrow Deposits	3,621,456	3,693,885	8,262,402	8,427,650	4,446,928	8,691,353
Aggregate legally available cash and securities	25,678,516	28,238,144	32,761,097	36,042,179	23,676,327	49,040,559
Operating Expenses for 12 months	23,638,773	25,312,987	24,933,567	26,584,753	34,880,013	36,695,545
Less: Depreciation and amortization	4,241,906	4,802,918	4,726,973	5,055,289	6,089,610	6,978,912
Total	19,396,867	20,510,069	20,206,594	21,529,464	28,790,403	29,716,633
Daily Cash Outflow	53,142.10	56,191.97	55,360.53	58,984.83	78,877.82	81,415.43
Days Cash on Hand	483.20	502.53	591.78	611.04	300.16	602.35
Required by Covenant	180.00	180.00	180.00	180.00	180.00	180.00
Following stabilization of new construction				150.00	150.00	150.00
DEBT SERVICE COVERAGE						
Change in Unrestricted Net Assets	1,489,300	(568,398)	4,849,839	(1,298,354)	59,903	181,368
Less: Amortization of entry fees	(3,426,679)	(3,268,464)	(3,412,312)	(3,333,834)	(3,333,834)	(3,400,510)
Plus: Entry fees received *(net new construction)*	9,323,175	9,401,922	8,595,626	9,741,040	7,739,535	11,060,465
Less: Refunds of entry fees	(4,746,095)	(5,682,055)	(4,284,220)	(5,736,591)	(5,818,294)	(6,727,444)
Less: Unrealized losses <gains>	(102,957)	-	(1,630,271)	-	-	-
Plus: Depreciation	4,105,240	4,802,918	4,593,930	5,055,289	6,089,610	6,978,912
Plus: Interest	3,496,692	3,386,094	3,434,067	3,308,094	7,277,821	7,397,329
Net cash available for debt service	10,138,676	8,072,017	12,146,659	7,735,644	12,014,742	15,490,120
Maximum Annual Debt Service (rounded)	4,541,875	4,541,875	4,541,875	4,541,875	4,541,875	8,965,554
Debt Service Coverage	2.23	1.78	2.67	1.70	2.65	1.73
Required Debt Service Coverage	1.20	1.20	1.20	1.20	1.20	1.20

The Lutheran Village at MILLERS GRANT, Inc.
STATEMENTS OF OPERATIONS
For the Years Ended June 30

	Actual 2023	Proposed Plan 2024	Actual 2024	Proposed Plan 2025	Forecast 2026	Forecast 2027
Revenues						
Independent Living Services	17,933,367	18,547,647	19,121,057	19,097,778	22,938,921	24,371,366
Assisted Living Services	2,196,989	2,463,446	2,104,848	2,349,864	2,932,631	3,049,936
Skilled Nursing Services	1,933,630	2,062,796	2,117,283	2,113,357	3,296,837	3,428,711
Memory Care Services					3,693,800	3,841,552
Other Income and Grants	1,042,881	956,500	1,311,885	1,115,400	1,148,862	1,183,328
Contributions	(2,346)	15,000	6,429	40,000	100,000	150,000
Investment Income (Net)	1,726,023	75,500	2,248,381	275,000	500,000	510,000
Net assets released from restriction	194,572	623,700	1,243,252	295,000	328,866	342,020
Total Revenues	$ 25,025,116	$ 24,744,589	$ 28,153,135	$ 25,286,399	$ 34,939,917	$ 36,876,913
Expenses						
General and administrative	$ 3,195,718	$ 3,610,848	$ 3,493,045	$ 3,942,277	$ 4,208,044	$ 4,365,846
Dietary Services	3,361,315	3,728,014	3,654,063	3,998,848	4,310,899	4,472,558
Nursing services and resident care	3,441,225	3,277,382	3,519,494	3,446,858	4,973,385	5,159,887
Plant	4,099,061	4,165,916	4,167,296	4,170,750	5,371,186	5,572,605
Housekeeping and laundry	446,416	507,950	518,665	574,223	653,894	678,415
Marketing and development	754,306	1,071,877	790,667	1,298,277	1,046,962	1,086,223
General services	738,800	761,988	762,340	790,137	948,212	983,770
Interest	3,496,692	3,386,094	3,434,067	3,308,094	7,277,821	7,397,329
Depreciation and amortization	4,538,504	4,802,918	4,593,930	5,055,289	6,089,610	6,978,912
Total Expenses	$ 24,072,037	$ 25,312,987	$ 24,933,567	$ 26,584,753	$ 34,880,013	$ 36,695,545
Excess (deficiency) of revenue over expenses	**$ 953,079**	**$ (568,398)**	**$ 3,219,568**	**$ (1,298,354)**	**$ 59,903**	**$ 181,368**
Net Unrealized losses on Investments & Interest Rate	102,957	-	1,630,271	-	-	-
Related Party Tranfer of net assets						
Realized losses	-	-	-	-	-	-
PPP, Grant activity	-		-			
Change in unrestricted net assets (deficits)	$ 1,056,036	$ (568,398)	$ 4,849,839	$ (1,298,354)	$ 59,903	$ 181,368
Temporarily Restricted						
Contributions	$ 107,997	$ 623,700	$ 316,217	$ 295,000	$ 328,866	$ 342,020
Investment Income 5% spending allowance	$ 166,107	$ 1,196,853	$ 292,003	$ 1,137,329	$ 1,160,076	$ 1,183,277
Assets released from restriction	$ (194,572)	$ (623,700)	$ (1,243,252)	$ (295,000)	$ (328,866)	$ (342,020)
Change in temporarily restricted net assets (deficits)	$ 79,532	$ 1,196,853	$ (635,032)	$ 1,137,329	$ 1,160,076	$ 1,183,277
Permanently Restricted						
Contributions	$ 37,638	$ 25,000	$ 32,588	$ 25,000	$ 33,892	$ 35,247
Increase (decrease) in net assets	**$ 1,173,206**	**$ 653,455**	**$ 4,247,395**	**$ (136,025)**	**$ 1,253,871**	**$ 1,399,892**

50% Refundable Rate Schedule - New Prospects

APARTMENTS

Unit Description	Bedroom/Bath	Square Feet	Starting 50% Refundable Single Entry Fee (Effective 7/1/2020; Monthly fee - 5% for all units until July 1, 2021)	Single Monthly Fee (Effective 7/1/2020)	Starting 50% Refundable Single Entry Fee (Effective 7/1/2021; Monthly fee & EF - 4% for all units)	Single Monthly Fee (Effective 7/1/2021)	Starting 50% Refundable Single Entry Fee (Effective 7/1/2022; Monthly fee & EF - 5.5% for all units)	Single Monthly Fee (Effective 7/1/2022)	Starting 50% Refundable Single Entry Fee (Effective 7/1/2023; Monthly fee & EF- 7.0% for all units)	Single Monthly Fee (Effective 7/1/2023)	Starting 50% Refundable Single Entry Fee (Effective 7/1/2024; Monthly fee & EF- 4.0% for all units)	Single Monthly Fee (Effective 7/1/2024)
Oakland	1 Br/1 Ba	825	226,036	3,319	235,077	3,451	248,006	3,640	265,366	3,894	275,980	4,049
Oakland II	1 Br/1 Ba/Sunroom	1042	283,099	3,625	294,422	3,770	310,615	3,977	332,358	4,255	345,652	4,425
Snowden	1 Br/1.5 Ba/Den	918	300,254	3,755	312,264	3,905	329,438	4,119	352,498	4,407	366,597	4,583
Dayton	2 Br/2 Ba	1193	364,319	4,498	378,891	4,677	399,730	4,934	427,711	5,279	444,819	5,490
Dayton II, III & V	2 Br/2 Ba	1,193 & 1,210	364,319	4,498	378,891	4,677	399,730	4,934	427,711	5,279	444,819	5,490
Dayton IV**	2 Br/2 Ba	1243	369,336	4,498	384,109	4,677	405,234	4,934	433,600	5,279	450,944	5,490
Highland	2 Br/2 Ba/Den	1692	488,480	5,367	508,019	5,581	535,960	5,887	573,477	6,299	596,416	6,550
Clark	2 Br/2 Ba/Den	1488	435,852	4,879	453,286	5,074	478,216	5,353	511,691	5,727	532,158	5,956
Clark II	2 Br/2 Ba/Den	1618	470,976	5,279	489,815	5,490	516,754	5,791	552,926	6,196	575,043	6,443
Glenwood	2 Br/2 Ba/Den	1738	486,030	5,306	505,471	5,518	533,271	5,821	570,599	6,228	593,422	6,477
Second Person Fees			**24,693**	**909**	**25,681**	**945**	**27,093**	**996**	**28,989**	**1,065**	**30,148**	**1,107**

**One unit 2nd, 3rd & 4th floor

Unit Description	Bedroom/Bath	Square Feet	Starting 50% Refundable Single Entry Fee	Single Monthly Fee	Starting 50% Refundable Single Entry Fee	Single Monthly Fee	Starting 50% Refundable Single Entry Fee	Single Monthly Fee	Starting 50% Refundable Single Entry Fee	Single Monthly Fee	Starting 50% Refundable Single Entry Fee	Single Monthly Fee
Woodstock (Duplex)	2 Br/2 Ba/Den	1670	564,294	4,962	586,865	5,160	619,142	5,443	662,481	5,824	688,980	6,056
Woodstock (Single)	2 Br/2 Ba/Den	1666	571,855	4,962	594,729	5,160	627,439	5,443	671,359	5,824	698,213	6,056
Elkridge	2 Br/2 Ba/Den	1768	579,499	5,072	602,678	5,274	635,825	5,564	680,332	5,953	707,545	6,191
Elkridge (Unfinished Basement)	2 Br/2 Ba/Den	1813	636,904	5,072	662,380	5,274	698,810	5,564	747,726	5,953	777,635	6,191
Ridge Home	2 Br/2 Ba/Den	1768	596,655	5,072	620,521	5,274	654,649	5,564	700,474	5,953	728,492	6,191
Ridge Home (Unfinished Basement)	2 Br/2 Ba/Den	1813	654,060	5,072	680,222	5,274	717,634	5,564	767,868	5,953	798,582	6,191
Second Person Fees			**24,693**	**909**	**25,681**	**945**	**27,093**	**996**	**28,989**	**1,065**	**30,148**	**1,107**

90% Refundable Rate Schedule - New Prospects

APARTMENTS

			Monthly fee - 5% for all units until July 1, 2021		Monthly fee & EF - 4% for all units		Monthly fee & EF - 5.5% for all units		Monthly fee & EF- 7.0% for all units		Monthly fee & EF- 4.0% for all units	
			Effective 7/1/2020		**Effective 7/1/2021**		**Effective 7/1/2022**		**Effective 7/1/2023**		**Effective 7/1/2024**	
Unit Description	**Bedroom/Bath**	**Square Feet**	**Starting 90% Refundable Single Entry Fee**	**Single Monthly Fee**	**Starting 90% Refundable Single Entry Fee**	**Single Monthly Fee**	**Starting 90% Refundable Single Entry Fee**	**Single Monthly Fee**	**Starting 90% Refundable Single Entry Fee**	**Single Monthly Fee**	**Starting 90% Refundable Single Entry Fee**	**Single Monthly Fee**
Oakland	1 Br/1 Ba	825	316,450	3,319	329,108	3,451	347,208	3,640	371,512	3,894	386,372	4,049
Oakland II	1 Br/1 Ba/Sunroom	1042	396,338	3,625	412,191	3,770	434,861	3,977	465,301	4,255	483,913	4,425
Snowden	1 Br/1.5 Ba/Den	918	420,355	3,755	437,169	3,905	461,213	4,119	493,497	4,407	513,236	4,583
Dayton	2 Br/2 Ba	1193	510,046	4,498	530,447	4,677	559,621	4,934	598,794	5,279	622,745	5,490
Dayton II, III & V	2 Br/2 Ba	1,193 & 1,210	510,046	4,498	530,447	4,677	559,621	4,934	598,794	5,279	622,745	5,490
Dayton IV**	2 Br/2 Ba	1243	517,071	4,498	537,753	4,677	567,329	4,934	607,042	5,279	631,323	5,490
Highland	2 Br/2 Ba/Den	1692	683,872	5,367	711,226	5,581	750,343	5,887	802,867	6,299	834,981	6,550
Clark	2 Br/2 Ba/Den	1488	610,193	4,879	634,600	5,074	669,503	5,353	716,368	5,727	745,022	5,956
Clark II	2 Br/2 Ba/Den	1618	659,367	5,279	685,741	5,490	723,456	5,791	774,097	6,196	805,060	6,443
Glenwood	2 Br/2 Ba/Den	1738	680,442	5,306	707,659	5,518	746,580	5,821	798,840	6,228	830,793	6,477
Second Person Fees			**24,693**	**909**	**25,681**	**945**	**27,093**	**996**	**28,989**	**1,065**	**30,148**	**1,107**

**One unit 2nd, 3rd & 4th floor

HOMES

Unit Description	Bedroom/Bath	Square Feet	**Starting 90% Refundable Single Entry Fee**	**Single Monthly**	**Starting 90% Refundable Single Entry Fee**	**Single Monthly**	**Refundable Single Entry Fee**	**Single Monthly**	**Refundable Single Entry**	**Single Monthly**	**Refundable Single Entry Fee**	**Single Monthly**
Woodstock (Duplex)	2 Br/2 Ba/Den	1670	761,797	4,962	792,268	5,160	835,842	5,443	894,350	5,824	930,124	6,056
Woodstock (Single)	2 Br/2 Ba/Den	1666	772,005	4,962	802,885	5,160	847,043	5,443	906,336	5,824	942,589	6,056
Elkridge	2 Br/2 Ba/Den	1768	782,324	5,072	813,616	5,274	858,364	5,564	918,449	5,953	955,186	6,191
Elkridge (Unfinished Basement)	2 Br/2 Ba/Den	1813	859,820	5,072	894,212	5,274	943,393	5,564	998,430	5,953	1,038,367	6,191
Ridge Home	2 Br/2 Ba/Den	1768	805,484	5,072	837,703	5,274	883,776	5,564	945,640	5,953	983,465	6,191
Ridge Home (Unfinished Basement)	2 Br/2 Ba/Den	1813	882,981	5,072	918,300	5,274	968,806	5,564	998,430	5,953	1,038,367	6,191
Second Person Fees			**24,693**	**909**	**25,681**	**945**	**27,093**	**996**	**28,989**	**1,065**	**30,148**	**1,107**

Non-Refundable Rate Schedule - New Prospects

APARTMENTS

			Monthly fee - 5% for all units until July 1, 2021		Monthly fee & EF - 4% for all units		Monthly fee & EF - 5.5% for all units		Monthly fee- 7.0% for all units		Monthly fee & EF- 4.0% for all units	
			Effective 7/1/2020		**Effective 7/1/2021**		**Effective 7/1/2022**		**Effective 7/1/2023**		**Effective 7/1/2024**	
Unit Description	Bedroom/Bath	Square Feet	**Starting Non-Refundable Single Entry Fee**	**Single Monthly Fee**	**Starting Non-Refundable Single Entry Fee**	**Single Monthly Fee**	**Starting Non-Refundable Single Entry Fee**	**Single Monthly Fee**	**Starting Non-Refundable Single Entry Fee**	**Single Monthly Fee**	**Starting Non-Refundable Single Entry Fee**	**Single Monthly Fee**
Oakland	1 Br/1 Ba	825	192,130	3,319	199,815	3,451	210,804	3,640	225,560	3,894	234,582	4,049
Oakland II	1 Br/1 Ba/Sunroom	1042	240,634	3,625	250,259	3,770	264,023	3,977	282,504	4,255	293,804	4,425
Snowden	1 Br/1.5 Ba/Den	918	255,216	3,755	265,424	3,905	280,022	4,119	299,623	4,407	311,607	4,583
Dayton	2 Br/2 Ba	1193	309,671	4,498	322,057	4,677	339,770	4,934	363,553	5,279	378,095	5,490
Dayton II, III & V	2 Br/2 Ba	1,193 & 1,210	309,671	4,498	322,057	4,677	339,770	4,934	363,553	5,279	378,095	5,490
Dayton IV**	2 Br/2 Ba	1243	313,936	4,498	326,493	4,677	344,450	4,934	368,561	5,279	383,303	5,490
Highland	2 Br/2 Ba/Den	1692	415,208	5,367	431,816	5,581	455,565	5,887	487,454	6,299	506,952	6,550
Clark	2 Br/2 Ba/Den	1488	370,474	4,879	385,292	5,074	406,483	5,353	434,936	5,727	452,333	5,956
Clark II	2 Br/2 Ba/Den	1618	400,330	5,279	416,343	5,490	439,241	5,791	469,987	6,196	488,786	6,443
Glenwood	2 Br/2 Ba/Den	1738	413,126	5,306	429,651	5,518	453,281	5,821	485,010	6,228	504,410	6,477
Second Person Fees			**24,693**	**909**	**25,681**	**945**	**27,093**	**996**	**28,989**	**1,065**	**30,148**	**1,107**

**One unit 2nd, 3rd & 4th floor

HOMES

Unit Description	Bedroom/Bath	Square Feet	**Starting Non-Refundable Single Entry Fee**	**Single Monthly Fee**	**Starting Non-Refundable Single Entry Fee**	**Single Monthly Fee**	**Starting Non-Refundable Single Entry Fee**	**Single Monthly Fee**	**Starting Non-Refundable Single Entry Fee**	**Single Monthly Fee**	**Starting Non-Refundable Single Entry Fee**	**Single Monthly Fee**
Woodstock (Duplex)	2 Br/2 Ba/Den	1670	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Woodstock (Single)	2 Br/2 Ba/Den	1666	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Elkridge	2 Br/2 Ba/Den	1768	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Elkridge (Unfinished Basement)	2 Br/2 Ba/Den	1813	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Second Person Fees			**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

Fee Structure—Current and Historical; Health Care Center

Per Diem Rates

Effective Date	Minimum Level of Care	Intermediate Level of Care	Heavy Level of Care
July 1, 2024 Semi-Private	$452.75	$519.50	$570.25
July 1, 2024 Private	$501.75	$568.50	$619.25
July 1, 2023 • Semi-Private	$435.50	$499.75	$548.50
July 1, 2023 • Private	$482.50	$546.75	$595.50
July 1, 2022 • Semi-Private	$416.75	$478.25	$525.00
July 1, 2022 • Private	$463.75	$525.25	$572.00
July 1, 2021 • Semi-Private	400.75	460.00	505.00
July 1, 2021 • Private	451.50	511.25	556.25
July 1, 2020 • Semi-Private	379.50	436.25	478.75
July 1, 2020 • Private	426.50	483.25	525.75

Note: Bed hold is $5 less than the minimum care rate in both a private and semi-private room.

Fee Structure—Current and Historical; Assisted Living

Per Diem Rates

Effective Date	Minimum Level of Care	Intermediate Level of Care	Heavy Level of Care
July 1, 2024	$344.50	$364.50	$388.25
July 1, 2023	$331.25	$350.50	$373.50
July 1, 2022	$317.00	$335.50	$357.50
July 1, 2021	$305.00	$322.75	$343.75
July 1, 2020	$289.50	$306.00	$326.00

Note: Above rates are for standard studio. There is a differential of $15-$25.25 for standard or deluxe suites for all levels of care. Double occupant with no care assistance (2024, 2023, 2022, 2021, 2020) - $139.50, $134.25, $128.50, $123.75, $117.25.

Direct Admit Community Entrance Fee of $55,000 per person effective July 1, 2024