

**Carroll Lutheran Village, Inc.
Disclosure Statement**

October 2023

The issuance of a certificate of registration does not constitute approval, recommendation, or endorsement of Carroll Lutheran Village, Inc. by the Maryland Department of Aging.

The issuance of a certificate of registration is neither evidence of, nor does it attest to, the accuracy or completeness of the information set out in the Disclosure Statement.

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Description of Carroll Lutheran Village, Inc.

Carroll Lutheran Village, Inc. (also hereafter referred to as “the Village”) welcomed its first residents in 1980 as a faith-based, non-profit organization that was created to provide services, programs and care to adults aged 60 and older. Today the Village is a, fee- for-service continuing care retirement community, situated on about 100 acres overlooking the Wakefield Valley just west of the City of Westminster. All campus buildings and the land they are situated on are wholly owned by Carroll Lutheran Village, Inc.

The Village is home to approximately 600 residents across three levels of care: Residential Living, Assisted Living, and Skilled Nursing. Residential living offers 291 apartments and 100 individual homes, duplexes and fourplexes for those seniors able to live independently. Residents are encouraged to pursue individual interests and recreations in a stimulating environment. A wide variety of amenities is offered, including a robust activities program, both on and off campus; fitness programming with personal trainers, a full equipped gym and pool; numerous dining venues for relaxed or more formal dining; and transportation to shopping locations and medical providers.

Diven House offers licensed assisted living care in 50 private suites of varying sizes to accommodate couples as well as individuals. A structured activities program and ongoing service plan reviews help ensure that resident care is individualized, and that appropriate assistance is provided with regard to activities of daily living.

While, the Health Care Center offers 103 beds licensed to provide skilled nursing services for short term rehabilitative care, as well as for long term care placement, the facility is operating at an 80 bed capacity. Physical, occupational and speech therapies are available. Good Shepherd Way is a secure wing located in the Health Care Center, offering long term care services to residents diagnosed with Alzheimer’s disease and other related dementias. Unit staff receive enhanced training, and activities are designed to better meet the special needs of dementia residents. Residents of the Village have priority access to Diven House and the Health Care Center, but seniors in the greater community are also welcome.

The Village’s focus on resident wellness guides the development and delivery of our programs and services. Our holistic approach is intended to help residents achieve personal growth and harmony in mind, body and spirit. For example, with the Vitalize 360 program, residents meet with a Health and Wellness coach to discuss their interests and skills, as well as what brings them joy and meaning in their everyday lives. The coach assists the resident in designing a plan to help them achieve personal goals, and the plan can include physical activities, social and leisure engagements, spiritual pursuits and volunteerism. Over 300 residents participate in our wellness programs and events, and approximately 230 residents regularly use our gym, pool or attend our fitness activities.

Carroll Lutheran Village is known for our strong legacy of service. Volunteers are a vital part of our ministry of caring, and they play an integral role in our operation. We are fortunate to

have several hundred volunteers, both residents and members of the wider community, who willingly and consistently donate their times and talents to serve in a variety of ways.

And, while the Village serves in the Lutheran tradition, people of all faiths are welcome and embraced. The Chaplaincy program works to meet the spiritual and pastoral needs of residents individually and through weekly ecumenical services. Other communities of faith are also encouraged to host services on the Village campus, including Jewish, Catholic, and other Protestant denominations.

The Village is actively involved in LeadingAge, a national organization focusing on education, advocacy and applied research in the field of aging, and its local affiliate LeadingAge Maryland.

Entity Information & Tax Exempt Status

Entity Name: Carroll Lutheran Village, Inc.
Entity Address: 300 St. Luke Circle, Westminster, MD 21158
State of Incorporation: Maryland
Registered Agent: Jeff Branch, President and Chief Executive Officer
Tax Status: 501(c)3

Governing Body

Appointment of Trustees

Members of the Carroll Lutheran Village, Inc. corporation are appointed by the members of the Lutheran Social Ministries of Maryland (LSMMD) board of trustees. In turn, the LSMMD Board is elected by the 26 participating congregations of the Westminster Conference of the Delaware-Maryland Synod of the Evangelical Lutheran Church in America (ELCA). The LSMMD corporation meets annually in September, at which time the corporation members elect trustees to the governing board of LSMMD. Additional meetings of the corporation may be held whenever necessary.

The Board of Trustees (also hereafter referred to as “the Board”) of Carroll Lutheran Village consists of nine to twelve members. All trustees are appointed, a majority of whom are active members of the participating congregations and includes at least two pastors actively serving one of the congregations. One but no more than three of the elected trustees shall be residents of the Village.

A Trustee may serve for two consecutive full or partial three year terms, and may be eligible for re-election two years following the completion of their term.

Meetings and Disclosures

The Board of Trustees of Carroll Lutheran Village meets at least four times a year. A Chair, Vice Chair, Treasurer, and Secretary comprise the Executive Committee. While these officers

hold key positions of responsibility in overseeing the functioning of the Board and in reporting to the Board of LSMMD, the entire Board of Trustees is ultimately responsible for the services offered at Carroll Lutheran Village, Inc.

Carroll Lutheran Village fully complies with §10-426 and 10-427 of the Human Services Article of the Annotated Code of Maryland. An authorized officer of the Village 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 the Village attends meetings of the Residents Association to give reports and address issues.

There are currently no matters of disclosure that would be reportable under Title 10-425(6) of the Human Services Article.

Board Minutes

The Board is required by the Human Services Article section 10-427 (C) to make non-confidential portions of the minutes of its meetings available to residents within one month of the approval of the minutes by the Board.

See Exhibit B, List of Board of Trustees

See Exhibit L, Meetings Held With Subscribers

Residents Association Council

Residents organize, operate and participate fully in a Residents Association in all levels of care. Carroll Lutheran Village, Inc. makes available areas for private meetings. The objective of the Association is to function as a liaison between the residents and the administration, and to promote programs that help ensure resident quality of life.

Affiliations

Evangelical Lutheran Church in America

Carroll Lutheran Village, Inc. is affiliated with the Evangelical Lutheran Church in America, which has no responsibility for the financial and contractual obligations of the Village.

Lutheran Social Ministries of Maryland

The Lutheran Village at Miller's Grant (LVMG) was a wholly owned subsidiary of Carroll Lutheran Village, Inc. until October 2018 when the corporation restructured. Carroll Lutheran Village and the Lutheran Village at Miller's Grant are now sister organizations under a new parent organization, the Lutheran Social Ministries of Maryland (LSMMD). Lutheran Social Ministries of Maryland is an Internal Revenue Service 501.c.3 not-for-profit designated organization. Carroll Lutheran Village and The Lutheran Village at Millers Grant each retain a separate Board of Trustees and budgets. Additionally, both communities are assessed a Management Services Fee from the parent organization for overall management and supporting services

Operating Reserves

Carroll Lutheran Village, Inc. is in full compliance with the operating reserve requirements as defined and described by the Maryland Annotated Code, Title 10 (420-421) of the Human Services Article. By statute, the required reserve will increase on January 1, 2023 from 15% of net operating expenses to 25% of net operating expenses. Beginning with its 2013 fiscal year, the Village started incrementally reserving a portion of the 25% requirement. The incremental portion will be funded annually until the reserve is fully funded at the 25% level by January 1, 2023. As of June 30, 2023, the Village has fully funded the reserve to \$5,029,035 which meets the 25% of net operating expenses requirement.

See Exhibit G (1) Certified Financial Statements for the year-end 2023, note 4, page 22-23

The Village'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 achieved not only through an allocation of assets among various financial instruments, but also among various fund managers. The reserve fund investments are reviewed by the Village management and the Finance Committee of the Board and its subcommittee the Investment Committee on at least a quarterly basis, and by its independent auditing, certified public accounting firm and Board of Trustees on an annual basis.

Financial Arrangements to Address Renewal and Replacement of Buildings and Improvements

Carroll Lutheran Village, Inc. maintains a distinct reserve for the purpose of providing funds for renewal and replacement of buildings and improvements that may arise outside of the normal, annual capital budget. The funds are a Board designated portion of Assets whose use is limited. Note 4 on page 22 of the audited financial statements for June 30, 2023 states that the "Capital improvement and depreciation fund" reserve accounts for \$4,729,339 of assets whose use is limited.

In addition to the reserve, Carroll Lutheran Village, Inc. prepares detailed capital spending plans for the current and future five fiscal years. The budgets are incorporated into the projected cash flow analysis and the required funds are typically provided through the course of normal, annual operations. To the extent that required capital spending is not provided through operations, Carroll Lutheran Village, Inc. may elect to draw funds from the Capital improvement and depreciation fund or secure short term borrowing that would be allowable under the existing debt structure.

Long Term Financing & Expansion

As of June, 30,2023 Carroll Lutheran Village had \$ 50,665,746 of outstanding long-term debt.
See Exhibit G (1) Certified Financial Statements for the year-end 2023.

As of September 9th, 2022, the Village refinanced its outstanding 2014 bond debt via a Cinderella financing, which will immediately establish debt service savings. The Village's Series 2022B bonds were issued in the amount of \$41,342,510. While the Series 2022A bonds issued new funds of \$10,000,000 for renovation of one of the original apartment buildings on campus. The final terms of the 2022A bonds offers a flexible prepayment structure. The refinancing will increase debt capacity for future project financing.

The final terms of the financing included a 4.25% taxable interest rate (Cinderella) for two years then replaced by a 3.36% tax exempt financing, 20-year amortization, and a 12-year term. The financing agreement offers no covenant testing for two years. The blended cost of capital for the 51.34mm loan is 3.54%.

Fee Structure - Current & Historical

A description of fees, including entrance fees, monthly service fees, Health Care Center fees (Skilled Nursing), and other periodic fees collected by Carroll Lutheran Village, Inc. from residents is included in this Disclosure Statement under Exhibit I. The amount and frequency of the fee changes for the current fiscal year and for each of the previous 5 years is also included. Carroll Lutheran Village, Inc. reserves the right to change current fees after issuing 45 days' notice except for in the health care center where 60 days' notice is given.

Carroll Lutheran Village, Inc. offers three new entrance fee plans effective May 2020:

The Declining Balance entrance fee plan is non-refundable after 5 years of occupancy and partially refundable if occupancy in residential living is terminated at any time during the first 5 years. In the first year of occupancy Carroll Lutheran Village will retain 10% of the entrance fee as of the ninetieth day (90th) from date of occupancy. If occupancy is less than 90 days, the 10% is pro-rated on a daily basis from date of occupancy. In addition, refund declines (1.5%) per month for each the first 60 months of occupancy until 0% refund remains.

The second entrance fee plan is a 50% refundable plan. Carroll Lutheran Village will retain (10%) of the entrance fee as of the ninetieth day (90th) from date of occupancy. If occupancy is less than 90 days, the 10% is pro-rated on a daily basis from date of occupancy. In addition, refund declines 2.5% per month for each of the first 24 months of occupancy until 50% refund remains.

The third entrance fee plan is a 90% refundable. Carroll Lutheran Village will retain (10%) of

the entrance fee as of the ninetieth day (90th) from date of occupancy. If occupancy is less than 90 days, the 10% is pro-rated on a daily basis from date of occupancy. The remaining 90% of the entrance fee will be refunded upon contract termination.

Entrance fee refunds are paid when resident permanently leaves the community. Entrance fee refunds are paid from proceeds received when a unit is re-occupied. Further, re-occupancy and full receipt of a new entrance fee are contractual prerequisites for disbursing an entrance fee refund. Once a resident takes occupancy of a residential living unit, the Village does not maintain any portion of the entrance fee in trust or escrow arrangement for the benefit of the resident. Carefully read the Residential Living Residency Agreement for the conditions that must be satisfied before the Village is required to pay the entrance fee refund.

See Exhibit I, Fee Structure Current and Historical, Health Care Center

See Exhibit I, Fee Structure Current and Historical, Assisted Living

See Exhibit I, Fee Structure Current and Historical, Residential Living

Summary of Services

The monthly service fee for Residential Living residents includes:

- Administrative costs for general operation of the Village
- Maintenance of buildings, appliances, and grounds
- Insurance on buildings and appliances
- Water, garbage and sewer services
- Scheduled transportation for local shopping
- Transportation for local, scheduled physicians visits
- Medical, social work and chaplaincy support services
- Costs to provide activities on a regular basis
- Use of the Village's multi-purpose and public areas for personal use
- 24 hour emergency maintenance support by the Village's maintenance staff
- 24 hour emergency nursing support by the Village's nursing staff
- Priority admission to the Village's Health Care Center (Fee for Services)
- Priority admission to Diven House (Fee for Services)
- Apartment utilities to include cable and exclude telephone
- Home utilities to include cable, exclude telephone, gas and electric
- Membership to the Wellness Center
- Flexible meal plan - \$400 double occupancy or \$200 single occupancy monthly food allowance

Services available for an additional fee:

- Classes held in the Wellness Center such as exercise or pool classes, educational or recreation classes, nutrition or health classes
- Barber Shop and Beauty Parlor
- Catering
- Distance Travel to appointments
- Shopping and Sight-seeing trips

- RV parking
- Storage facilities
- Trips to cultural events
- Guest meals and rooms
- Full service bank
- Medical Suite with scheduled primary care physician services
- Formal and private dining rooms for private gatherings
- Private duty nursing services in the Village's Health Care Center
- Private duty nursing services in Diven House
- Home health and home care services through community agencies
- Gift shop
- Tray delivery
- Maintenance services over and above those normally covered in monthly service fees.

Residence and Care Agreement

Carroll Lutheran Village, Inc. is a continuing care retirement community, providing services under a Type C, fee for service arrangement. Residents are granted priority admission to assisted living or skilled nursing, but separate agreements are required for these levels of care. Assisted living and skilled nursing contracts and services are regulated by the Office of Health Care Quality under the Maryland Department of Health and Mental Hygiene. Residential living contracts and agreements are regulated by the Maryland Department of Aging.

Grievance Procedure

Carroll Lutheran Village, Inc. encourages residents to communicate openly any issues or concerns with the Executive Director, the Department heads, and the Resident Association Council.

However, in cases where the resident may remain dissatisfied with an issue, he/she can file a formal complaint to management. In accordance with Maryland law and the Maryland Department of Aging, Carroll Lutheran Village provides an internal grievance procedure for unresolved issues. A resident, or a group of residents, may submit a grievance in writing to the Director of Social Work. Within five days after the receipt of the written grievance, the resident(s) will receive a written acknowledgement, and the Director of Social Work will begin an investigation of the grievance.

If desired, the resident(s) who files the written grievance is entitled to a meeting with Administration within 30 days after the receipt of the written grievance. The Director of Social Work will provide a written response to the resident(s) within 45 days after the receipt of the written grievance regarding the investigation and resolution of the grievance.

Within 30 days after the conclusion of an internal grievance procedure established under this section, Carroll Lutheran, a resident, or group of residents may seek mediation through one of the Community Mediation Centers in the State or another mediation provider. If Carroll Lutheran, a resident, or group of residents seeks mediation under paragraph (1) of this subsection

(MD Code, Human Services, § 10-428) the mediation shall be nonbinding.

Carroll Lutheran Village, Inc. shall amend this Disclosure Statement if, at any time, in the opinion of the Village or the Maryland Department of Aging, an amendment is deemed necessary to prevent the Disclosure Statement from containing any misstatement or omission of any statement of material fact required to be stated herein.



BOARD OF TRUSTEES 2022-2023

<p>David Bollinger – <i>Chair</i> (2025) *</p> <p>Occupation: Insurance Broker and Business Owner</p>	<p>David Morgan – <i>Vice Chair</i> (2025) *</p> <p>Occupation: Information Technology Consultant</p>
<p>Joseph Conklin (2025) *</p> <p>Occupation: Certified Public Accountant</p>	<p>Neil Salonen (2025) *</p> <p>Occupation: Retired- CLV resident and former University President</p>
<p>Virginia Harrison (2023) **</p> <p>Occupation: Seamstress and Business Owner</p>	<p>James Schwartz (2025) *</p> <p>Occupation: Funeral Director</p>
<p>Sharon McClernan (2023) **</p> <p>Occupation: Vice President, Life Bridge Health</p>	<p>Dot Sisler (2024) *</p> <p>Occupation: Retired, CLV resident, Former Assistant Vice President Maryland National Bank</p>
<p>Donald B. Meyers - <i>Secretary/Treasurer</i> (2023) **</p> <p>Occupation: Certified Public Accountant</p>	<p><i>President/CEO</i> Ex Officio Board Member Jeff Branch</p>
<p>* First Term **Second Term</p>	<p>Total board members – 9 Updated 6.12.2023</p>

**Carroll Lutheran Village, Inc.
Obligated Group**

Special-Purpose Financial Statements

June 30, 2023 and 2022

Carroll Lutheran Village, Inc. Obligated Group

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June 30, 2023 and 2022

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Independent Auditor's Report

To the Board of Trustees
Carroll Lutheran Village, Inc.
Westminster, Maryland

Opinion

We have audited the special-purpose financial statements of Carroll Lutheran Village, Inc. Obligated Group (the Corporation), which comprise the special-purpose balance sheet as of June 30, 2023 and 2022 and the related special-purpose statements of operations, changes in net assets, 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, 2023 and 2022, 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 Matter - Basis of Accounting

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 July 1, 2014, between Carroll Lutheran Village, Inc. Obligated Group and Manufacturers and Traders Trust Company, as amended and supplemented by the Supplemental Master Trust Indenture Number 2 dated September 1, 2022 between Carroll Lutheran Village, Inc. Obligated Group and U.S. Bank Trust Company, National Association (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.

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 Carroll Lutheran Village, Inc. Obligated Group, Lutheran Social Ministries of Maryland, Inc., Manufacturers and Traders Trust Company, as trustee, U.S. Bank Trust Company, National Association, as successor trustee, Wilmington Trust, N.A., KeyBank, N.A., and Sandy Spring 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 26, 2023
Mechanicsburg, Pennsylvania

Carroll Lutheran Village, Inc. Obligated Group**Special-Purpose Balance Sheet**

	June 30,	
	<u>2023</u>	<u>2022</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,911,290	\$ 4,417,357
Accounts receivable, net	1,147,490	1,275,102
Current portion of assets whose use is limited	146,568	2,120,422
Due from related parties	-	64,037
Prepaid expenses and inventory	383,451	415,114
Total Current Assets	3,588,799	8,292,032
Assets Whose Use is Limited, Net	44,112,641	35,479,643
Property and Equipment, Net	66,785,706	58,728,750
Investment in Related Party	45,000	45,000
Total Assets	<u>\$ 114,532,146</u>	<u>\$ 102,545,425</u>

Carroll Lutheran Village, Inc. Obligated Group

Special-Purpose Balance Sheet (continued)

	June 30,	
	2023	2022
Liabilities and Net Assets		
Current Liabilities		
Current portion of long-term debt	\$ -	\$ 980,000
Accounts payable	2,305,551	1,366,319
Accrued expenses	975,464	917,459
Accrued interest	146,568	1,140,422
Due to related parties	186,954	-
Entrance fee refunds	1,828,942	1,964,451
Total Current Liabilities	5,443,479	6,368,651
Refundable Deposits	308,320	228,516
Refundable Entrance Fees	2,622,456	2,309,770
Deferred Revenue from Entrance Fees	33,955,834	34,147,655
Long-Term Debt, Net	50,665,746	42,453,443
Total Liabilities	92,995,835	85,508,035
Net Assets		
Without donor restrictions	10,721,788	6,356,812
With donor restrictions	10,814,523	10,680,578
Total Net Assets	21,536,311	17,037,390
Total Liabilities and Net Assets	\$ 114,532,146	\$ 102,545,425

Carroll Lutheran Village, Inc. Obligated Group**Special-Purpose Statement of Operations**

	Years Ended June 30,	
	2023	2022
Revenues Without Donor Restrictions		
Net health care center resident services	\$ 9,522,257	\$ 8,813,771
Residential services		
Assisted living	4,388,619	3,534,583
Independent living	16,772,153	16,218,383
Other residential services	1,434,971	1,249,207
Interest and dividends	139,372	896,184
Realized gains	15,283	2,027,200
Contributions and bequests	91,241	180,472
Grant revenue	27,228	301,423
Other	430,848	211,150
Net assets released from restrictions	580,536	1,056,134
Total Revenues Without Donor Restrictions	33,402,608	34,488,507
Expenses		
Nursing services and resident care	8,401,497	8,343,558
Dietary services	5,714,899	5,307,361
General services	1,545,489	1,377,265
Housekeeping and laundry	1,020,238	962,967
Plant	5,854,843	6,032,040
General and administrative	4,490,309	4,449,154
Marketing and development	1,166,332	1,012,108
Depreciation	3,790,531	4,178,615
Interest	2,411,966	2,316,782
Total Expenses	34,396,104	33,979,850
Operating Income (Loss)	(993,596)	508,657
Net Unrealized Gains (Losses) on Investments	358,572	(5,960,560)
Revenues Less Than Expenses	(635,024)	(5,451,903)
Change in Net Assets Without Donor Restrictions	\$ (635,024)	\$ (5,451,903)

Carroll Lutheran Village, Inc. Obligated Group**Special-Purpose Statement of Changes in Net Assets**

	Years Ended June 30,	
	2023	2022
Net Assets Without Donor Restrictions		
Revenues less than expenses	<u>\$ (635,024)</u>	<u>\$ (5,451,903)</u>
Change in Net Assets Without Donor Restrictions Before Transfer	<u>(635,024)</u>	<u>(5,451,903)</u>
Transfer of Net Assets from Related Party	<u>5,000,000</u>	<u>5,000,000</u>
Change in Net Assets Without Donor Restrictions After Transfer	<u>4,364,976</u>	<u>(451,903)</u>
Net Assets With Donor Restrictions		
Contributions		
Purpose restricted	307,993	499,867
Held in perpetuity	91,379	316,780
Interest and dividends	280,616	173,814
Realized gains	34,493	403,512
Net assets released from restrictions	<u>(580,536)</u>	<u>(1,056,134)</u>
Change in Net Assets With Donor Restrictions	<u>133,945</u>	<u>337,839</u>
Change in Net Assets	<u>4,498,921</u>	<u>(114,064)</u>
Net Assets, Beginning of Year	<u>17,037,390</u>	<u>17,151,454</u>
Net Assets, End of Year	<u>\$ 21,536,311</u>	<u>\$ 17,037,390</u>

Carroll Lutheran Village, Inc. Obligated Group**Special-Purpose Statement of Cash Flows**

	Years Ended June 30,	
	2023	2022
Cash Flows from Operating Activities		
Change in net assets	\$ 4,498,921	\$ (114,064)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	3,790,531	4,178,615
Loss on debt extinguishment	402,462	-
Amortization of deferred financing costs	42,133	40,062
Amortization of bond premium	(5,595)	(20,120)
Proceeds from nonrefundable entrance fees, existing units	7,315,917	7,178,985
Amortization of entrance fees	(5,767,278)	(5,317,257)
Change in allowance for uncollectible accounts	127,106	(73,383)
Net realized and unrealized (gains) losses on investments	(408,348)	3,529,848
Contributions restricted for long-term purposes	(91,379)	(316,780)
Decrease in assets		
Accounts receivable	506	33,803
Prepaid expenses and inventory	31,663	64,979
Increase (decrease) in liabilities		
Accounts payable	939,232	437,565
Accrued expenses	58,005	(799,574)
Accrued interest	(993,854)	(19,491)
Refundable deposits	79,804	(106,399)
Net Cash Provided by Operating Activities	10,029,826	8,696,789
Cash Flows from Investing Activities		
Purchases of property and equipment	(11,847,487)	(5,716,326)
Net purchases of investments and assets whose use is limited	(319,325)	(1,851,917)
Net Cash Used in Investing Activities	(12,166,812)	(7,568,243)
Cash Flows from Financing Activities		
Borrowings of long-term debt	10,000,000	-
Repayments of long-term debt	(2,650,833)	(945,000)
Payment of deferred financing costs	(555,864)	-
Proceeds from refundable entrance fees, existing units	753,739	-
Refunds of entrance fees	(2,327,022)	(1,939,124)
Contributions restricted for long-term purposes	91,379	316,780
Repayments from related party	250,991	3,108
Net Cash Provided by (Used in) Financing Activities	5,562,390	(2,564,236)

See accompanying notes.

Carroll Lutheran Village, Inc. Obligated Group**Special-Purpose Statement of Cash Flows (continued)**

	Years Ended June 30,	
	2023	2022
Net Change in Cash, Cash Equivalents, and Restricted Cash and Cash Equivalents	\$ 3,425,404	\$ (1,435,690)
Cash, Cash Equivalents, and Restricted Cash and Cash Equivalents at Beginning of Year	13,951,036	15,386,726
Cash, Cash Equivalents, and Restricted Cash and Cash Equivalents at End of Year	\$ 17,376,440	\$ 13,951,036
Cash, Cash Equivalents, and Restricted Cash and Cash Equivalents Consist of the Following in the Special-Purpose Balance Sheet		
Cash and cash equivalents	\$ 1,911,290	\$ 4,417,357
Assets whose use is limited		
Letter of credit collateral	362,647	362,285
Escrow deposits	5,597,838	3,733,675
Trustee held funds	9,504,665	5,437,719
	15,465,150	9,533,679
Total Cash, Cash Equivalents, and Restricted Cash and Cash Equivalents	\$ 17,376,440	\$ 13,951,036
Supplemental Disclosure of Cash Flow Information		
Interest paid	\$ 2,966,820	\$ 2,316,331
Supplemental Disclosures of Noncash Financing Activities		
Bond refunding through long-term debt incurred	\$ 41,221,610	\$ -
Deferred financing costs through long-term debt incurred	\$ 120,900	\$ -

Carroll Lutheran Village, Inc. Obligated Group

Notes to Special-Purpose Financial Statements

June 30, 2023 and 2022

Note 1 - Nature of Operations

Carroll Lutheran Village, Inc. (the Corporation or CLV) is a continuing care retirement community located in Westminster, Maryland, and currently consists of 381 independent living apartments and homes, 50 assisted living units, and 103 skilled nursing beds.

The Corporation is a 90% owner of CLV, Catering, Inc. (Catering). Catering 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 CLV.

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 Carroll Lutheran Village, Inc. Obligated Group and Manufacturers and Traders Trust Company (M&T) dated July 1, 2014, as amended and supplemented by the Supplemental Master Trust Indenture Number 2 between Carroll Lutheran Village, Inc. Obligated Group and U.S. Bank Trust Company, National Association dated September 1, 2022 (the Master Trust Indenture). The sole member of the Obligated Group is Carroll Lutheran Village, Inc. Thus, these special-purpose financial statements do not include the consolidation of Catering.

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 are classified as follows:

Net assets 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 Indenture 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

The Corporation assesses collectability on all resident accounts prior to providing services. An allowance for uncollectible accounts 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 debt expense when the Corporation has exhausted all collection efforts and accounts are deemed impaired. The allowance for uncollectible accounts receivable is based on management's assessment of the collectability of specific customer accounts and the aging of the accounts receivable and totaled approximately \$247,500 and \$120,400 at June 30, 2023 and 2022, 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 (less than) 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 (less than) 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.

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.

Carroll Lutheran Village, Inc. Obligated Group

Notes to Special-Purpose Financial Statements

June 30, 2023 and 2022

Note 2 - Summary of Significant Accounting Principles (continued)

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, 2023 or 2022.

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.

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.

Carroll Lutheran Village, Inc. Obligated Group

Notes to Special-Purpose Financial Statements

June 30, 2023 and 2022

Note 2 - Summary of Significant Accounting Principles (continued)

Entrance Fees (continued)

Prior to July 1, 2020, the entrance fees offered a refund that amortizes over eight years (16% the first month, 0% for months two through twelve, and 1% per month thereafter). Initial entrance fees were deferred and amortized into income on a straight-line basis over the estimated remaining life expectancy of the resident. The recovery of unamortized nonrefundable entrance fees is recognized as revenue upon a resident's death or termination of the contract. The agreement offered a premium refundable option of 78% over the base fee, which accrues interest to 90% of the base fee. These premiums totaled \$1,439,401 and \$1,762,352 at June 30, 2023 and 2022, respectively, and are recorded as refundable entrance fees, are not amortized into income and refunded at death or termination of the contract. Contractual refund obligations under all agreements totaled approximately \$21,256,000 and \$20,842,000 at June 30, 2023 and 2022, respectively.

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 nonrefundable entrance fees was \$5,757,278 in 2023 and \$5,317,257 in 2022.

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.

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.

Carroll Lutheran Village, Inc. Obligated Group

Notes to Special-Purpose Financial Statements

June 30, 2023 and 2022

Note 2 - Summary of Significant Accounting Principles (continued)**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:

	2023				
	Health Care Center Resident Services	Assisted Living	Independent Living	Other Residential Services	Total
Self-pay	\$ 3,331,191	\$ 4,388,619	\$ 11,014,875	\$ 1,057,659	\$ 19,792,344
Medicare	2,322,089	-	-	377,312	2,699,401
Medical Assistance	3,430,258	-	-	-	3,430,258
Commercial insurance	438,719	-	-	-	438,719
Amortization of nonrefundable entrance fees	-	-	5,757,278	-	5,757,278
	<u>\$ 9,522,257</u>	<u>\$ 4,388,619</u>	<u>\$ 16,772,153</u>	<u>\$ 1,434,971</u>	<u>\$ 32,118,000</u>
	2022				
Self-pay	\$ 4,140,958	\$ 3,534,583	\$ 10,901,126	\$ 917,877	\$ 19,494,544
Medicare	1,547,591	-	-	331,330	1,878,921
Medical Assistance	2,923,472	-	-	-	2,923,472
Commercial insurance	201,750	-	-	-	201,750
Amortization of nonrefundable entrance fees	-	-	5,317,257	-	5,317,257
	<u>\$ 8,813,771</u>	<u>\$ 3,534,583</u>	<u>\$ 16,218,383</u>	<u>\$ 1,249,207</u>	<u>\$ 29,815,944</u>

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.

As described above, the Medical Assistance and Medicare 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 Medical Assistance and Medicare programs.

Carroll Lutheran Village, Inc. Obligated Group

Notes to Special-Purpose Financial Statements

June 30, 2023 and 2022

Note 2 - Summary of Significant Accounting Principles (continued)

Disaggregation of Revenues (continued)

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 2023 and 2022, the Corporation recognized approximately \$4,600,000 and \$4,800,000, respectively, of revenue that was included in the deferred revenue from entrance fees balance as of July 1, 2022 and 2021, 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, 2023 and 2022, received \$27,228 and \$301,423, 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, 2023 and 2022 of \$27,228 and \$301,423, respectively, which are included in grant revenue in the accompanying special-purpose statement of operations.

Carroll Lutheran Village, Inc. Obligated Group

Notes to Special-Purpose Financial Statements

June 30, 2023 and 2022

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 26, 2023, 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 2020.

Measures of Operations

The special-purpose statement of operations includes the determination of operating income (loss). Operating income (loss) 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. The special-purpose statement of operations also include the determination of revenues in excess of (less than) expenses as a performance indicator.

Carroll Lutheran Village, Inc. Obligated Group

Notes to Special-Purpose Financial Statements

June 30, 2023 and 2022

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:

	<u>2023</u>	<u>2022</u>
Financial Assets		
Cash and cash equivalents	\$ 1,911,290	\$ 4,417,357
Accounts receivable, net	1,147,490	1,275,102
Board designated funds	12,728,300	12,588,685
Escrow deposits	5,597,838	3,733,675
Certificate of deposit	222,201	228,848
Total Financial Assets	<u>\$ 21,607,119</u>	<u>\$ 22,243,667</u>

Additionally, the Corporation maintains a \$2,000,000 line of credit, as discussed in Note 6.

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.

Carroll Lutheran Village, Inc. Obligated Group

Notes to Special-Purpose Financial Statements

June 30, 2023 and 2022

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

Level 3 - Significant unobservable inputs. The Corporation did not hold any Level 3 investments for the years ended June 30, 2023 and 2022.

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

	2023		
	Total	Level 1	Level 2
Reported at Fair Value			
Assets			
Investments and assets whose use is limited			
Mutual funds			
Equity	\$ 3,720,731	\$ 3,720,731	\$ -
Bond	1,447,291	1,447,291	-
Other	16,690,724	16,690,724	-
Total Investments and Assets Whose Use is Limited in the Fair Value Hierarchy	21,858,746	\$ 21,858,746	\$ -
Cash and cash equivalents (a)	19,423,347		
Alternative investments measured at NAV (a)	2,977,116		
Total Investments and Assets Whose Use is Limited	\$ 44,259,209		

Carroll Lutheran Village, Inc. Obligated Group**Notes to Special-Purpose Financial Statements**

June 30, 2023 and 2022

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

	2022		
	Total	Level 1	Level 2
Reported at Fair Value			
Assets			
Investments and assets whose use is limited			
Mutual funds			
Equity	\$ 4,178,683	\$ 4,178,683	\$ -
International	3,562,151	3,562,151	-
Other	2,180,381	2,180,381	-
	<u>9,921,215</u>	<u>\$ 9,921,215</u>	<u>\$ -</u>
Total Investments and Assets Whose Use is Limited in the Fair Value Hierarchy	9,921,215	<u>\$ 9,921,215</u>	<u>\$ -</u>
Cash and cash equivalents (a)	24,727,298		
Alternative investments measured at NAV (a)	<u>2,951,552</u>		
Total Investments and Assets Whose Use is Limited	<u>\$ 37,600,065</u>		

(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:

	2023	2022
Current portion of assets whose use is limited	\$ 146,568	\$ 2,120,422
Assets whose use is limited, net	<u>44,112,641</u>	<u>35,479,643</u>
Total Investments and Assets Whose Use is Limited	<u>\$ 44,259,209</u>	<u>\$ 37,600,065</u>

Carroll Lutheran Village, Inc. Obligated Group

Notes to Special-Purpose Financial Statements

June 30, 2023 and 2022

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.

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:

	2023 Net Asset Value	2022 Net Asset Value	Unfunded Commitments	Investment Strategy	Redemption Frequency and Notice Period
GPB Automotive Portfolio Class B	\$ 428,901	\$ 417,726	N/A	(a)	Monthly with 15 days notice
Pointer Offshore, Ltd.	2,064,958	1,935,966	N/A	(b)	Annually Quarterly with 45 days notice
Virtus Real Estate Capital II Class A	-	564,025	N/A	(c)	Monthly with 60 days notice
Class VI New River I LP	-	33,835	N/A	(d)	Quarterly with 45 days notice
Independent Access Partners, LLC	483,257	-	450,271	(e)	Monthly with 15 days notice
	<u>\$ 2,977,116</u>	<u>\$ 2,951,552</u>			

Carroll Lutheran Village, Inc. Obligated Group

Notes to Special-Purpose Financial Statements

June 30, 2023 and 2022

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

- (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 achieve capital appreciation through a balanced level risk primarily by allocating assets to a select number of long/short equity-based managers. The balance of the portfolio is invested opportunistically, which may include, but is not limited to, distressed/credit, sector or commodity-related funds, or other thematic investment opportunities.
- (c) Objective is to provide the limited partners with returns by investing in real estate interest in debt and equity joint ventures or directly through seeking a total return consisting of both current income and realized and unrealized gains from real estate investments.
- (d) Objective is to produce consistent, absolute returns in a long/short equity strategy through a diversified portfolio of stock specific, bottom-up research that spans a variety of sectors, and industries. It employs an absolute return focus and seeks to maximize performance, minimize volatility, and correlation to their benchmark (Russell 2000). The portfolio management team seeks to identify companies that have catalysts that accelerate/decelerate future earnings and cash flow rates and are attractively/unattractively valued relative to their respective peer groups is to seek capital appreciation by identifying and taking advantage of market trends and reversals within the small to medium capitalization on absolute returns. In order to follow this strategy, the fund targets 10-30 high conviction managers with significant medium to long-term capital growth.
- (e) 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.

Carroll Lutheran Village, Inc. Obligated Group**Notes to Special-Purpose Financial Statements**

June 30, 2023 and 2022

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:

	<u>2023</u>	<u>2022</u>
Donor restricted funds	\$ 10,814,523	\$ 10,680,578
Board designated funds		
Funds functioning as endowment	7,998,961	7,859,346
Capital improvement and depreciation fund	4,729,339	4,729,339
Certificate of deposit	222,201	228,848
Letter of credit collateral	362,647	362,285
Escrow deposits	5,597,838	3,733,675
Trustee held funds		
Debt service reserve funds	-	3,266,200
Interest funds	1,129,397	1,191,100
Bond principal funds	-	980,419
Construction fund	8,375,268	-
Maryland Department of Aging reserve requirements	5,029,035	4,568,275
	<u>44,259,209</u>	<u>37,600,065</u>
Less current portion	<u>(146,568)</u>	<u>(2,120,422)</u>
	<u>\$ 44,112,641</u>	<u>\$ 35,479,643</u>

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 most recent fiscal year. 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.

Carroll Lutheran Village, Inc. Obligated Group

Notes to Special-Purpose Financial Statements
June 30, 2023 and 2022

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, 2023	\$ 34,396,104
Less	
Depreciation	3,790,531
Interest	<u>2,411,966</u>
Net Operating Expenses	28,193,607
	<u>25 %</u>
	7,048,402
I/L Units/Total Units (381/534)	<u>71.35 %</u>
Reserve required at June 30, 2023	<u>5,029,035</u>
Actual Reserve at June 30, 2023	<u>\$ 5,029,035</u>

Note 5 - Property and Equipment

Property and equipment are as follows as of June 30:

	<u>2023</u>	<u>2022</u>
Land	\$ 1,067,705	\$ 1,067,705
Land improvements	3,264,407	3,222,573
Buildings and building improvements	134,328,633	121,959,541
Furniture and equipment	14,639,283	15,072,063
Vehicles	962,055	1,002,392
Construction in progress	<u>3,004,499</u>	<u>2,964,592</u>
	157,266,582	145,288,866
Accumulated depreciation	<u>(90,480,876)</u>	<u>(86,560,116)</u>
Property and Equipment, Net	<u>\$ 66,785,706</u>	<u>\$ 58,728,750</u>

Carroll Lutheran Village, Inc. Obligated Group

Notes to Special-Purpose Financial Statements

June 30, 2023 and 2022

Note 6 - Line of Credit and Long-Term Debt

The Corporation has a \$2,000,000 line of credit, with interest at the U.S. Prime Rate minus 0.50% (7.75% at June 30, 2023). Prior to September 2022, the interest rate was at the Secured Overnight Financing Rate (formerly the London Interbank Offered Rate) plus 2.40% (3.90% at June 30, 2022). The line of credit has an expiration date of January 31, 2025, subject to renewal and extension thereafter. There were no borrowings on the line of credit as of June 30, 2023 and 2022.

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

	<u>2023</u>	<u>2022</u>
Series 2014 The Mayor and Common Council of Westminster Project and Refunding Revenue Bonds (Series 2014 Bonds); due in varying annual installments through 2044; interest payable semi-annually at rates ranging from 4.125% to 5.50%. The Series 2014 Bonds were refunded in September 2022 with the Series 2022B Bonds	\$ -	\$ 43,865,000
Series 2014 Bond premium, net	-	439,000
Series 2022A The Mayor and Common Council of Westminster Project Revenue Bonds in the original amount of \$10,000,000 (Series 2022A Bonds); monthly interest payments at 3.36% are due through September 1, 2034 and commencing September 1, 2026 varying monthly installments of principal are due through September 1, 2034 and a final payment is due on the maturity date of September 9, 2034	10,000,000	-
Series 2022B The Mayor and Common Council of Westminster Convertible Refunding Revenue Bonds in the original amount of \$41,342,510 (Series 2022B Bonds); monthly interest payments are due through September 1, 2034 and commencing October 1, 2024 varying monthly installments of principal are due through September 1, 2034 and a final payment is due on the maturity date of September 9, 2034; the initial interest rate is 4.25% through the conversion date occurring no later than September 1, 2024 at which time the interest rate will be 3.36%	41,342,510	-

Carroll Lutheran Village, Inc. Obligated Group

Notes to Special-Purpose Financial Statements

June 30, 2023 and 2022

Note 6 - Line of Credit and Long-Term Debt (continued)

	<u>2023</u>	<u>2022</u>
Deferred financing costs, net	\$ (676,764)	\$ (870,557)
	50,665,746	43,433,443
Current portion	-	(980,000)
Total Long-Term Debt, Net	<u>\$ 50,665,746</u>	<u>\$ 42,453,443</u>

The line of credit and long-term debt are collateralized by substantially all real and personal property and equipment and gross revenues of the Corporation.

Interest expense on long-term debt totaled \$2,411,966 and \$2,316,782 for the years ended June 30, 2023 and 2022, respectively. The amortization of the Series 2014 and Series 2022 deferred financing costs, included in interest expense on the accompanying special-purpose statement of operations, totaled \$42,133 and \$40,062 for the years ended June 30, 2023 and 2022, respectively. The Series 2014 bond issue premium was 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 premium totaled \$5,595 and \$20,120 for the years ended June 30, 2023 and 2022, respectively. As a result of refunding the Series 2014 bonds, a loss on debt extinguishment totaling \$402,462, consisting of unamortized deferred financing costs of \$835,867 and unamortized bond issue premium of \$433,405, is included in interest expense during the year ended June 30, 2023.

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

2024	\$ -
2025	1,129,357
2026	1,505,103
2027	1,913,290
2028	1,974,235

Note 7 - Related Party Transactions

During the years ended June 30, 2023 and 2022, the Corporation received parent equity transfers from LSMMD in the amount of \$5,000,000 each year to support ongoing renovation projects. The transfers were in accordance with the Acquisition, Affiliation, and Subsidiary Assessment Policy between LSMMD, LVMG, 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 LVMG, have no stated repayment terms and are expected to be repaid in the current operating cycle and thus is classified as current.

During 2023 and 2022, the Corporation had paid a management fee to LSMMD in the amount of approximately \$2,974,000 and \$2,666,000, respectively.

Carroll Lutheran Village, Inc. Obligated Group

Notes to Special-Purpose Financial Statements
June 30, 2023 and 2022

Note 8 - Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose		
Nursing reinvention	\$ 1,257,359	\$ 1,257,359
Scholarship	326,095	312,090
Other	115,112	86,551
Perpetual in nature		
Resident assistance	4,707,444	4,707,444
Endowment fund	3,577,056	3,492,351
Scholarship endowment	831,457	824,783
	<u>\$ 10,814,523</u>	<u>\$ 10,680,578</u>

Note 9 - Endowment Funds

The Corporation's endowments consist of funds established for a variety of reasons and purposes. Its endowments include donor-restricted endowments and board designated endowments. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Trustees of the Corporation has interpreted the relevant Maryland law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Corporation classifies as amounts held in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as held in perpetuity is classified as purpose restricted until those amounts are appropriated for expenditure by the Corporation in a manner consistent with the standard of prudence prescribed by the relevant state law. Unless specifically defined, the Corporation considers the following factors to determine when a donor-restricted endowment fund is required by donor stipulation to accumulate or appropriate endowment funds:

- (a) The duration and preservation of the fund
- (b) The purposes of the Corporation and the donor-restricted endowment fund
- (c) General economic conditions
- (d) The possible effect of inflation and deflation

Carroll Lutheran Village, Inc. Obligated Group**Notes to Special-Purpose Financial Statements**

June 30, 2023 and 2022

Note 9 - Endowment Funds (continued)**Interpretation of Relevant Law (continued)**

- (e) The expected total return from income and appreciation of investments
- (f) Other resources of the Corporation
- (g) The investment policies of the Corporation

The following schedules represent the changes in endowment net assets:

	Without	With Donor Restrictions		Total
	Donor Restrictions	Purpose Restricted	Restricted In Perpetuity	
Endowment net assets, July 1, 2021	\$ 4,958,926	\$ -	\$ 8,707,798	\$ 13,666,724
Investment return	2,900,420	509,477	-	3,409,897
Contributions	-	-	316,780	316,780
Appropriation of endowment assets for expenditure	-	(509,477)	-	(509,477)
Endowment net assets, June 30, 2022	7,859,346	-	9,024,578	16,883,924
Investment return	139,615	290,924	-	430,539
Contributions	-	208,585	91,379	299,964
Appropriation of endowment assets for expenditures	-	(499,509)	-	(499,509)
Endowment net assets, June 30, 2023	<u>\$ 7,998,961</u>	<u>\$ -</u>	<u>\$ 9,115,957</u>	<u>\$ 17,114,918</u>

Funds With Deficiencies

The fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the relevant state law requires the Corporation to retain as a fund of perpetual duration. These deficiencies are reported as a component of net assets without donor restrictions. There were no deficiencies reported at either June 30, 2023 or 2022.

Return Objectives and Risk Parameters

The Corporation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Corporation must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk.

Carroll Lutheran Village, Inc. Obligated Group

Notes to Special-Purpose Financial Statements

June 30, 2023 and 2022

Note 9 - Endowment Funds (continued)

Return Objectives and Risk Parameters (continued)

The Corporation expects its endowment funds, over time, to provide an average rate of return of approximately 6% - 8% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

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

Endowment Spending Policy and How the Investment Objectives Relate to the Spending Policy

The Corporation has a policy of appropriating restricted net assets for distribution on an as needed basis. The amount needed to fund distributions will first be taken from any accumulated excess earnings from prior years, then from current year investment earnings. Any undistributed income is added back to the purpose restricted fund balance. Over the long term, the Corporation expects the current spending policy to allow its endowment to grow at an average of 4% annually. This is consistent with the Corporation's objective to maintain the purchasing power of the endowment assets to be held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

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, 2023 and 2022, the Corporation made contributions in an amount equal to 4% of employee earnings. Employer contributions related to the plan totaled approximately \$213,000 and \$216,000 for the years ended June 30, 2023 and 2022, respectively.

Carroll Lutheran Village, Inc. Obligated Group**Notes to Special-Purpose Financial Statements**

June 30, 2023 and 2022

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:

	2023			
	Program Service	General and Administrative	Fundraising	Total
Salaries and wages	\$ 10,095,074	\$ 796,776	\$ -	\$ 10,891,850
Payroll taxes and fringe benefits	2,106,061	155,024	-	2,261,085
Professional fees	2,443,127	301,262	-	2,744,389
Supplies	780,573	72,645	26,935	880,153
Building operations and maintenance	3,493,064	-	-	3,493,064
Food	1,647,432	-	-	1,647,432
Depreciation	3,177,026	613,505	-	3,790,531
Insurance	658,163	-	-	658,163
Interest	2,330,394	80,289	1,283	2,411,966
Bad debts	236,337	-	-	236,337
Other operating	1,799,848	3,535,619	45,667	5,381,134
Total	\$ 28,767,099	\$ 5,555,120	\$ 73,885	\$ 34,396,104
	2022			
Salaries and wages	\$ 9,928,153	\$ 561,293	\$ -	\$ 10,489,446
Payroll taxes and fringe benefits	2,104,834	139,560	-	2,244,394
Professional fees	2,268,044	227,400	3,766	2,499,210
Supplies	696,683	58,117	19,222	774,022
Building operations and maintenance	3,551,142	15,668	-	3,566,810
Food	1,654,657	-	-	1,654,657
Depreciation	3,761,032	411,015	6,568	4,178,615
Insurance	612,779	46,790	-	659,569
Interest	2,234,087	81,394	1,301	2,316,782
Bad debts	127,000	-	-	127,000
Other operating	1,874,759	3,552,023	42,563	5,469,345
Total	\$ 28,813,170	\$ 5,093,260	\$ 73,420	\$ 33,979,850

Carroll Lutheran Village, Inc. Obligated Group

Notes to Special-Purpose Financial Statements
June 30, 2023 and 2022

Note 12 - Benevolent Care

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 \$3,053,000 and \$2,770,000 in 2023 and 2022, respectively, including costs related to the medical assistance program of approximately \$2,525,000 and \$2,114,000 in 2023 and 2022, 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.

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.

Carroll Lutheran Village, Inc. Obligated Group

Notes to Special-Purpose Financial Statements

June 30, 2023 and 2022

Note 15 - 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.

Note 16 - Subsequent Events

The Corporation has evaluated subsequent events through October 26, 2023. This date is the date the special-purpose financial statements were available to be issued. No material events subsequent to June 30, 2023 were noted.

**Carroll Lutheran Village, Inc. Obligated Group
Balance Sheets**

	Actual	Proposed Plan	Actual	Proposed Plan	Forecast	Forecast
	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>	<u>June 30, 2026</u>
Assets						
Current Assets:						
Cash & cash equivalents	\$ 4,417,357	\$ 4,549,878	\$ 1,911,290	\$ 1,968,629	\$ 2,527,688	\$ 2,603,518
Accounts receivable	1,275,102	1,300,604	1,147,490	1,170,440	1,693,849	1,727,726
Due from related parties	64,037	65,958	-	-	-	-
Current Investments	-	5,452,872	-	2,100,000	2,360,115	2,430,918
Current portion of assets whose use is limited	2,120,422	2,001,070	146,568	1,129,357	1,505,103	1,913,290
Prepaid expenses	415,114	423,416	383,451	391,120	398,942	406,921
Total current assets	\$ 8,292,032	\$ 13,793,798	\$ 3,588,799	\$ 6,759,546	\$ 8,485,697	\$ 9,082,373
Assets whose use is limited or restricted	35,479,643	41,303,170	44,112,641	29,459,112	31,147,479	38,600,221
Investment in Related Party	45,000	45,000	45,000	45,000	45,000	45,000
Property and equipment at cost	\$ 145,288,866	\$ 157,825,075	\$ 157,266,582	\$ 177,355,150	\$ 184,002,913	\$ 187,320,100
less accumulated depreciation	86,560,116	90,835,178	90,480,876	96,073,218	101,897,824	108,118,873
Net property and equipment	\$ 58,728,750	\$ 66,989,897	\$ 66,785,706	\$ 81,281,932	\$ 82,105,089	\$ 79,201,227
Total Assets	\$ 102,545,425	\$ 122,131,865	\$ 114,532,146	\$ 117,545,589	\$ 121,783,264	\$ 126,928,821

**Carroll Lutheran Village, Inc. Obligated Group
Balance Sheets**

	Actual	Proposed Plan	Actual	Proposed Plan	Forecast	Forecast
	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>	<u>June 30, 2026</u>
Liabilities and Net Assets						
Current Liabilities:						
Accounts payable and accrued expenses	\$ 2,283,778	\$ 2,352,291	\$ 3,281,015	\$ 3,379,445	\$ 3,480,829	\$ 3,585,254
Resident refunds	1,964,451	1,984,096	1,828,942	1,847,231	1,865,704	1,884,361
Line of credit	-	-	-	-	-	-
Due to related party	-	-	186,954	-	-	-
Accrued Bond Interest	1,140,422	-	146,568	-	-	-
Current portion of long term debt	980,000	-	-	1,129,357	1,505,103	1,913,290
Total current liabilities	\$ 6,368,651	\$ 4,336,387	\$ 5,443,479	\$ 6,356,034	\$ 6,851,636	\$ 7,382,904
Other liabilities:						
Long term debt - excluding current portion	\$ 42,453,443	\$ 53,748,851	\$ 50,665,746	\$ 49,576,389	\$ 49,240,643	\$ 48,872,456
Refundable advance fees	2,538,286	2,589,052	2,930,776	2,989,392	3,049,179	3,110,163
Deferred revenue from advance fees	34,147,655	39,139,457	33,955,834	36,872,399	39,821,196	43,221,472
Rent received in advance	-	-	-	-	-	-
Deferred other	-	-	-	-	-	-
Total other liabilities	\$ 79,139,384	\$ 95,477,360	\$ 87,552,356	\$ 89,438,180	\$ 92,111,018	\$ 95,204,091
Total Liabilities	\$ 85,508,035	\$ 99,813,747	\$ 92,995,835	\$ 95,794,213	\$ 98,962,654	\$ 102,586,995
Net Assets:						
Without donor restrictions	\$ 6,356,812	\$ 10,289,253	\$ 10,721,788	\$ 9,644,523	\$ 9,361,534	\$ 9,503,482
With donor restrictions	10,680,578	12,028,864	10,814,523	12,106,853	13,459,076	14,838,344
<i>Temporarily restricted</i>	<i>1,656,000</i>	<i>2,886,286</i>	<i>1,698,567</i>	<i>2,932,897</i>	<i>4,191,914</i>	<i>5,476,111</i>
<i>Permanently restricted</i>	<i>9,024,578</i>	<i>9,142,578</i>	<i>9,115,956</i>	<i>9,173,956</i>	<i>9,267,163</i>	<i>9,362,233</i>
Total Net Assets	\$ 17,037,390	\$ 22,318,117	\$ 21,536,311	\$ 21,751,376	\$ 22,820,610	\$ 24,341,826
Total Liabilities and Net Assets	\$ 102,545,425	\$ 122,131,865	\$ 114,532,146	\$ 117,545,589	\$ 121,783,264	\$ 126,928,822

Carroll Lutheran Village, Inc. Obligated Group
Statements of Cash Flows

	2022 Actual	2023 Proposed Plan	2023 Actual	2024 Proposed Plan	2025 Forecast	2026 Forecast
Operating Activities:						
Increase (decrease) in net assets	\$ (114,064)	\$ 5,280,727	\$ 4,498,921	\$ 215,065	\$ 1,069,234	\$ 1,521,216
Adjustments to reconcile increase (decrease) in net assets to net provided by operating activities:						
Depreciation and Amortization	4,218,677	4,298,269	3,832,664	5,623,284	5,864,606	6,261,048
Change in allowance for uncollectible accounts	(73,383)	0	127,106	0	0	0
Amortization of Entry Fees	(5,317,257)	(5,741,593)	(5,757,278)	(5,808,782)	(6,041,134)	(6,282,779)
Amortization of bond premium & deferred financing cost	(20,120)	16,813	(5,595)	0	0	0
Net realized and unrealized losses (gains) on assets whose use is restricted	3,529,848	0	(408,348)	0	0	0
Restricted contributions	(316,780)	(118,000)	(91,379)	(58,000)	(93,207)	(272,194)
PPP Loan Forgiveness Income	0	0	0	0	0	0
Loss on debt extinguishment	0	1,309,557	402,462	0	0	0
Decrease (increase) in accounts receivable	33,803	(40,372)	506	130,164	(523,409)	(33,877)
Decrease (increase) in notes receivable residents, related party	0	0	0	0	0	0
Decrease (increase) in prepaid expenses and inventory	64,979	66,279	31,663	32,296	(7,822)	(7,979)
Increase (decrease) in payables and accrued expenses	(381,500)	(1,968,967)	3,383	890,290	119,856	123,082
Increase (decrease) in entrance fee deposits	(106,399)	40,400	79,804	400,340	59,788	60,984
Proceeds from advance fees and deposits	7,178,985	12,803,395	7,315,917	10,825,347	11,139,931	11,883,055
Net cash provided by operating activities	\$ 8,696,789	\$ 15,946,508	\$ 10,029,826	\$ 12,250,004	\$ 11,587,843	\$ 13,252,556
Additions to property and equipment and construction in progress	\$ (5,716,327)	\$ (12,536,209)	\$ (11,847,487)	\$ (20,088,568)	\$ (6,647,763)	\$ (3,317,187)
Net Sale or (Purchase) of assets whose use is limited	(1,851,917)	(156,215)	(319,325)	(4,249,495)	(1,587,473)	(1,346,113)
Net cash used in investing activities	\$ (7,568,244)	\$ (12,692,424)	\$ (12,166,812)	\$ (24,338,063)	\$ (8,235,236)	\$ (4,663,300)
Repayment of long-term debt	\$ (945,000)	\$ (2,005,153)	\$ (2,650,833)	\$ -	\$ (1,129,357)	\$ (1,505,103)
Repayment of long-term debt	-	-	-	-	-	-
Proceeds from issuance of debt, net bond discount	-	-	-	-	-	-
Proceeds from issuance of new debt (project funds)	-	10,000,000	10,000,000	-	-	-
Line of credit activity	-	-	-	-	-	-
Cost of Issuance	-	(618,831)	(555,864)	-	-	-
Refunds of advance fees and deposits	(1,939,124)	(2,070,000)	(2,327,022)	(2,100,000)	(2,150,000)	(2,200,000)
(Increase) in due from related party	3,108	3,201	250,991	65,958	-	-
Proceeds from refundable entrance fees, existing units	-	-	753,739	850,000	900,000	950,000
Proceeds from restricted contributions	316,780	118,000	91,379	58,000	93,207	272,194
Net cash used in financing activities	\$ (2,564,236)	\$ 5,427,218	\$ 5,562,390	\$ (1,126,042)	\$ (2,286,150)	\$ (2,482,909)
Net increase in cash and cash equivalents	\$ (1,435,691)	\$ 8,681,301	\$ 3,425,404	\$ (13,214,101)	\$ 1,066,457	\$ 6,106,347
Cash and cash equivalents - beginning of year	15,386,726	13,951,035	13,951,035	17,376,439	4,162,338	5,228,795
Cash and cash equivalents - end of period	\$ 13,951,035	\$ 22,632,336	\$ 17,376,439	\$ 4,162,338	\$ 5,228,795	\$ 11,335,142
Supplemental disclosure of cash flow information -						
Cash paid during the period for interest-expensed	\$ 2,316,782	\$ 1,868,315	\$ 2,966,820	\$ 2,061,016	\$ 1,729,050	\$ 1,729,050
Cash paid during the period for interest-capitalized						

Carroll Lutheran Village, Inc. Obligated Group
STATEMENTS OF OPERATIONS
For the Years Ended June 30

	Actual 2022	Proposed Plan 2023	Actual 2023	Proposed Plan 2024	Forecast 2025	Forecast 2026
Unrestricted:						
Revenue:						
Net health care center resident services	\$ 8,813,771	\$ 12,065,076	\$ 9,522,257	\$ 11,425,109	\$ 11,626,854	\$ 11,836,669
Residential Living Services	16,218,383	17,556,530	16,772,153	18,184,584	19,365,746	20,489,391
Assisted Living Services	3,534,583	4,392,107	4,388,619	4,629,140	4,827,806	5,034,553
Investment income	896,184	60,750	139,372	0	0	0
Realized Gains	2,027,200	0	15,283	0	0	0
Contributions and bequests	180,472	25,000	91,241	25,000	105,000	110,000
Other	1,761,780	1,341,280	1,893,047	1,639,964	1,656,364	1,672,927
Net assets released from restrictions	1,056,134	217,400	580,536	277,400	412,090	437,090
Total revenue	\$ 34,488,507	\$ 35,658,143	\$ 33,402,508	\$ 36,181,197	\$ 37,993,860	\$ 39,580,630
Nursing services and resident care	\$ 8,343,558	\$ 9,517,240	\$ 8,401,497	\$ 8,949,099	\$ 9,284,690	\$ 9,632,866
Dietary services	5,307,361	5,576,563	5,714,899	6,237,178	6,471,072	6,713,737
General services	1,377,265	1,642,895	1,545,489	1,753,115	1,818,857	1,887,064
Housekeeping and laundry	962,967	1,087,291	1,020,238	1,094,576	1,135,623	1,178,208
Plant	6,032,040	5,689,758	5,854,843	5,777,592	5,994,252	6,219,036
General and administrative	4,449,154	4,518,389	4,490,309	4,427,386	4,593,413	4,765,666
Marketing and development	1,012,108	1,217,425	1,166,332	1,335,216	1,385,287	1,437,235
Depreciation	4,116,108	4,275,062	3,790,531	5,592,342	5,824,606	6,221,048
Amortization of deferred financing cost	62,507	23,206	42,133	30,942	40,000	40,000
Loss on Extinguishment of Debt	-	1,309,557	402,462	0	0	0
Interest	2,316,782	1,868,315	1,967,371	2,061,016	1,729,050	1,343,820
Total expenses	\$ 33,979,850	\$ 36,725,702	\$ 34,396,104	\$ 37,258,462	\$ 38,276,849	\$ 39,438,682
Excess (deficiency) of revenue over expenses	\$ 508,657	\$ (1,067,559)	\$ (993,596)	\$ (1,077,265)	\$ (282,989)	\$ 141,949
Parent Equity	5,000,000	5,000,000	5,000,000	-	-	-
Unrealized gains (losses)	(5,960,560)	-	358,572	-	-	-
Realized Gains	-	-	-	-	-	-
Paycheck Protection Program Loan Forgiveness	-	-	-	-	-	-
Increase (decrease) in net assets without donor restrictions	\$ (451,903)	\$ 3,932,441	\$ 4,364,976	\$ (1,077,265)	\$ (282,989)	\$ 141,949
Realized Gains	\$ 403,512	\$ -	\$ 34,493	\$ -	\$ -	\$ -
Interest & dividends	173,814	1,230,286	280,616	1,234,330	1,259,017	1,284,197
Unrealized gains	-	-	-	-	-	-
Contributions and bequests	499,867	217,400	307,993	277,400	412,090	437,090
Net assets released from restrictions	(1,056,134)	(217,400)	(580,536)	(277,400)	(412,090)	(437,090)
Increase (decrease) in temporarily restricted net assets	\$ 21,059	\$ 1,230,286	\$ 42,566	\$ 1,234,330	\$ 1,259,017	\$ 1,284,197
Permanently restricted contributions and bequests	\$ 316,780	\$ 118,000	\$ 91,379	\$ 58,000	\$ 93,207	\$ 95,071
Increase (decrease) in net assets	\$ (114,064)	\$ 5,280,727	\$ 4,498,921	\$ 215,065	\$ 1,069,234	\$ 1,521,216

**Carroll Lutheran Village Inc. Obligated Group
Calculations of Required Ratios**

				New covenant requirements	New covenant requirements	New covenant requirements
DAYS CASH ON HAND						
	Actual 6/30/2022	Proposed Plan 6/30/2023	Actual 6/30/2023	Proposed Plan 6/30/2024	Forecast 6/30/2025	Forecast 6/30/2026
Aggregate legally available cash and securities	24,978,996	31,560,448	25,851,311	22,550,244	24,081,335	30,532,480
Multiplier	365	365	365	365	365	365
Total	9,117,333,540	11,519,563,565	9,435,728,515	8,230,839,214	8,789,687,352	11,144,355,313
Operating Expenses for 12 months	33,978,193	36,725,702	34,396,104	37,258,462	38,276,849	39,438,682
Less: Depreciation	4,215,353	4,275,062	3,790,531	5,592,342	5,824,606	6,221,048
Less: Amortization & Loss on Extinguishment of Debt	62,507	23,206	439,000	30,942	40,000	40,000
Less: Bed Debt Expense						
Total	29,700,333	32,427,433	30,166,573	31,635,178	32,412,243	33,177,633
Daily Cash Outlay	81,371	88,842	82,648	86,672	88,801	90,898
Days cash on hand	307	355	313	260	271	336
Required by Covenant	150	150	150	150	150	150
DEBT SERVICE COVERAGE						
Change in Unrestricted Net Assets	\$ (451,903)	\$ 3,932,441	\$ 4,364,976	\$ (1,077,265)	\$ (282,989)	\$ 141,949
Less equity transfer from LSMMD	(5,000,000)	(5,000,000)	(5,000,000)	-	-	-
Less: Amortization of entry fees	5,317,257	5,741,593	5,757,278	5,808,782	6,041,134	6,282,779
Plus: Entry fees received	7,859,384	12,803,395	8,069,656	10,825,347	11,139,931	11,883,055
Less: Refunds of entry fees	2,486,457	2,070,000	2,327,022	2,100,000	2,150,000	2,200,000
Less: Unrealized gains <losses>	(5,960,560)	-	358,572	-	-	-
Plus: Unrealized loss on extinguishment of debt		1,309,557	402,462	-	-	-
Plus: Depreciation	4,177,363	4,275,062	3,790,531	5,592,342	5,824,606	6,777,519
Plus: Interest	2,318,032	1,868,315	2,009,504	2,061,016	1,769,050	1,383,820
Net cash available for debt service	\$ 7,059,722	\$ 11,377,178	\$ 5,194,257	\$ 9,492,658	\$ 10,259,464	\$ 11,703,564
Maximum Annual Debt Service (per bond sizing)	\$3,264,800	\$3,264,800	\$2,411,966	\$2,091,958	\$2,898,407	\$2,888,923
**Annual Debt Service (Principal & Int) used in actual 2023 and forecast periods						
Debt Service Coverage	2.16	3.48	2.15	4.54	3.54	4.05
Required by the covenant	1.20	1.20	1.20	1.20	1.20	1.20

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, 2023 • General	\$419.25	\$484.50	\$533.50
July 1, 2023 • Rehab	\$431.25	\$496.50	\$545.50
July 1, 2023 • Dementia	\$431.25	\$496.50	\$545.50
July 1, 2022 • General	\$401.25	\$463.75	\$510.75
July 1, 2022 • Rehab	\$413.25	\$475.75	\$522.75
July 1, 2022 • Dementia	\$413.25	\$475.75	\$522.75
July 1, 2021 • General	\$386.00	\$446.00	\$491.25
July 1, 2021 • Rehab	\$399.25	\$458.75	\$504.25
July 1, 2021 • Dementia	\$399.25	\$458.75	\$504.25
July 1, 2020 • General	366.00	423.00	465.75
July 1, 2020 • Rehab	378.00	435.00	477.75
July 1, 2020 • Dementia	378.00	435.00	477.75
July 1, 2019 • General	353.75	408.75	450.00
July 1, 2019 • Rehab	365.75	420.75	462.00
July 1, 2019 • Dementia	365.75	420.75	462.00

Note: Above rates are for semi-private rooms. There is a differential of \$47 for private rooms for all levels of care. There are no private rooms available on the dementia unit.

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, 2023	\$243.00	\$263.00	\$285.75
July 1, 2022	\$232.75	\$251.75	\$273.50
July 1, 2021	\$224.00	\$242.25	\$263.00
July 1, 2020	\$212.25	\$229.75	\$249.25
July 1, 2019	\$205.25	\$222.00	\$241.00

Note: Above rates are for standard suite. The facility does have an Ultra-High Assistance Level for an additional \$56.25 per day in the standard suite. There is a differential of \$36.75-\$66.50 per day for large or deluxe suites for all levels of care.

CARROLL LUTHERAN VILLAGE
RESIDENTIAL LIVING HOMES - CURRENT AND HISTORICAL FEE STRUCTURE

ADDRESS	TYPE	As of July 1, 2023		As of July 1, 2022		As of July 1, 2021		As of July 1, 2020		As of July 1, 2019	
		STANDARD ENTRANCE FEE *	MONTHLY SERVICE FEE (see note A)	STANDARD ENTRANCE FEE *	MONTHLY SERVICE FEE (see note A)	STANDARD ENTRANCE FEE *	MONTHLY SERVICE FEE (see note A)	STANDARD ENTRANCE FEE *	MONTHLY SERVICE FEE (see note A)	STANDARD ENTRANCE FEE *	MONTHLY SERVICE FEE (see note A)
295 Luther Drive	2BR,1.5BA,DPLX, SR,GAR,Porch	398,153	2,374	359,538	2,199	340,795	2,085	289,447	1,976	255,244	1,628
297 Luther Drive	2BR,1.5BA,DPLX,GAR,FP,SR	398,153	2,374	359,538	2,199	340,795	2,085	289,447	1,976	255,244	1,621
299 Luther Drive	2BR,2BA,SNGL,GAR,Den,Por,Deck	514,459	4,384	476,351	4,060	451,518	3,849	383,487	3,648	338,172	2,586
301 Luther Drive	2br sngl gar famrm	438,147	2,374	405,692	2,199	384,543	2,085	326,604	1,976	288,010	1,740
200 St. Mark Way	1BR,1BA,QUAD,Porch	180,482	2,019	167,113	1,870	158,401	1,773	150,059	1,681	127,386	1,416
202 St. Mark Way	1BR,1BA,QUAD,Porch	180,482	2,019	167,113	1,870	158,401	1,773	150,059	1,681	132,327	1,430
204 St. Mark Way	1BR,1BA,QUAD,V	180,482	2,019	167,113	1,870	158,401	1,773	150,059	1,681	132,327	1,430
206 St. Mark Way	1BR,1BA,QUAD,Porch,V	180,482	2,019	167,113	1,870	158,401	1,773	150,059	1,681	127,386	1,430
208 St. Mark Way	2BR,2BA,DPLX,Porch	243,365	2,374	225,338	2,220	213,591	2,105	227,946	1,976	159,586	1,459
210 St. Mark Way	2BR,2BA,FPLX,Porch	243,365	2,374	225,338	2,199	213,591	2,085	181,409	1,976	159,586	1,473
212 St. Mark Way	2BR,2BA,FPLX,Porch,Patio	243,365	2,374	225,338	2,199	213,591	2,085	181,409	1,976	151,670	1,473
214 St. Mark Way	2BR,2BA,FPLX,Porch,SR	243,365	2,374	225,338	2,199	213,591	2,085	227,946	1,976	151,670	1,473
216 St. Mark Way	2BR,1.5BA,SNGL,GAR,FP,SR	477,742	2,820	424,250	2,612	402,133	2,476	341,544	2,347	267,514	1,624
218 St. Mark Way	1BR,1BA,DPLX,Den	243,365	2,374	243,641	2,199	230,940	2,085	196,145	1,976	163,712	1,466
220 St. Mark Way	2BR,1.5BA,DPLX,SR,V	243,365	2,374	243,641	2,199	230,940	2,085	196,145	1,976	179,021	1,526
221 St. Mark Way	2BR,2BA,SNGL,FP,Patio	477,742	2,602	424,250	2,199	402,133	2,085	341,544	1,976	263,389	1,925
222 St. Mark Way	3BR,2BA,SNGL,GAR,FR,V	477,742	2,602	442,354	2,410	419,293	2,285	356,118	2,166	314,037	1,932
224 St. Mark Way	2BR,2BA,DPLX,GAR,Porch,V	450,635	2,602	369,225	2,199	349,977	2,085	297,246	1,976	262,121	1,937
225 St. Mark Way	2BR,1BA,DPLX,GAR,SR	325,319	2,820	301,222	2,612	285,519	2,476	242,500	2,347	213,845	1,422
226 St. Mark Way	2BR,1.5BA,DPLX,GAR	450,635	2,602	369,225	2,410	349,977	2,285	297,246	2,166	262,121	1,931
227 St. Mark Way	2BR,1BA,DPLX,GAR,Patio	325,319	2,374	301,222	2,199	285,519	2,085	242,500	1,976	203,612	1,526
228 St. Mark Way	2BR,1.5BA,DPLX,GAR,SR,V	450,635	2,602	355,638	2,199	337,098	2,085	286,308	1,976	255,710	1,568
229 St. Mark Way	2BR,1BA,DPLX,GAR,Patio	417,653	2,820	301,222	2,199	285,519	2,085	242,500	1,976	213,316	1,519
230 St. Mark Way	2BR,1BA,DPLX,GAR,Patio,V	450,635	3,513	355,638	3,253	337,098	3,084	286,308	2,923	261,312	1,937
231 St. Mark Way	2BR,1BA,DPLX,GAR,SR,Patio	417,653	2,820	386,716	2,612	366,556	2,476	311,327	2,347	274,539	2,057
233 St. Mark Way	2BR,1.5BA,DPLX,GAR,SR	386,865	2,820	358,209	2,612	339,535	2,476	288,377	2,347	205,074	1,466
235 St. Mark Way	2BR,1BA,DPLX,GAR,SR,Patio	386,865	2,820	358,208	2,612	339,534	2,476	288,377	2,347	254,301	1,860
236 St. Mark Way	2BR,2BA,DPLX,DGAR,Patio,V	401,020	2,602	371,315	2,410	351,958	2,285	298,928	2,166	263,605	1,852
237 St. Mark Way	2BR,1.5BA,SNGL,GAR,SR,V	499,247	3,365	462,266	3,116	438,167	2,954	372,148	2,800	339,658	2,599
238 St. Mark Way	2BR,1.5BA,DPLX,DGAR,FR,V	477,742	2,602	371,314	2,410	351,957	2,285	298,928	2,166	335,751	2,566
239 St. Mark Way	2BR,2BA,DPLX,GAR,Patio,V	477,742	2,602	371,314	2,410	351,957	2,285	298,928	2,166	216,542	1,734
241 St. Mark Way	2BR,1BA,DPLX,GAR,Patio,V	524,251	2,941	485,418	2,724	460,112	2,582	390,787	2,448	299,746	2,169
200 St. Matthew Court	2BR,1BA,DPLX,GAR,Deck	334,683	2,374	271,320	2,199	257,176	2,085	218,428	1,976	184,604	1,519
201 St. Matthew Court	2BR,2BA,DPLX,Cov Patio	311,865	2,374	288,764	2,199	273,710	2,085	232,470	1,976	200,230	1,439
202 St. Matthew Court	2BR,1.5 BA,DPLX,GAR,Deck	344,683	2,374	309,892	2,199	293,737	2,085	249,480	1,976	199,359	1,526
203 St. Matthew Court	2BR,1.5BA,DPLX	311,865	2,374	288,764	2,199	273,710	2,085	232,470	1,976	200,230	1,438
204 St. Matthew Court	2BR,2BA,DPLX,FR,SR,D	367,043	2,374	339,855	2,199	322,138	2,085	273,601	1,976	249,716	1,852
205 St. Matthew Court	2BR,1BA,DPLX,Porch,street	243,365	2,535	225,338	2,348	213,591	2,226	181,409	2,110	159,880	1,466
211 St. Matthew Court	2BR,1BA,DPLX,Porch,street	243,365	2,374	225,338	2,199	213,591	2,085	181,409	1,976	159,880	1,473
207 St. Matthew Court	2BR,1BA,DPLX,Porch,garden	243,365	2,535	225,338	2,348	213,591	2,226	181,409	2,110	159,880	1,473
209 St. Matthew Court	2BR,1BA,DPLX,Porch,garden	243,365	2,374	225,338	2,199	213,591	2,085	181,409	1,976	159,880	1,473
206 St. Matthew Court	2BR,1BA,DPLX,Cov Patio	243,365	2,374	225,338	2,199	213,591	2,085	181,409	1,976	159,880	1,438
208 St. Matthew Court	2BR,2BA,DPLX,Porch	305,796	2,374	283,145	2,199	268,384	2,085	227,946	1,976	186,677	1,522
210 St. Matthew Court	2BR,2BA,FPLX,Porch	295,768	2,374	225,338	2,199	213,591	2,085	181,409	1,976	206,563	1,744
212 St. Matthew Court	2BR,2BA,FPLX,Porch,Patio	295,768	2,374	225,338	2,199	213,591	2,085	181,409	1,976	206,563	1,744
214 St. Matthew Court	2BR,2BA,FPLX,Porch,SR	305,796	2,374	283,145	2,199	268,384	2,085	227,946	1,976	208,046	1,744
216 St. Matthew Court	2BR,1.5BA,DPLX,GAR,SR	371,211	2,820	343,714	2,612	325,796	2,476	276,708	2,347	231,645	1,852
218 St. Matthew Court	2BR,1BA,DPLX,GAR,Patio	371,211	3,513	343,714	3,253	325,796	3,084	276,708	2,923	198,338	1,628

* Carefully read the Residency Care Agreement for the conditions that must be satisfied before Carroll Lutheran Village is required to pay the entrance fee refund.

Note A: Second person fees are \$841 for FY2024 \$779 for FY2023 \$739 for FY2022 \$701 for FY2021, and \$677 for FY2020

Note B: Three contract types are offered beginning 7/1/2020: Declining Balance, 50% refundable and 90% refundable. The declining balance is presented in this schedule for comparison purposes with the prior years. The conversion factors from declining balance to the other contract types are: 1.425 for 50% contracts and 2.4 for 90% contracts.

Prepared for Carroll Lutheran Village's Disclosure Statement.

Carroll Lutheran Village reserves the right to change current prices without prior notice.

NUMBER OF APTS.	TYPE	SIZE SQ. FT.	As of July 1, 2023		As of July 1, 2022		As of July 1, 2021		As of July 1, 2020		As of July 1, 2019	
			STANDARD ENTRANCE FEE*	MONTHLY SERVICE FEE (see note A)	STANDARD ENTRANCE FEE*	MONTHLY SERVICE FEE (see note A)	STANDARD ENTRANCE FEE*	MONTHLY SERVICE FEE (see note A)	STANDARD ENTRANCE FEE*	MONTHLY SERVICE FEE (see note A)	STANDARD ENTRANCE FEE*	MONTHLY SERVICE FEE (see note A)
4	STUDIO***	374	96,134	1,734	89,013	1,606	84,373	1,523	79,929	1,444	72,160	1,282
1	STUDIO	390	96,134	1,734	89,013	1,606	84,373	1,523	79,929	1,444	72,160	1,282
2	STUDIO	453	96,134	1,734	89,013	1,606	84,373	1,523	79,929	1,444	67,302	1,395
2	1 BEDROOM	480	136,586	2,422	109,973	1,909	104,240	1,810	98,750	1,716	92,119	1,534
12	1 BEDROOM	551	169,336	2,491	136,342	1,963	129,235	1,861	122,428	1,764	113,151	1,578
22	1 BEDROOM	552	169,336	2,491	136,342	1,963	129,235	1,861	122,428	1,764	106,996	1,535
28	1 BEDROOM***	561	169,336	2,491	136,342	1,963	129,235	1,861	122,428	1,764	113,150	1,578
5	1 BEDROOM	643	183,788	2,709	147,978	2,135	140,264	2,024	132,877	1,919	122,364	1,717
1	1 BEDROOM	644	183,788	2,709	147,978	2,135	140,264	2,024	132,877	1,919	122,364	1,717
5	1 BEDROOM	650	183,788	2,709	147,978	2,135	140,264	2,024	132,877	1,919	122,364	1,717
5	1 BEDROOM/DEN	717	226,612	2,817	182,458	2,220	172,946	2,105	146,888	1,995	134,720	1,785
1	1 BEDROOM/DEN	780**	256,398	3,031	206,441	2,506	195,679	2,376	166,196	2,252	151,746	2,014
17	2 BEDROOM	869	286,890	3,227	230,991	2,668	196,300	2,529	185,960	2,398	164,928	2,146
18	2 BEDROOM	882	286,890	3,227	230,991	2,668	218,949	2,529	185,960	2,398	169,357	2,146
3	2 BEDROOM	884	286,890	3,227	230,991	2,668	218,949	2,529	185,960	2,398	169,357	2,146
24	2 BEDROOM	890	286,890	3,227	230,991	2,668	218,949	2,529	185,960	2,398	169,357	2,146
3	2 BEDROOM	893	286,890	3,227	230,991	2,668	218,949	2,529	185,960	2,398	169,357	2,146
2	2 BEDROOM	895	286,890	3,227	230,991	2,668	218,949	2,529	185,960	2,398	164,928	2,146
1	2 BEDROOM	977	298,149	3,359	240,056	2,777	227,542	2,633	193,258	2,496	175,792	2,233
1	2 BEDROOM	980**	357,091	4,107	287,513	3,237	244,334	3,069	231,464	2,909	182,055	2,262
1	2 BEDROOM	1025	357,091	4,107	287,513	3,237	272,525	3,069	231,464	2,909	181,232	2,146
8	DELUXE	1,020	357,091	3,464	287,513	2,730	244,334	2,588	231,464	2,453	202,886	2,283
1	DELUXE	1,025	357,091	3,464	287,513	2,730	272,525	3,069	231,464	2,453	199,255	2,189
10	DELUXE	1,041	357,091	3,464	287,513	2,730	272,525	2,588	231,464	2,453	206,517	2,305
3	DELUXE	1,118	391,399	3,801	287,513	2,730	272,525	2,588	231,464	2,453	226,711	2,370
2	DELUXE	1,126	391,399	3,801	287,513	2,730	272,525	2,588	231,464	2,453	226,711	2,378
2	DELUXE	1,172	391,399	3,985	287,513	2,730	272,525	2,588	231,464	2,453	231,957	2,445
3	DELUXE	1,218	426,300	4,141	287,513	2,730	272,525	2,588	231,464	2,453	231,957	2,478
1	DELUXE	1,312	459,200	4,461	287,513	3,237	272,525	3,069	231,464	2,909	251,311	2,811
3	DELUXE	1,349	450,859	3,831	363,011	3,225	344,087	3,057	292,243	2,898	278,675	2,718
2	DELUXE	1370**	479,500	4,658	363,011	3,225	344,087	3,057	292,243	2,898	278,140	2,717
3	DELUXE	1,462	450,859	3,973	363,011	3,345	344,087	3,171	292,243	3,006	295,360	2,904
1	2BEDROOM COMBO	1,097	357,092	3,464	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1	2BEDROOM COMBO	1,120	357,092	3,464	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1	2BEDROOM COMBO	1,126	357,092	3,464	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1	2BEDROOM COMBO	1,133	357,092	3,464	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1	3 BEDROOM	1,119	391,399	3,805	287,513	3,237	272,525	3,069	231,464	2,909	216,591	2,370

201

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**Renovations occurred during 2016/2017.

***Combination of units occurred in 2022. Combinations removed 5 units from total unit count

Note A: Second person fees are \$841 for 2023, \$779 for 2022, \$739 for 2021, \$701 for 2020, and \$677 for 2019

Note B: Three contract types are offered beginning 7/1/2020: Declining Balance, 50% refundable and 90% refundable. The declining balance is presented in this schedule for comparison purposes with the prior years. The conversion factors from declining balance to the other contract types are: 1.425 for 50% contracts and 2.4 for 90% contracts.

Prepared for Carroll Lutheran Village's Disclosure Statement.

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Unit	Type	Square Footage	As of July 1, 2023			As of July 1, 2022			As of July 1, 2021			As of July 1, 2020			As of July 1, 2019		
			Monthly Fees		Entrance Fee	Monthly Fees		Entrance Fee	Monthly Fees		Entrance Fee	Monthly Fees		Entrance Fee	Monthly Fees		Entrance Fee
			First Occupant	Second Occupant	Standard Entrance Fee*	First Occupant	Second Occupant	Standard Entrance Fee*	First Occupant	Second Occupant	Standard Entrance Fee*	First Occupant	Second Occupant	Standard Entrance Fee*	First Occupant	Second Occupant	Standard Entrance Fee*
103	1 BEDROOM/DEN	1,000	3,248	841	310,514	3,008	779	287,513	2,852	739	272,525	2,703	701	231,464	2,612	677	205,442
104	1 BEDROOM/DEN	1,000	3,248	841	310,514	3,008	779	287,513	2,852	739	272,525	2,703	701	231,464	2,612	677	205,442
105	1 BEDROOM/DEN	1,000	3,248	841	310,514	3,008	779	287,513	2,852	739	272,525	2,703	701	231,464	2,612	677	205,442
203	1 BEDROOM/DEN	1,000	3,248	841	310,514	3,008	779	287,513	2,852	739	272,525	2,703	701	231,464	2,612	677	205,442
204	1 BEDROOM/DEN	1,000	3,248	841	310,514	3,008	779	287,513	2,852	739	272,525	2,703	701	231,464	2,612	677	205,442
205	1 BEDROOM/DEN	1,000	3,248	841	310,514	3,008	779	287,513	2,852	739	272,525	2,703	701	231,464	2,612	677	205,442
303	1 BEDROOM/DEN	1,000	3,248	841	310,514	3,008	779	287,513	2,852	739	272,525	2,703	701	231,464	2,612	677	205,442
304	1 BEDROOM/DEN	1,000	3,248	841	310,514	3,008	779	287,513	2,852	739	272,525	2,703	701	231,464	2,612	677	205,442
305	1 BEDROOM/DEN	1,000	3,248	841	310,514	3,008	779	287,513	2,852	739	272,525	2,703	701	231,464	2,612	677	205,442
101	2 BEDROOM	1,300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
102	2 BEDROOM	1,300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
106	2 BEDROOM	1,300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
109	2 BEDROOM	1,300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
110	2 BEDROOM	1,300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
111	2 BEDROOM	1,300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
113	2 BEDROOM	1,300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
201	2 BEDROOM	1,300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
202	2 BEDROOM	1,300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
206	2 BEDROOM	1,300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
208	2 BEDROOM	1,300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	266,700
209	2 BEDROOM	1,300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
210	2 BEDROOM	1,300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
211	2 BEDROOM	1,300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
213	2 BEDROOM	1,300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
301	2 BEDROOM	1,300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
302	2 BEDROOM	1,300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
306	2 BEDROOM	1,300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
308	2 BEDROOM	1,300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
309	2 BEDROOM	1,300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
310	2 BEDROOM	1,300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
311	2 BEDROOM	1,300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	266,700
313	2 BEDROOM	1,300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
107	2 BEDROOM/DEN	1,605	4,326	841	414,176	4,006	779	383,497	3,798	739	363,505	3,600	701	308,736	3,479	677	292,477
112	2 BEDROOM/DEN	1,605	4,326	841	414,176	4,006	779	383,497	3,798	739	363,505	3,600	701	308,736	3,479	677	289,833
114	2 BEDROOM/DEN	1,865	5,051	841	468,016	4,677	779	433,349	4,434	739	410,758	4,203	701	348,869	4,061	677	327,509
207	2 BEDROOM/DEN	1,605	4,326	841	414,176	4,006	779	383,497	3,798	739	363,505	3,600	701	308,736	3,479	677	289,833
212	2 BEDROOM/DEN	1,605	4,326	841	414,176	4,006	779	383,497	3,798	739	363,505	3,600	701	308,736	3,479	677	289,833
214	2 BEDROOM/DEN	1,865	5,051	841	468,016	4,677	779	433,349	4,434	739	410,758	4,203	701	348,869	4,061	677	327,509
307	2 BEDROOM/DEN	1,605	4,326	841	414,176	4,006	779	383,497	3,798	739	363,505	3,600	701	308,736	3,479	677	297,765
312	2 BEDROOM/DEN	1,605	4,326	841	414,176	4,006	779	383,497	3,798	739	363,505	3,600	701	308,736	3,479	677	289,833
314	2 BEDROOM/DEN	1,865	5,051	841	468,016	4,677	779	433,349	4,434	739	410,758	4,203	701	348,869	4,061	677	355,931

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Note A: Second person fees are \$779 for 2022 \$739 for 2021 \$701 for 2020, \$677 for 2019, \$653 for 2018

Note B: Three contract types are offered beginning 7/1/2020: Declining Balance, 50% refundable and 90% refundable. The declining balance is presented in this schedule for comparison purposes with the prior years.

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Unit	Square Feet	As of July 1, 2023			As of July 1, 2022			As of July 1, 2021			As of July 1, 2020			As of July 1, 2019		
		Monthly Fees		Entrance Fee	Monthly Fees		Entrance Fee	Monthly Fees		Entrance Fee	Monthly Fees		Entrance Fee	Monthly Fees		Entrance Fee
		First Occupant	Second Occupant		First Occupant	Second Occupant		First Occupant	Second Occupant		First Occupant	Second Occupant		First Occupant	Second Occupant	
T17	1000	3,248	841	310,514	3,008	779	287,513	2,852	739	272,525	2,703	701	231,464	2,612	677	205,442
T18	1000	3,248	841	310,514	3,008	779	287,513	2,852	739	272,525	2,703	701	231,464	2,612	677	205,442
T19	1000	3,248	841	310,514	3,008	779	287,513	2,852	739	272,525	2,703	701	231,464	2,612	677	205,442
117	1000	3,248	841	310,514	3,008	779	287,513	2,852	739	272,525	2,703	701	231,464	2,612	677	205,442
118	1000	3,248	841	310,514	3,008	779	287,513	2,852	739	272,525	2,703	701	231,464	2,612	677	205,442
119	1000	3,248	841	310,514	3,008	779	287,513	2,852	739	272,525	2,703	701	231,464	2,612	677	205,442
217	1000	3,248	841	310,514	3,008	779	287,513	2,852	739	272,525	2,703	701	231,464	2,612	677	205,442
218	1000	3,248	841	310,514	3,008	779	287,513	2,852	739	272,525	2,703	701	231,464	2,612	677	205,442
219	1000	3,248	841	310,514	3,008	779	287,513	2,852	739	272,525	2,703	701	231,464	2,612	677	205,442
317	1000	3,248	841	310,514	3,008	779	287,513	2,852	739	272,525	2,703	701	231,464	2,612	677	205,442
318	1000	3,248	841	310,514	3,008	779	287,513	2,852	739	272,525	2,703	701	231,464	2,612	677	205,442
319	1000	3,248	841	310,514	3,008	779	287,513	2,852	739	272,525	2,703	701	231,464	2,612	677	205,442
T15	1300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
T20	1300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
115	1300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
116	1300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
120	1300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
123	1300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
124	1300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
125	1300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
127	1300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
215	1300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
216	1300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
220	1300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
222	1300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
223	1300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
224	1300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
225	1300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
227	1300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
315	1300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
316	1300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
320	1300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
322	1300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
323	1300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
324	1300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
325	1300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
327	1300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	266,700
T24	1300	3,518	841	371,672	3,258	779	344,141	3,089	739	326,200	2,928	701	277,052	2,829	677	260,089
T21	1605	4,006	841	383,497	4,006	779	383,497	3,798	739	363,505	3,600	701	308,736	3,479	677	289,833
T26	1605	4,006	841	383,497	4,006	779	383,497	3,798	739	363,505	3,600	701	308,736	3,479	677	289,833
121	1605	4,006	841	383,497	4,006	779	383,497	3,798	739	363,505	3,600	701	308,736	3,479	677	289,833
126	1605	4,006	841	383,497	4,006	779	383,497	3,798	739	363,505	3,600	701	308,736	3,479	677	289,833
221	1605	4,006	841	383,497	4,006	779	383,497	3,798	739	363,505	3,600	701	308,736	3,479	677	289,833
226	1605	4,006	841	383,497	4,006	779	383,497	3,798	739	363,505	3,600	701	308,736	3,479	677	289,833
321	1605	4,006	841	383,497	4,006	779	383,497	3,798	739	363,505	3,600	701	308,736	3,479	677	297,765
326	1605	4,006	841	383,497	4,006	779	383,497	3,798	739	363,505	3,600	701	308,736	3,479	677	289,833
128	1865	4,677	841	433,349	4,677	779	433,349	4,434	739	410,758	348,869	701	4,203	4,061	677	327,509
228	1865	4,677	841	433,349	4,677	779	433,349	4,434	739	410,758	348,869	701	4,203	4,061	677	327,509
328	1865	4,677	841	433,349	4,677	779	433,349	4,434	739	410,758	348,869	701	4,203	4,061	677	327,509

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