CONSOLIDATED FINANCIAL STATEMENTS
OF
BARTELS LUTHERAN RETIREMENT COMMUNITY
AND AFFILIATE
WAVERLY, IOWA
AT
DECEMBER 31, 2025 AND 2024

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Ryun, Givens & Company, P.C.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Bartels Lutheran Retirement Community and Affiliate
Waverly, Iowa

Opinion

We have audited the accompanying consolidated financial statements of Bartels Lutheran Retirement Community (a nonprofit health care entity) and affiliate, which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Bartels Lutheran Retirement Community and affiliate as of December 31, 2025 and 2024, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Bartels Lutheran Retirement Community and affiliate's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bartels Lutheran Retirement Community and affiliate'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.

RYUN, GIVENS & COMPANY, P.C.

Ryun Givens & Company P.C.

Certified Public Accountants

April 13, 2026

BARTELS LUTHERAN RETIREMENT COMMUNITY AND AFFILIATE
WAVERLY, IOWA

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 469,117	$ 104,197
Certificates of Deposit	345,074	330,009
Investments	9,946,427	9,011,265
Resident Receivables, Net of Allowance for Credit Losses of $48,357 in 2025 and $66,603 in 2024	439,766	337,480
Prepaid Expenses and Other Current Assets	341,501	189,801
Total Current Assets	11,541,885	9,972,752
Property and Equipment:		
Land	2,142,747	2,142,747
Buildings and Improvements	49,963,940	47,714,883
Equipment and Furniture	6,872,854	6,323,999
Construction in Progress	2,195,334	2,388,234
Total Property and Equipment	61,174,875	58,569,863
LESS - Accumulated Depreciation	24,679,801	22,971,952
Net Property and Equipment	36,495,074	35,597,911
Other Assets:		
Restricted Cash	112,097	77,055
Certificates of Deposit	126,580	126,580
Refundable Advance for Construction	343,493	356,788
Right-of-Use Assets for Finance Leases, Net	6,390	25,560
Land Held for Development	269,381	32,631
Other Assets	68,705	38,468
Franchise Fees, Net of Accumulated Amortization of $104,399 in 2025 and $97,837 in 2024	157,501	164,063
Long-Term Investments Restricted for Endowment	3,344,328	3,017,128
Total Other Assets	4,428,475	3,838,273
TOTAL ASSETS	$ 52,465,434	$ 49,408,936

BARTELS LUTHERAN RETIREMENT COMMUNITY AND AFFILIATE
WAVERLY, IOWA

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2025 AND 2024

	2025	2024
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Line of Credit	$ -	$ 500,000
Current Maturities of Finance Lease Liabilities	8,199	20,130
Current Maturities of Long-Term Debt	941,492	903,592
Accounts Payable	928,407	861,551
Accrued Salaries and Benefits	487,860	412,914
Other Current Liabilities	149,409	140,748
Total Current Liabilities	2,515,367	2,838,935
Long-Term Liabilities:		
Finance Lease Liabilities, Less Current Maturities	-	8,189
Long-Term Debt, Less Current Maturities	3,665,710	4,590,257
Deferred Revenue from Advance Fees	3,047,317	2,998,808
Refundable Advance Fees	27,147,617	25,416,832
Total Long-Term Liabilities	33,860,644	33,014,086
Total Liabilities	36,376,011	35,853,021
Net Assets:		
Without Donor Restrictions:		
Board Designated, Chaplaincy Endowment	771,126	771,126
Undesignated	12,414,968	10,158,954
Total Net Assets Without Donor Restrictions	13,186,094	10,930,080
Net Assets With Donor Restrictions	2,903,329	2,625,835
Total Net Assets	16,089,423	13,555,915
TOTAL LIABILITIES AND NET ASSETS	$ 52,465,434	$ 49,408,936

See Accompanying Notes to the Consolidated Financial Statements

BARTELS LUTHERAN RETIREMENT COMMUNITY AND AFFILIATE
WAVERLY, IOWA

CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenues, Gains and Other Support:		
Resident Service Revenue, Including Amortization of Advance Fees of $418,407 for 2025 and $368,261 for 2024	$ 14,708,003	$ 13,506,372
Investment Income	553,666	460,667
Employee Retention Credit	2,743,320	-
Contributions	89,014	53,939
Other Operating Revenue	277,011	241,638
Net Assets Released from Restrictions Used for Operations	295,851	241,184
Total Revenues, Gains and Other Support	18,666,865	14,503,800
Expenses:		
Salaries and Benefits	10,693,827	8,690,637
Contracted and Outsourced Services	1,218,046	2,190,767
Food and Departmental Supplies	1,174,277	1,033,257
Occupancy	1,468,914	1,402,274
Other Expenses	527,892	356,125
Depreciation and Amortization	1,875,763	1,774,823
Interest and Amortization	176,474	222,282
Total Expenses	17,135,193	15,670,165
Operating Income (Loss)	1,531,672	(1,166,365)
Change in Net Unrealized Gains (Losses) on Investments	580,305	445,206
Net Assets Released from Restrictions Used for Purchase of Property and Equipment	144,037	133,848
Increase (Decrease) in Net Assets Without Donor Restrictions	2,256,014	(587,311)
NET ASSETS WITH DONOR RESTRICTIONS		
Investment Income	206,100	166,741
Contributions	251,947	130,745
Change in Net Unrealized Gains (Losses) on Investments	259,335	247,940
Net Assets Released from Restrictions	(439,888)	(375,032)
Increase (Decrease) in Net Assets With Donor Restrictions	277,494	170,394
Increase (Decrease) in Net Assets	2,533,508	(416,917)
Net Assets, Beginning of Year	13,555,915	13,972,832
Net Assets, End of Year	$ 16,089,423	$ 13,555,915

BARTELS LUTHERAN RETIREMENT COMMUNITY AND AFFILIATE
WAVERLY, IOWA

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025		
	Program Services	Management and General	Total
Expenses:			
Salaries and Benefits	$ 9,119,188	$ 1,574,639	$ 10,693,827
Contracted and Outsourced Services	1,216,863	1,183	1,218,046
Food and Departmental Supplies	1,149,707	24,570	1,174,277
Occupancy	1,223,688	245,226	1,468,914
Other Expenses	77,177	450,715	527,892
Depreciation and Amortization	1,875,763	-	1,875,763
Interest and Amortization	176,474	-	176,474
Total Functional Expenses	$ 14,838,860	$ 2,296,333	$ 17,135,193

	2024		
	Program Services	Management and General	Total
Expenses:			
Salaries and Benefits	$ 7,187,681	$ 1,502,956	$ 8,690,637
Contracted and Outsourced Services	2,185,296	5,471	2,190,767
Food and Departmental Supplies	1,012,299	20,958	1,033,257
Occupancy	1,162,687	239,587	1,402,274
Other Expenses	23,074	333,051	356,125
Depreciation and Amortization	1,774,823	-	1,774,823
Interest and Amortization	222,282	-	222,282
Total Functional Expenses	$ 13,568,142	$ 2,102,023	$ 15,670,165

BARTELS LUTHERAN RETIREMENT COMMUNITY AND AFFILIATE
WAVERLY, IOWA

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	$ 2,533,508	$ (416,917)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided (Used) by Operating Activities:		
Gain on Sale of Investments	(431,131)	(311,498)
Change in Net Unrealized (Gains) Losses on Investments	(839,640)	(693,146)
Depreciation and Amortization	1,890,264	1,789,325
Gain on Disposal of Property and Equipment	(500)	(3,100)
Investment Income Restricted for Long-Term Purposes	(6,044)	(6,670)
Contributions Restricted for Long-Term Purposes	(188,672)	(64,115)
Proceeds from Advance Fees	3,521,954	6,174,550
Amortization of Advance Fees	(418,407)	(368,261)
Change in Deferred Compensation	-	(95,507)
(Increase) Decrease in:		
Resident Receivables	(102,286)	155,674
Prepaid Expenses and Other Current Assets	(151,700)	14,154
Other Assets	(30,237)	(5,666)
Increase (Decrease) in:		
Accounts Payable	(475,114)	(449,305)
Accrued Salaries and Benefits	74,946	(225,875)
Other Current Liabilities	8,661	(17,686)
Net Cash Provided (Used) by Operating Activities	5,385,602	5,475,957
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Certificates of Deposit	(15,065)	(15,793)
Purchase of Investments	(381,427)	(357,255)
Proceeds from Sale of Investments	391,691	1,209,397
Purchase of Property and Equipment	(2,301,887)	(3,295,562)
Proceeds from Sale of Property and Equipment	500	4,500
Proceeds from Refundable Advance for Construction	13,295	37,850
Purchase of Land Held for Development	(236,750)	-
Purchase of Assets Restricted for Long-Term Purposes	(1,855)	-
Net Cash Provided (Used) by Investing Activities	(2,531,498)	(2,416,863)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Change in Assets Limited as to Use	-	95,507
Proceeds from Investment Income Restricted for Long-Term Purposes	6,044	6,670
Proceeds from Contributions Restricted for Long-Term Purposes	188,672	64,115
Principal Payments on Line of Credit	(500,000)	(80,000)
Proceeds from Line of Credit	-	580,000
Principal Payments on Finance Lease Liabilities	(20,120)	(19,518)
Principal Payments on Long-Term Debt	(901,148)	(874,060)
Refunds of Advance Fees	(1,227,590)	(3,377,168)
Net Cash Provided (Used) by Financing Activities	(2,454,142)	(3,604,454)

BARTELS LUTHERAN RETIREMENT COMMUNITY AND AFFILIATE
WAVERLY, IOWA

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	399,962	(545,360)
Cash, Cash Equivalents and Restricted Cash at Beginning of Year	181,252	726,612
Cash, Cash Equivalents and Restricted Cash at End of Year	$ 581,214	$ 181,252

Supplemental Disclosure of Cash Flow Information:

Cash Paid for Interest	$ 163,085	$ 208,858

Supplemental Schedule of Noncash Investing and Financing Activities:

At December 31, 2025 and 2024, accounts payable included $445,307 and $274,310, respectively, for the purchase of property and equipment.

At December 31, 2025 and 2024, accounts payable included $96,663 and $105,561, respectively, for refunds of advance fees.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Bartels Lutheran Retirement Community and Memorial Foundation of Bartels Lutheran Retirement Community (hereinafter the Organization). Intra-entity transactions and balances have been eliminated in the consolidation.

Nature of Business

Bartels Lutheran Home d/b/a Bartels Lutheran Retirement Community is an Iowa nonprofit corporation organized for the purpose of operating a nursing facility and a retirement community in Waverly, Iowa. The retirement community includes 36 independent living units (Eichhorn Haus), 92 independent living townhome units (Eisenach Village), 30 assisted living units (Linden Place), 20 memory care assisted living units (Aspen Cottage), and a 100 bed licensed nursing facility (Woodland Terrace). The nursing facility beds are dually certified for Medicare and Medicaid participation and include 30 beds that are licensed for residents with Alzheimer's or dementia (Evergreen Arbor). The Organization is in the process of completing construction of an independent living community (Anna Estates) consisting of single family homes and duplexes that currently consists of seven completed single family homes and five completed duplex units.

Bartels Lutheran Home Memorial Foundation d/b/a Memorial Foundation of Bartels Lutheran Retirement Community is an Iowa nonprofit corporation organized for the purpose of operating a foundation to exclusively support and benefit Bartels Lutheran Retirement Community through the solicitation of gifts, grants, and other contributions.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net Assets With Donor Restrictions

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

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities.

Use of Estimates

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less, excluding contributions restricted for long term purposes.

Certificates of Deposit

Certificates of deposit are measured at cost, which is the initial amount of cash invested plus accrued interest.

Investments

The Organization classifies its debt securities as "available for sale" and reports them in the consolidated statements of financial position at fair value. All equity securities held by the Organization have readily determinable fair values and are reported at fair value. Realized gains and losses are determined using the first-in, first out (FIFO) method. Realized gains and losses on available for sale debt securities are included in operating income (loss) unless the income or loss is restricted by donor or law. Management assesses the financial condition and indicators of impairment at the individual security level for available for sale securities. When there is not an intent to sell or it is more likely than not that the Organization will not be required to sell the security before the impairment is recovered, management assesses whether the decline in fair value has resulted from credit losses or other factors. Losses attributable to credit losses are recorded as an allowance for available for sale credit losses. Losses attributable to other factors are charged to other comprehensive income. Investment income or loss (including realized gains and losses on investments, interest and dividends) on equity securities is included in operating income (loss) unless the income or loss is restricted by donor or law. Unrealized gains and losses on equity securities are excluded from operating income (loss).

Resident Receivables

Resident receivables are due when billed. The Organization uses historical loss information based on the aging of receivables as the basis to determine expected credit losses for receivables and believes that the composition of resident receivables at year-end is consistent with historical conditions as credit terms and practices and the resident base has not changed significantly.

Property and Equipment

Property and equipment is stated at cost and is being depreciated by the straight-line method over the following estimated useful lives:

Buildings and Improvements	5-60 Years
Equipment and Furniture	3-20 Years

Depreciation expense totaled $1,850,031 and $1,749,091 for the years ended December 31, 2025 and 2024, respectively.

Maintenance and repairs are charged to operations when incurred. Betterments and renewals of $5,000 or more are capitalized. When property, plant and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

Refundable Advance for Construction

During the year ended December 31, 2022, the Organization paid refundable advances to MidAmerican Energy for installation of utilities to serve the Anna Estates development. Refunds will be made to the Organization for a ten-year period based on the number of new MidAmerican Energy customers at Anna Estates and the revenue from those customers. At December 31, 2025 and 2024, the balance of the refundable advance for construction was $343,493 and $356,788, respectively.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Right-of-Use Assets for Finance Leases

Right-of-use assets for finance leases are amortized using the straight-line method over the shorter of the lease term or useful life of the right-of-use asset. Amortization expense charged to operations was $19,170 for both years ended December 31, 2025 and 2024.

Franchise Fees

Franchise fees are amortized using the straight-line method over the life of the buildings constructed for the Eisenach Village project. Amortization expense charged to operations was $6,562 for both years ended December 31, 2025 and 2024. Estimated amortization expense for each of the next five years is $6,562 per year.

Debt Issuance Costs

Debt issuance costs are amortized using the straight-line method, which approximates the effective interest method, over the term of the debt.

Advance Fees

Advance fees paid by a resident upon entering into a residency agreement for Eichhorn Haus, net of the portion thereof that is refundable to the resident, are amortized into income over the life of the resident. The refundable portion is recorded as refundable advance fees. The amount of refund is based on the amount of the advance fee paid by the vacating resident less a transfer and refurbishing fee.

Advance fees paid by a resident upon entering into a Type A residency agreement for Eisenach Village and Anna Estates, net of the portion thereof that is refundable to the resident, are recorded as deferred revenue and amortized into income over the life of the resident. The refundable portion is recorded as refundable advance fees. Under the terms of the contract, upon resale of the unit, the advance fee is refunded to the resident or the resident's estate. The amount of refund is based on the original advance fee paid by the vacating resident less transfer and refurbishing fees.

Advance fees paid by a resident upon entering into a Type B residency agreement for Eisenach Village, net of the portion thereof that is refundable to the resident, are recorded as deferred revenue and amortized into income over the life of the resident. The refundable portion is recorded as refundable advance fees. Under the terms of the contract, upon resale of the unit, the advance fee is refunded to the resident or the resident's estate. The amount of refund is based on the new advance fee paid by the incoming resident less transfer and refurbishing fees.

Contract Assets and Liabilities

When the timing of the Organization's revenue recognition is different from the timing of payments made by its residents, the Organization recognizes either a contract asset (performance precedes contractual due date) or a contract liability (customer payment precedes performance). Contract liabilities primarily relate to advance fees that are amortized over time as the performance obligation is satisfied.

Operating Income (Loss)

The consolidated statements of activities include operating income (loss). Changes in net assets without donor restrictions which are excluded from operating income (loss), consistent with industry practice, include unrealized gains and losses on investments other than trading securities and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Contract Balances

The beginning balance for resident receivables for the year ended December 31, 2024 was $493,154. The beginning balance for contract liabilities from contracts with customers for the year ended December 31, 2024 was $26,092,080.

Resident Care Revenues

Resident care revenue for the nursing facility is reported at the amount that reflects the consideration the Organization 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 from estimated reimbursements, if any, under reimbursement programs. Performance obligations are determined based on the nature of the services provided. Resident care revenue is recognized as performance obligations are satisfied.

The Organization enters into contracts to provide resident health, hospice, and outpatient therapy services. Each service provided under the contract is capable of being distinct, and thus, the services are considered individual and separate performance obligations. The performance obligations are satisfied as services are provided and revenue is recognized as services are provided.

The Organization receives payment for services under various third-party payor programs which include Medicare, Medicaid, and other third-party payors. Estimates for settlements with third-party payors for retroactive adjustments from estimated reimbursements due to audits, reviews, or investigations are included in the determination of the estimated transaction price for providing services. The Organization estimates the transaction price based on the terms of the contract with the payor, correspondence with the payor, and historical payment trends. Changes to these estimates for retroactive adjustments are recognized in the period the change or adjustment becomes known or when final settlements are determined.

Assisted Living Revenues

Assisted living provides apartment housing with assistance for elderly citizens. The residents pay a monthly rent based on the type of unit and the level of care provided. Residents are required to pay an application fee when entering into a residency agreement retained by the Organization upon occupancy. The Organization has determined that the services included under the Organization’s assisted living residency agreements have the same timing and pattern of transfer and are performance obligations that are satisfied over time.

Retirement Community Revenues

Independent living revenues consist of monthly maintenance fees and amortization of the retained portion of the fee paid to occupy the unit. When an individual enters into a residency agreement, a portion of the residency fee is retained by the Retirement Community, and generally accepted accounting principles require the retained portion be amortized into revenue over the expected life of the resident. The unamortized balance of this retained portion is included in deferred revenue from advance fees on the consolidated statements of financial position. The remaining portion of the residency fee is refundable to the resident (or the resident's estate) when the unit is vacated. The refundable balance is included in long-term liabilities on the consolidated statements of financial position as refundable advance fees.

Residents occupying independent living units pay a monthly maintenance fee amount. The Organization has determined that services included under the Organization’s residency rental agreement have the same timing and pattern of transfer and are performance obligations that are satisfied over time.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Home Health Revenues

The Organization enters into contracts to provide various types of services to clients on their campus. Each service provided under the contract is capable of being distinct, and thus, the services are considered individual and separate performance obligations. The performance obligations are satisfied as services are provided and revenue is recognized as services are provided.

Contributions and Donor-Restricted Funds

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Contributed Services

Volunteers provide assistance to the Organization on its programs and other activities. No value has been assigned to these services and, as such, the value of these services is not reflected in the financial statements as revenue and expense.

Advertising

Advertising costs are expensed as incurred. Advertising expense totaled $22,259 and $38,152 for the years ended December 31, 2025 and 2024, respectively.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on a reasonable basis that is consistently applied.

Expenses are allocated using cost reporting guidelines set forth by the Iowa Administrative Code.

Income Taxes and Accounting for Uncertain Tax Positions

Bartels Lutheran Home and Bartels Lutheran Home Memorial Foundation are exempt under Code Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is presented in these financial statements.

The Organizations' federal Returns of Organization Exempt from Income Tax (Forms 990) remain subject to examination by the IRS, generally for three years after they were filed. The Organization believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

NOTE 2 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following represents the Organization's financial assets available for general expenditures within one year at December 31, 2025 and 2024:

	2025	2024
Financial Assets at Year End:		
Cash and Cash Equivalents	$ 469,117	$ 104,197
Certificates of Deposit	471,654	456,589
Investments	9,946,427	9,011,265
Resident Receivables, Net	439,766	337,480
Other Current Assets - Unconditional Promises to Give	1,000	2,000
Restricted Cash	112,097	77,055
Long-Term Investments Restricted for Endowment	3,344,328	3,017,128
Total Financial Assets	$ 14,784,389	$ 13,005,714
Less Amounts Not Available to be Used Within One Year:		
Net Assets Board Designated for Chaplaincy Endowment	$ 771,126	$ 771,126
Net Assets With Donor Restrictions	2,903,329	2,625,835
Less Net Assets with Purpose Restrictions to be Met in Less Than One Year	(300,220)	(234,312)
Total	$ 3,374,235	$ 3,162,649
Financial Assets Available for General Expenditures Within One Year	$ 11,410,154	$ 9,843,065

The Organization has net assets that are board designated and could be made available, if necessary.

The Organization has certain investments which are available for general expenditures within one year in the normal course of operations. The Organization has other investments which are not available for general expenditures within the next year. However, the amounts that are board designated could be made available, if necessary. (See Note 10.)

NOTE 3 - CASH, CASH EQUIVALENTS AND RESTRICTED CASH

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated statements of financial position that sum to the total of the same such amounts shown in the consolidated statements of cash flows at December 31, 2025 and 2024:

	2025	2024
Cash and Cash Equivalents	$ 469,117	$ 104,197
Restricted Cash	112,097	77,055
Total Cash, Cash Equivalents, and Restricted Cash Shown in the Consolidated Statements of Cash Flows	$ 581,214	$ 181,252

NOTE 4 - INVESTMENT INCOME

Investment income is summarized as follows:

	2025	2024
Increase (Decrease) in Net Assets Without Donor Restrictions:		
Interest and Dividend Income, Net	$ 279,008	$ 269,648
Gain on Sale of Investments	274,658	191,019
	$ 553,666	$ 460,667
Increase (Decrease) in Net Assets With Donor Restrictions:		
Interest and Dividend Income, Net	$ 49,627	$ 46,262
Gain on Sale of Investments	156,473	120,479
	$ 206,100	$ 166,741
Total Investment Income	$ 759,766	$ 627,408
Change in Net Unrealized Gains (Losses) on Investments:		
Net Assets Without Donor Restrictions	$ 580,305	$ 445,206
Net Assets With Donor Restrictions	259,335	247,940
Total Change in Net Unrealized Gains (Losses) on Investments	$ 839,640	$ 693,146

NOTE 5 - FAIR VALUE MEASUREMENTS

Fair Values Measured on a Recurring Basis

Fair values of assets measured on a recurring basis at December 31, 2025 and 2024:

December 31, 2025	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)
Money Market	$ 244,078	$ 244,078
Equity Securities	7,025,997	7,025,997
Exchange Traded Funds	36,439	36,439
Fixed Income Securities	5,984,241	5,984,241
Total	$ 13,290,755	$ 13,290,755
December 31, 2024		
Money Market	$ 120,308	$ 120,308
Equity Securities	6,303,442	6,303,442
Fixed Income Securities	5,604,643	5,604,643
Total	$ 12,028,393	$ 12,028,393

Assets measured at fair value consist of the following at December 31:

	2025	2024
Investments	$ 9,946,427	$ 9,011,265
Long-Term Investments Restricted for Endowment	3,344,328	3,017,128
Total	$ 13,290,755	$ 12,028,393

NOTE 5 - FAIR VALUE MEASUREMENTS (Continued)

Fair Values Measured on a Recurring Basis (Continued)

Financial Accounting Standards Board for *Fair Value Measurements and Disclosures* establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures the fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

Level 1 Fair Value Measurements

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

NOTE 6 - FINANCIAL INSTRUMENTS

Allowance for Credit Losses

An allowance for credit losses is an estimate based upon historical account write-off trends, facts about the current financial condition of the payor, forecasts of future operating results based upon current trends and macroeconomic factors. Credit quality is monitored through the timing of payments compared to payment terms and known facts regarding the financial condition of payors. Resident receivable balances are charged off against the allowance for credit losses after recovery efforts have ceased. The Organization had the following activity for its allowance for credit losses for resident receivables for the years ended December 31, 2025 and 2024:

	2025	2024
Beginning Balance	$ 66,603	$ 100,000
Provision for Expected Credit Losses	337	53
Write-Offs	(18,583)	(33,450)
Ending Balance	$ 48,357	$ 66,603

Concentrations of Credit Risk

Most of the Organization's business activity is with residents of the facility. Bartels Lutheran Home is under a contractual agreement with the Iowa Department of Health and Human Services and Iowa's Managed Care Organizations as a licensed provider of Title XIX care (Medicaid). Revenue received from Medicaid approximated $2,582,000 and $2,719,000 for the years ended December 31, 2025 and 2024, respectively. Included in revenue for the years ended December 31, 2025 and 2024 was provider tax revenue net of provider tax paid of $106,406 and $171,400, respectively. Receivables from Medicaid on behalf of residents at December 31, 2025 and 2024 were $269,337 and $175,511, respectively.

The Organization is under a contractual agreement with the Department of Health and Human Services – Centers for Medicare and Medicaid Services as a licensed provider of Title XVIII care (Medicare). Revenue received from this source approximated $1,091,000 and $762,000 for the years ended December 31, 2025 and 2024, respectively. Receivables from Medicare on behalf of residents at December 31, 2025 and 2024 were $154,850 and $139,022, respectively.

NOTE 6 - FINANCIAL INSTRUMENTS (Continued)

Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

The Organization maintains cash deposits and certificates of deposit at area financial institutions which at times exceed federal insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Concentrations of Credit Risk Arising from Investments

The Organization has investments and investments restricted for endowment, which are not federally insured and are subject to the market risks inherent in the individual investments.

NOTE 7 - CONSTRUCTION IN PROGRESS

Projects included in construction in progress are as follows at December 31:

	2025	2024
Anna Estates independent living community development with units to be constructed as units are sold, estimated total cost is unknown.	$ 1,635,426	$ 2,149,240
Renovations and equipment upgrades, estimated total cost is unknown.	559,908	238,994
	$ 2,195,334	$ 2,388,234

NOTE 8 - LEASES - LESSEES

The Organization has a lease arrangement for certain equipment. The lease has an original term of 5 years and contains renewal options, which are not reasonably certain of exercise. The Organization's lease arrangement contains both lease and non-lease components. The Organization has elected to account for non-lease components as operating expenses as incurred.

Maturities of finance lease liabilities as of December 31, 2025 are as follows:

2026	$ 8,609
Total Undiscounted Liabilities	$ 8,609
LESS: Imputed Interest	410
Total Finance Lease Liabilities	$ 8,199
LESS: Current Maturities	8,199
Finance Lease Liabilities, Less Current Maturities	$ 0

The weighted-average remaining lease term related to the Organization's lease liabilities as of December 31, 2025 and 2024 was 0.33 and 1.33 years, respectively.

The weighted-average discount rate related to the Organization's lease liabilities as of December 31, 2025 and 2024 was 3%. The discount rates are generally based on stated interest rates or calculated rates based on terms of the various agreements. The amount of interest incurred on lease liabilities for the years ended December 31, 2025 and 2024 was $532 and $1,144, respectively, all of which was charged to operations.

NOTE 9 - DEBT

Line of Credit

During the year ended December 31, 2024, the Organization obtained a revolving line of credit agreement with First Bank that provided for maximum borrowings of $500,000 and expired April 1, 2025. The line of credit was secured by the Commercial Security Agreement dated February 2, 2024. The line of credit required monthly interest payments at a rate of 0.5% above the Wall Street Journal U.S. prime rate as published in the Wall Street Journal, but not less than 7.5% or more than 18% (8% at December 31, 2024). At December 31, 2024, the outstanding balance on the line of credit was $500,000.

Long-Term Debt

Description	2025	2024
Iowa Finance Authority, Retirement Facility Revenue Refunding Note (Bartels Lutheran Retirement Community), Series 2015, payable in monthly payments of $61,107, including interest at 2.96%, and a balloon payment on November 15, 2027. Note is secured by the First Amendment to Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Financing Statement dated November 1, 2015.	$ 3,233,463	$ 3,859,453
Iowa Finance Authority, Retirement Facility Revenue Refunding Note (Bartels Lutheran Retirement Community), Series 2016, payable in monthly payments of $26,808, including interest at 2.96%, and a balloon payment on November 15, 2027. Note is secured by the First Amendment to Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Financing Statement dated November 1, 2015.	1,400,660	1,675,818
Total Long-Term Debt	$ 4,634,123	$ 5,535,271
LESS: Unamortized Debt Issuance Costs	26,921	41,422
Total Long-Term Debt, Less Unamortized Debt Issuance Costs	$ 4,607,202	$ 5,493,849
LESS: Current Maturities of Long-Term Debt	941,492	903,592
Long-Term Debt, Less Current Maturities	$ 3,665,710	$ 4,590,257

Maturities required on long-term debt as of December 31, 2025, are due in the future years as follows:

Year ending December 31:	
2026	$ 941,492
2027	3,692,631
	$ 4,634,123

The Series 2015 and Series 2016 Notes contain certain restrictive covenants which include liquidity covenants for the maintenance of 120 days cash on hand and historical debt service coverage must be at least 1.20. The debt service coverage covenant was not met for the year ended December 31, 2024.

The amount of interest incurred on long-term debt for the years ended December 31, 2025 and 2024 was $161,441 and $206,636, respectively, all of which was charged to operations. Amortization expense for debt issuance costs charged to operations was $14,501 and $14,502 for the years ended December 31, 2025 and 2024, respectively.

NOTE 10 - NET ASSETS

Net assets with donor restrictions are restricted for the following purposes for the years ended December 31, 2025 and 2024:

	2025	2024
Specific Purpose:		
More than Bricks Campaign	$ 31,809	$ 31,809
Good Shepherd Fund	520	109,674
Chaplaincy	92,518	63,720
Other Donor Restrictions	55,245	23,685
	180,092	228,888
Spending Policy and Appropriation:		
Investment in perpetuity (including amounts above original gift amount of $773,555), which, once appropriated, is expendable to support:		
Employee Scholarships	143,518	143,487
Chaplaincy Endowment	2,579,719	2,253,460
	2,723,237	2,396,947
Total	$ 2,903,329	$ 2,625,835

Net assets without donor restrictions for the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
Board Designated, Chaplaincy Endowment	$ 771,126	$ 771,126
Undesignated	12,414,968	10,158,954
Total	$ 13,186,094	$ 10,930,080

Net assets released from net assets with donor restrictions are as follows:

	2025	2024
Satisfaction of Purpose Restrictions:		
Purchase of Property and Equipment	$ 144,037	$ 133,848
Chaplaincy	120,359	130,000
Other Donor Restrictions	175,492	111,184
Total	$ 439,888	$ 375,032

NOTE 11 - ENDOWMENT

The Organization's endowment fund consists of two individual funds established for employee scholarships and chaplaincy. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions the original value of gifts donated to the endowment as a fund of perpetual duration. The Organization would consider the fund to be underwater if the fair value of the fund is less than the sum of the original value of initial and subsequent gifts donated to the fund and any accumulations to the fund that are required to be maintained in perpetuity in accordance with applicable donor gift instrument.

NOTE 11 - ENDOWMENT (Continued)

Interpretation of Relevant Law (Continued)

The Organization has interpreted UPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law. The fund is not currently underwater. The income from the funds held in perpetuity is classified as net assets with donor restrictions until appropriated for expenditure by the Board of Directors.

Endowment Net Asset Composition by Fund as of December 31, 2025	Board Designated	Net Assets With Donor Restrictions	Total
Donor Restricted Endowment Funds	$ 0	$ 2,723,237	$ 2,723,237
Board Designated Endowment Funds	771,126	0	771,126
Total Funds	$ 771,126	$ 2,723,237	$ 3,494,363

Endowment Net Asset Composition by Fund as of December 31, 2024	Board Designated	Net Assets With Donor Restrictions	Total
Donor Restricted Endowment Funds	$ 0	$ 2,396,947	$ 2,396,947
Board Designated Endowment Funds	771,126	0	771,126
Total Funds	$ 771,126	$ 2,396,947	$ 3,168,073

Changes in Endowment of Net Assets for the year ended December 31, 2025	Board Designated	Net Assets With Donor Restrictions	Total
Endowment Net Assets, Beginning of Year	$ 771,126	$ 2,396,947	$ 3,168,073
Investment Return:			
Investment Income	$ 0	$ 206,100	$ 206,100
Change in Net Unrealized Gains (Losses) on Investments	0	259,335	259,335
Total Investment Return (Loss)	$ 0	$ 465,435	$ 465,435
Contributions	$ 0	$ 1,855	$ 1,855
Appropriation of Endowment for Expenditure	$ 0	$ (141,000)	$ (141,000)
Endowment Net Assets, End of Year	$ 771,126	$ 2,723,237	$ 3,494,363

Changes in Endowment of Net Assets for the year ended December 31, 2024	Board Designated	Net Assets With Donor Restrictions	Total
Endowment Net Assets, Beginning of Year	$ 771,126	$ 2,114,267	$ 2,885,393
Investment Return:			
Investment Income	$ 0	$ 166,741	$ 166,741
Change in Net Unrealized Gains (Losses) on Investments	0	247,940	247,940
Total Investment Return (Loss)	$ 0	$ 414,681	$ 414,681
Appropriation of Endowment for Expenditure	$ 0	$ (132,001)	$ (132,001)
Endowment Net Assets, End of Year	$ 771,126	$ 2,396,947	$ 3,168,073

NOTE 11 - ENDOWMENT (Continued)

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both unrealized gains and interest and dividends.

Spending Policy

The Organization has a policy of appropriating earnings on funds to be used for employee scholarships and future chaplaincy related expenses.

NOTE 12 - EMPLOYEE RETENTION CREDIT

Employee retention credit (ERC) claims may generally be audited up to three years after filing a claim; however, the IRS has extended the statute of limitations to five years with respect to ERC claims in the third and fourth quarters of 2021. Should the IRS subsequently audit ERC amounts and determine the Organization did not meet the eligibility requirements, a legal liability for repayment of previously recognized ERC amounts could be incurred.

NOTE 13 - RETIREMENT PLAN

The Organization sponsors a 401(k) defined contribution retirement plan. For eligible employees, as defined by the plan, the Organization contributes 100% of the first 3% of employee contributions and 50% of the next 2%. Employer contributions to the plan were $159,754 and $132,315 for the years ended December 31, 2025 and 2024, respectively.

NOTE 14 - RELATED PARTY TRANSACTIONS

At December 31, 2025 and 2024, the Organization had amounts deposited with an organization which was affiliated with a member of the Board of Directors totaling $566,005 and $162,713, respectively.

At December 31, 2024, the Organization had a line of credit payable to an organization which was affiliated with a member of the Board of Directors in the amount of $500,000. During the years ended December 31, 2025 and 2024, the Organization paid $8,724 and $26,796, respectively, for interest incurred on the line of credit.

During the years ended December 31, 2025 and 2024, the Organization received $113,907 and $88,830, respectively, from residents related to members of the Board of Directors.

During the years ended December 31, 2025 and 2024, the Organization paid $5,780 and $2,880, respectively, to an individual related to management for lawn mowing services.

NOTE 15 - CONCENTRATION IN STATE MEDICAID PROGRAM

The Organization has the majority of its nursing beds designated for care of patients under the state's Medicaid program. The current funding of that program is 30 to 90 days behind filed claims. The current state budget has no provision for reducing that lag, and the proposed budget for next year includes no assurance of increased funding.

NOTE 16 - THIRD PARTY RATE ADJUSTMENTS AND REVENUE

Revenue from the Medicaid program accounted for approximately 18% and 20% of the Organization's resident service revenue for the years ended December 31, 2025 and 2024, respectively. Revenue from the Medicare program accounted for approximately 7% and 6% of the Organization's resident service revenue for the years ended December 31, 2025 and 2024, respectively. Laws and regulations governing the Medicaid and Medicare programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

NOTE 17 - SUBSEQUENT EVENTS

The date to which events occurring after December 31, 2025, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosure is April 13, 2026, which is the date the financial statements were available to be issued.

CONSOLIDATING INFORMATION

Ryun, Givens & Company, P.C.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATING INFORMATION

To the Board of Directors
Bartels Lutheran Retirement Community and Affiliate
Waverly, Iowa

We have audited the consolidated financial statements of Bartels Lutheran Retirement Community and affiliate as of and for the years ended December 31, 2025 and 2024, and our report thereon dated April 13, 2026, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information in Schedules I and II is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual organizations, and it is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, results of operations, and cash flows of the individual organizations. The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

RYUN, GIVENS & COMPANY, P.C.

Ryun Givens & Company P.C.

Certified Public Accountants

April 13, 2026

BARTELS LUTHERAN RETIREMENT COMMUNITY AND AFFILIATE
WAVERLY, IOWA

SCHEDULE I - CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025

	Bartels Lutheran Retirement Community	Memorial Foundation of Bartels Lutheran Retirement Community	Subtotal	Eliminating Entries	Consolidated Total
ASSETS					
Current Assets:					
Cash and Cash Equivalents	$ 407,305	$ 61,812	$ 469,117	$ -	$ 469,117
Certificates of Deposit	345,074	-	345,074	-	345,074
Investments	5,491,567	4,454,860	9,946,427	-	9,946,427
Resident Receivables, Net of Allowance for Credit Losses	439,766	-	439,766	-	439,766
Due From Related Party	15,052	-	15,052	(15,052)	-
Prepaid Expenses and Other Current Assets	323,139	18,362	341,501	-	341,501
Total Current Assets	7,021,903	4,535,034	11,556,937	(15,052)	11,541,885
Property and Equipment:					
Land	2,142,747	-	2,142,747	-	2,142,747
Buildings and Improvements	49,963,940	-	49,963,940	-	49,963,940
Equipment and Furniture	6,872,854	-	6,872,854	-	6,872,854
Construction in Progress	2,195,334	-	2,195,334	-	2,195,334
Total Property and Equipment	61,174,875	-	61,174,875	-	61,174,875
LESS - Accumulated Depreciation	24,679,801	-	24,679,801	-	24,679,801
Net Property and Equipment	36,495,074	-	36,495,074	-	36,495,074
Other Assets:					
Restricted Cash	98,929	13,168	112,097	-	112,097
Certificates of Deposit	126,580	-	126,580	-	126,580
Refundable Advance for Construction	343,493	-	343,493	-	343,493
Right-of-Use Assets for Finance Leases, Net	6,390	-	6,390	-	6,390
Land Held for Development	269,381	-	269,381	-	269,381
Other Assets	42,866	25,839	68,705	-	68,705
Franchise Fees, Net of Accumulated Amortization	157,501	-	157,501	-	157,501
Long-Term Investments Restricted for Endowment	-	3,344,328	3,344,328	-	3,344,328
Total Other Assets	1,045,140	3,383,335	4,428,475	-	4,428,475
TOTAL ASSETS	$ 44,562,117	$ 7,918,369	$ 52,480,486	$ (15,052)	$ 52,465,434

BARTELS LUTHERAN RETIREMENT COMMUNITY AND AFFILIATE
WAVERLY, IOWA

SCHEDULE I - CONSOLIDATING STATEMENTS OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2025

	Bartels Lutheran Retirement Community	Memorial Foundation of Bartels Lutheran Retirement Community	Subtotal	Eliminating Entries	Consolidated Total
LIABILITIES AND NET ASSETS					
Current Liabilities:					
Current Maturities of Finance Lease Liabilities	$ 8,199	$ -	$ 8,199	$ -	$ 8,199
Current Maturities of Long-Term Debt	941,492	-	941,492	-	941,492
Accounts Payable	917,242	11,165	928,407	-	928,407
Due to Related Party	-	15,052	15,052	(15,052)	-
Accrued Salaries and Benefits	487,860	-	487,860	-	487,860
Other Current Liabilities	149,409	-	149,409	-	149,409
Total Current Liabilities	2,504,202	26,217	2,530,419	(15,052)	2,515,367
Long-Term Liabilities:					
Long-Term Debt, Less Current Maturities	3,665,710	-	3,665,710	-	3,665,710
Deferred Revenue from Advance Fees	3,047,317	-	3,047,317	-	3,047,317
Refundable Advance Fees	27,147,617	-	27,147,617	-	27,147,617
Total Long-Term Liabilities	33,860,644	-	33,860,644	-	33,860,644
Total Liabilities	36,364,846	26,217	36,391,063	(15,052)	36,376,011
Net Assets:					
Without Donor Restrictions:					
Board Designated, Chaplaincy Endowment	-	771,126	771,126	-	771,126
Undesignated	7,873,661	4,541,307	12,414,968	-	12,414,968
Total Net Assets Without Donor Restrictions	7,873,661	5,312,433	13,186,094	-	13,186,094
Net Assets With Donor Restrictions	323,610	2,579,719	2,903,329	-	2,903,329
Total Net Assets	8,197,271	7,892,152	16,089,423	-	16,089,423
TOTAL LIABILITIES AND NET ASSETS	$ 44,562,117	$ 7,918,369	$ 52,480,486	$ (15,052)	$ 52,465,434

BARTELS LUTHERAN RETIREMENT COMMUNITY AND AFFILIATE
WAVERLY, IOWA

SCHEDULE II - CONSOLIDATING STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Bartels Lutheran Retirement Community	Memorial Foundation of Bartels Lutheran Retirement Community	Subtotal	Eliminating Entries	Consolidated Total
NET ASSETS WITHOUT DONOR RESTRICTIONS					
Revenues, Gains and Other Support:					
Resident Service Revenue, Including Amortization of Advance Fees	$ 14,708,003	$ -	$ 14,708,003	$ -	$ 14,708,003
Investment Income	261,599	292,067	553,666	-	553,666
Employee Retention Credit	2,743,320	-	2,743,320	-	2,743,320
Contributions	278,794	220	279,014	(190,000)	89,014
Other Operating Revenue	277,011	-	277,011	-	277,011
Net Assets Released from Restrictions Used for Operations	295,851	135,000	430,851	(135,000)	295,851
Total Revenues, Gains and Other Support	18,564,578	427,287	18,991,865	(325,000)	18,666,865
Expenses:					
Salaries and Benefits	10,693,827	-	10,693,827	-	10,693,827
Contracted and Outsourced Services	1,218,046	-	1,218,046	-	1,218,046
Food and Departmental Supplies	1,174,277	-	1,174,277	-	1,174,277
Occupancy	1,468,290	624	1,468,914	-	1,468,914
Other Expenses	521,077	331,815	852,892	(325,000)	527,892
Depreciation and Amortization	1,875,763	-	1,875,763	-	1,875,763
Interest and Amortization	176,474	-	176,474	-	176,474
Total Expenses	17,127,754	332,439	17,460,193	(325,000)	17,135,193
Operating Income (Loss)	1,436,824	94,848	1,531,672	-	1,531,672
Change in Net Unrealized Gains (Losses) on Investments	300,306	279,999	580,305	-	580,305
Net Assets Released from Restrictions Used for Purchase of Property and Equipment	144,037	-	144,037	-	144,037
Increase (Decrease) in Net Assets Without Donor Restrictions	1,881,167	374,847	2,256,014	-	2,256,014

BARTELS LUTHERAN RETIREMENT COMMUNITY AND AFFILIATE
WAVERLY, IOWA

SCHEDULE II - CONSOLIDATING STATEMENTS OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025

	Bartels Lutheran Retirement Community	Memorial Foundation of Bartels Lutheran Retirement Community	Subtotal	Eliminating Entries	Consolidated Total
NET ASSETS WITH DONOR RESTRICTIONS					
Investment Income	6,031	200,069	206,100	-	206,100
Contributions	385,092	1,855	386,947	(135,000)	251,947
Change in Net Unrealized Gains (Losses) on Investments	-	259,335	259,335	-	259,335
Net Assets Released from Restrictions	(439,888)	(135,000)	(574,888)	135,000	(439,888)
Increase (Decrease) in Net Assets With Donor Restrictions	(48,765)	326,259	277,494	-	277,494
Increase (Decrease) in Net Assets	1,832,402	701,106	2,533,508	-	2,533,508
Net Assets, Beginning of Year	6,364,869	7,191,046	13,555,915	-	13,555,915
Net Assets, End of Year	$ 8,197,271	$ 7,892,152	$ 16,089,423	$ -	$ 16,089,423