

ECHOING HILLS VILLAGE, INC. AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEARS ENDED DECEMBER 31, 2024 AND 2023



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Echoing Hills Village, Inc. and Affiliate
Maumee, Ohio

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Echoing Hills Village, Inc. and Affiliate which comprise the consolidated statements of financial position as of December 31, 2024 and 2023 and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Echoing Hills Village, Inc. and Affiliate as of December 31, 2024 and 2023, and the results of their operations, 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Echoing Hills Village, Inc. 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 Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Echoing Hills Village, Inc. 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 the Echoing Hills Village, Inc. 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and consolidating statements of activities and changes in net assets are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Maumee, Ohio
April 15, 2025

**ECHOING HILLS VILLAGE, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023**

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 7,437,351	\$ 6,481,114
Cash Restricted as to Use	149,801	841,784
Accounts Receivable, Net Service	3,754,816	3,107,039
Current Portion of Unconditional Promises to Give	3,376	20,711
Resident Funds	2,532,343	2,523,118
Prepaid Expenses and Other Current Assets	267,073	243,897
Total Current Assets	14,144,760	13,217,663
INVESTMENTS	5,567,489	5,706,033
PROPERTY AND EQUIPMENT, NET	17,013,571	11,357,230
OPERATING RIGHT-OF-USE ASSETS	659,661	760,251
OTHER ASSETS		
Deposits	8,550	8,550
Cash Surrender Value Life Insurance	417,343	389,955
Unconditional Promises to Give, Net of Current Portion	8,567,728	7,990,385
Total Other Assets	8,993,621	8,388,890
Total Assets	\$ 46,379,102	\$ 39,430,067

See accompanying Notes to Consolidated Financial Statements.

ECHOING HILLS VILLAGE, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 1,545,238	\$ 1,888,451
Resident Funds Payable	2,532,343	2,523,118
Current Portion of Long-Term Debt	852,175	165,477
Current Portion of Operating Lease Liability	205,033	166,632
Current Portion of Charitable Gift Annuity Payable	3,890	4,226
Accrued Payroll and Related	2,357,300	2,249,663
Deferred Revenue Medicaid	33,436	-
Total Current Liabilities	<u>7,529,415</u>	<u>6,997,567</u>
LONG-TERM LIABILITIES		
Long-Term Debt, Net of Current Portion	5,797,729	1,605,622
Operating Lease Liability, Net of Current Portion	453,193	589,517
Charitable Gift Annuity Payable, Net of Current Portion	5,165	9,055
Interest Rate Swap Agreement	40,757	-
Total Long-Term Liabilities	<u>6,296,844</u>	<u>2,204,194</u>
Total Liabilities	13,826,259	9,201,761
NET ASSETS		
Without Donor Restrictions	18,654,110	16,125,293
With Donor Restrictions:		
Purpose and Time Restricted	3,491,653	4,111,266
Perpetual in Nature	10,407,080	9,991,747
Total With Donor Restrictions	<u>13,898,733</u>	<u>14,103,013</u>
Total Net Assets	<u>32,552,843</u>	<u>30,228,306</u>
Total Liabilities and Net Assets	<u>\$ 46,379,102</u>	<u>\$ 39,430,067</u>

See accompanying Notes to Consolidated Financial Statements.

ECHOING HILLS VILLAGE, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES			
Net Service Revenue	\$ 41,998,047	\$ -	\$ 41,998,047
Other Operating Revenue	71,844	-	71,844
Gain on Disposal of Property and Equipment	45,150	-	45,150
Net Assets Released from Restrictions	278,938	(278,938)	-
Total Operating Revenues	42,393,979	(278,938)	42,115,041
OPERATING EXPENSES			
Program Expenses	37,257,694	-	37,257,694
General and Administrative Expenses	4,939,522	-	4,939,522
Fundraising Expenses	196,453	-	196,453
Total Operating Expenses	42,393,669	-	42,393,669
OPERATING REVENUES IN EXCESS (DEFICIT) OF OPERATING EXPENSES	310	(278,938)	(278,628)
OTHER INCOME			
Investment Income, Net	360,347	-	360,347
Net Realized and Unrealized Gains on Investments	379,921	-	379,921
Contributions	882,864	189,297	1,072,161
Employee Retention Credit Interest	-	-	-
Ohio DODD Retention Income	-	-	-
Change in Value of Split-Interest Agreements	-	577,344	577,344
Total Other Income	1,623,132	766,641	2,389,773
EXCESS OF REVENUES OVER EXPENSES	1,623,442	487,703	2,111,145
OTHER CHANGES IN NET ASSETS			
Contributions - Restricted for Property and Equipment	-	254,149	254,149
Change in Value of Interest Rate Swap Agreement	(40,757)	-	(40,757)
Net Assets Released from Restrictions - Property and Equipment	946,132	(946,132)	-
Total Other Changes in Net Assets	905,375	(691,983)	213,392
CHANGES IN NET ASSETS	2,528,817	(204,280)	2,324,537
Net Assets - Beginning of Year	16,125,293	14,103,013	30,228,306
NET ASSETS - END OF YEAR	<u>\$ 18,654,110</u>	<u>\$ 13,898,733</u>	<u>\$ 32,552,843</u>

See accompanying Notes to Consolidated Financial Statements.

ECHOING HILLS VILLAGE, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES			
Net Service Revenue	\$ 36,852,848	\$ -	\$ 36,852,848
Other Operating Revenue	86,558	-	86,558
Gain on Disposal of Property and Equipment	7,744	-	7,744
Net Assets Released from Restrictions	143,221	(143,221)	-
Total Operating Revenues	<u>37,090,371</u>	<u>(143,221)</u>	<u>36,947,150</u>
OPERATING EXPENSES			
Program Expenses	34,314,951	-	34,314,951
General and Administrative Expenses	4,021,038	-	4,021,038
Fundraising Expenses	199,544	-	199,544
Total Operating Expenses	<u>38,535,533</u>	<u>-</u>	<u>38,535,533</u>
OPERATING EXPENSES IN EXCESS OF OPERATING REVENUES	(1,445,162)	(143,221)	(1,588,383)
OTHER INCOME			
Investment Income, Net	316,621	-	316,621
Net Realized and Unrealized Gains on Investments	433,412	-	433,412
Contributions	446,264	146,413	592,677
Employee Retention Credit Interest	173,765	-	173,765
Ohio DODD Retention Income	421,990	-	421,990
Change in Value of Split-Interest Agreements	-	642,966	642,966
Total Other Income	<u>1,792,052</u>	<u>789,379</u>	<u>2,581,431</u>
EXCESS OF REVENUES OVER EXPENSES	346,890	646,158	993,048
OTHER CHANGES IN NET ASSETS			
Contributions - Restricted for Property and Equipment	-	217,470	217,470
Change in Value of Interest Rate Swap Agreement	-	-	-
Net Assets Released from Restrictions - Property and Equipment	38,598	(38,598)	-
Total Other Changes in Net Assets	<u>38,598</u>	<u>178,872</u>	<u>217,470</u>
CHANGES IN NET ASSETS	385,488	825,030	1,210,518
Net Assets - Beginning of Year	<u>15,739,805</u>	<u>13,277,983</u>	<u>29,017,788</u>
NET ASSETS - END OF YEAR	<u>\$ 16,125,293</u>	<u>\$ 14,103,013</u>	<u>\$ 30,228,306</u>

See accompanying Notes to Consolidated Financial Statements.

ECHOING HILLS VILLAGE, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program	General and Administrative	Fundraising	Total
Salaries and Wages	\$ 20,184,877	\$ 2,571,869	\$ 142,151	\$ 22,898,897
Payroll Taxes	1,657,218	186,400	10,235	1,853,853
Employee Benefits	2,521,867	374,439	2,205	2,898,511
Total Salaries and Related Expenses	24,363,962	3,132,708	154,591	27,651,261
Contracted Adult Day Program	1,042,836	-	-	1,042,836
Advertising and Promotion	729	57,624	-	58,353
Dietary Cost	959,031	-	-	959,031
Government Mandated Fees	1,790,336	-	3,667	1,794,003
Insurance	176,364	67,968	16,533	260,865
Information Technology	121,256	278,732	82	400,070
Professional Fees	-	87,244	76	87,320
Lease and Rent	236,713	4,856	-	241,569
Maintenance and Repair	963,241	22,173	-	985,414
Medical and Habilitation Supplies and Equipment	685,092	-	-	685,092
Contracted Medical and Therapy Services	3,851,938	195,085	-	4,047,023
Interest	66,583	-	-	66,583
Office Expenses	241,449	176,676	16,851	434,976
Other Expenses	584,515	119,374	-	703,889
Staff Development, Conferences, and Dues	177,646	201,302	2,917	381,865
Supplies	257,642	12,157	-	269,799
Travel	435,643	72,658	1,694	509,995
Utilities	606,331	12,573	-	618,904
Total Expenses Before Depreciation and Amortization	36,561,307	4,441,130	196,411	41,198,848
Depreciation and Amortization	696,387	498,392	42	1,194,821
Total Operating Expenses	<u>\$ 37,257,694</u>	<u>\$ 4,939,522</u>	<u>\$ 196,453</u>	<u>\$ 42,393,669</u>

See accompanying Notes to Consolidated Financial Statements.

**ECHOING HILLS VILLAGE, INC. AND AFFILIATE CONSOLIDATED
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

	Program	General and Administrative	Fundraising	Total
Salaries and Wages	\$ 18,726,297	\$ 2,313,448	\$ 133,548	\$ 21,173,293
Payroll Taxes	1,697,637	170,977	9,788	1,878,402
Employee Benefits	2,550,665	325,794	2,448	2,878,907
Total Salaries and Related Expenses	22,974,599	2,810,219	145,784	25,930,602
Contracted Adult Day Program	899,879	-	-	899,879
Advertising and Promotion	1,927	54,682	-	56,609
Dietary Cost	862,199	-	-	862,199
Government Mandated Fees	1,794,776	-	29,876	1,824,652
Insurance	222,980	94,128	128	317,236
Information Technology	146,563	254,362	330	401,255
Professional Fees	(6,664)	110,518	1,395	105,249
Lease and Rent	223,553	4,657	-	228,210
Maintenance and Repair	895,875	39,367	-	935,242
Medical and Habilitation Supplies and Equipment	638,403	-	-	638,403
Contracted Medical and Therapy Services	2,530,641	60,674	-	2,591,315
Interest	72,218	-	-	72,218
Office Expenses	210,320	113,907	17,996	342,223
Other Expenses	487,480	114,348	-	601,828
Staff Development, Conferences, and Dues	147,359	167,723	2,557	317,639
Supplies	232,470	9,663	-	242,133
Travel	412,222	33,594	1,436	447,252
Utilities	556,769	14,167	-	570,936
Total Expenses Before Depreciation and Amortization	33,303,569	3,882,009	199,502	37,385,080
Depreciation and Amortization	1,011,382	139,029	42	1,150,453
Total Operating Expenses	<u>\$ 34,314,951</u>	<u>\$ 4,021,038</u>	<u>\$ 199,544</u>	<u>\$ 38,535,533</u>

See accompanying Notes to Consolidated Financial Statements.

**ECHOING HILLS VILLAGE, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 2,324,537	\$ 1,210,518
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	1,194,821	1,150,453
Noncash Lease Expense	100,590	169,079
Net Realized and Unrealized Gains on Investments	(379,921)	(433,412)
Gain on Disposal of Property and Equipment	(45,150)	(7,744)
Change in Value of Split-Interest Agreements	(577,344)	(642,966)
Change in Value of Interest Rate Swap Agreement	40,757	-
Contributions with Donor Restrictions for Investment in Property and Equipment	(254,149)	(217,470)
Changes in Operating Assets and Liabilities:		
Accounts Receivable - Net Service	(647,777)	(341,567)
Accounts Receivable - Employee Retention Credit	-	4,547,389
Unconditional Promises to Give	17,335	(13,620)
Prepaid Expenses and Other Current Assets	(23,176)	44,857
Accounts Payable	(343,213)	(57,371)
Operating Lease Liability	(97,923)	(182,306)
Accrued Payroll and Related	107,637	214,269
Deferred Revenue - Medicaid	33,436	(1,276,129)
Net Cash Provided by Operating Activities	<u>1,450,460</u>	<u>4,163,980</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(6,851,162)	(2,087,024)
Proceeds from Sale of Property and Equipment	45,150	-
Purchase of Investments	(1,040,584)	(710,114)
Proceeds from Sale of Investments	1,559,050	1,174,197
Change in Surrender Value of Life Insurance	(27,388)	(28,635)
Net Cash Used by Investing Activities	<u>(6,314,934)</u>	<u>(1,651,576)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issuance of Long-Term Debt	5,040,000	-
Principal Payments on Long-Term Debt	(161,195)	(186,906)
Contributions with Donor Restrictions for Investment in Property and Equipment	254,149	217,470
Net Change in Annuity Obligations	(4,226)	(3,933)
Net Cash Provided by Financing Activities	<u>5,128,728</u>	<u>26,631</u>
NET CHANGE IN CASH, CASH EQUIVALENTS, AND CASH RESTRICTED AS TO USE	<u>264,254</u>	<u>2,539,035</u>
Cash, Cash Equivalents, and Cash Restricted as to Use - Beginning of Year	<u>7,322,898</u>	<u>4,783,863</u>
CASH, CASH EQUIVALENTS, AND CASH RESTRICTED AS TO USE - END OF YEAR	<u><u>\$ 7,587,152</u></u>	<u><u>\$ 7,322,898</u></u>

See accompanying Notes to Consolidated Financial Statements.

ECHOING HILLS VILLAGE, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest, Net of Capitalized Interest of \$206,339 and \$-0-, Respectively, for December 31, 2024 and 2023	<u>\$ 66,837</u>	<u>\$ 72,449</u>
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Acquisition of Property, Equipment, and Construction in Progress Financed through Accounts Payable	<u>\$ -</u>	<u>\$ 451,472</u>
Right-of-Use Asset Received in Exchange for Operating Leases	<u>\$ 168,165</u>	<u>\$ 537,015</u>

See accompanying Notes to Consolidated Financial Statements.

**ECHOING HILLS VILLAGE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Echoing Hills Village, Inc. and Affiliate (the Village) is a nonprofit corporation organized for the purpose of providing support to individuals with physical and intellectual disabilities through residential services and programs. The Village is the sole corporate member of the Echoing Hills Village Foundation, Inc. (the Foundation or collectively, the Organization).

Echoing Hills Village Foundation, Inc. is a separate, nonprofit corporation organized to support the activities and programs of the Village. The Foundation receives and manages contributions and endowment funds for the benefit of the Village. The Foundation is supported by donor contributions and investment earnings.

The Organization's various program and support services are detailed below:

Residential Services

The Village operates 16 intermediate-care facilities for individuals with intellectual disabilities (ICF/IID). These programs are licensed in the state of Ohio and are certified to receive Medicaid funds. The services offered include year-round living accommodations in a home-like atmosphere, professional care, and various opportunities for daily activity. The Village also provides homemaker and personal care services and transportation to individuals who live in their own homes or apartments.

Camp Echoing Hills

Camp Echoing Hills (the Camp) provides year-round recreational opportunities for the developmentally disabled. The Camp provides opportunity for physical enrichment through activities such as baseball, hayrides, swimming, and other events. Spiritual nurture is gained through discussion groups and worship and devotional programs in and out of doors. Funding for the camping program comes from fees for services and contributions from interested individuals, businesses, service clubs, churches, and foundations.

Travel Opportunities

This program, sponsored by the Camp, allows the developmentally disabled travel opportunities providing recreation and spiritual growth. Trips have been taken to Germany, Panama, and many states in the U.S., including Arizona, California, Florida, Hawaii, Maryland, and New York. Funding for travel opportunities comes from fees for services and contributions.

Echoing Connections

These programs, located in Ohio in Stark, Montgomery, Athens, and Coshocton counties, are an alternative to the counties' sheltered workshop program providing individuals with physical and intellectual disabilities opportunities for paid employment, vocational training, and recreational activities in coordination with career and skills development and community integration.

**ECHOING HILLS VILLAGE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization (Continued)

Echoing U

Echoing U is a four-year post-secondary transition program for young adults with disabilities up to age 30 who have graduated high school. Echoing U provides a four-year cohort program where young people can build practical, real-world life skills that prepare them to make the next major steps in their lives. The goal of the program is to support young adults with physical and intellectual disabilities achieve their fullest potential.

Basis of Presentation and Consolidation

The consolidated financial statements of the Organization have been prepared on the basis of accounting principles generally accepted in the United States of America (GAAP). The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the consolidated financial statements. Actual results could differ from those estimates. The accompanying consolidated financial statements include the accounts of the Village and the Foundation. All significant intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less. At December 31, 2024 and 2023, the Organization held funds at a financial institution in excess of Federal Deposit Insurance Corporation (FDIC) insurance levels; however, management believes the risk is negligible.

Accounts Receivable, Net Service

Accounts receivable for residents and governmental agencies are recorded at the amount expected to be collected. In evaluating the collectibility of accounts receivable, the Organization makes an assessment of all amounts that remain unpaid following normal payment periods. In the opinion of management, adequate provisions have been made for any amounts deemed uncollectible for potential credit losses, billing adjustments, and any adjustments that may result from audits and settlements by governmental agencies.

**ECHOING HILLS VILLAGE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable, Net Service (Continued)

The Village has a significant concentration of its accounts receivable balance due from Medicaid for residential and support services. At December 31, 2024 and 2023, the Medicaid accounts receivable as a percentage of total accounts receivable, net service were 97% and 98%, respectively. In addition, included on the consolidated statements of financial position was \$33,436 and -\$0- on December 31, 2024 and 2023, respectively, for deferred revenue from Medicaid. This amount pertains to Medicaid overpayments from 2024 that were not reclaimed until February 2025.

Resident Funds and Resident Funds Payable

The Organization maintains various bank accounts for deposits and disbursements for the residents' personal needs allowances. These funds are held in trust by the Organization and total \$2,532,343 and \$2,523,118 at December 31, 2024 and 2023, respectively.

Investments

Investments, which consist principally of equity securities, fixed-income securities, exchange traded funds, and mutual funds, are carried at fair value based upon independent market quotes. The change in fair value is reported as unrealized gain and loss in the accompanying consolidated statements of activities. Donated investments are recorded as contributions at their estimated fair values at the time of donation. Investment income includes dividends and interest net of fees of \$44,732 and \$41,101 as of December 31, 2024 and 2023, respectively.

Property and Equipment

Property and equipment purchases are recorded at cost or, if donated, at the estimated fair market value at the time of donation. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets, ranging from 2 to 40 years. The Organization capitalizes assets with an original cost greater than \$500 based on Medicaid regulations. Costs of maintenance and repairs are charged to expense when incurred.

Gifts of long-lived assets such as land, buildings, or equipment are reported as contributions without donor restriction, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as contributions with donor restrictions.

Cash Surrender Value of Life Insurance

The Organization records as an asset the cash surrender value of life insurance policies, net of any policy loans, in which they are the owner and the beneficiary.

**ECHOING HILLS VILLAGE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Charitable Gift Annuity Obligations

The Organization has entered into various gift annuity agreements whereby, upon receipt of an annuity gift, the Organization pays the donor an annuity for the remainder of his or her life and/or spouse's life. At the time of the gift, the assets are recorded at their fair market value and an obligation is established for the present value of the annuity payments estimated to occur based upon the donor's and/or spouse's life expectancy. The difference between the gift and the obligation is recognized as contributions without donor restriction or as an increase in net assets with donor restrictions based upon the donor-imposed restrictions, if any. The original gift upon receipt was included in investments. As of December 31, 2024 and 2023, the Organization has gift annuity obligations of \$9,055 and \$13,281, respectively.

Leases

The Organization leases certain facilities and equipment. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the statements of financial position. Finance leases are included in property and equipment and finance lease liabilities on the statements of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the consolidated statements of financial position.

The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

ECHOING HILLS VILLAGE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if the Organization has obtained substantially all of the rights to the underlying asset through exclusivity, if the Organization can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

In determining the discount rate used to measure the ROU asset and lease liability, the Organization uses rates implicit in the lease, or if not readily available, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

Classification of Net Assets

Net Assets Without Donor Restrictions – Net assets without donor restrictions consist of all the resources and obligations related to the daily operations of the Organization.

Net Assets With Donor Restrictions – Net assets restricted for purpose contain donor-imposed restrictions that permit the Organization to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by actions of the Organization. Net assets with restrictions that are perpetual in nature result from donor-imposed restrictions that limit the use of net assets in perpetuity. Earnings, gains, and losses on net assets with donor restrictions are classified as without donor restriction, unless specifically restricted by the donor or by applicable state law.

Net Service Revenue

The Organization's principal activities are operating long-term healthcare facilities and day activity programs for individuals with physical and intellectual disabilities. Revenue is primarily derived from participation in the Medicaid program.

The Organization reports net service revenue at the amount the Organization expects to be entitled in exchange for providing individual supportive care. These amounts are due from individuals and third-party payors (including government programs) and include variable consideration for retroactive revenue adjustments due to settlements of audits, reviews, and investigations. Generally, the Organization bills all payors in the week (Waiver) or month (ICF/IID) after the services being provided. Revenues are recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Organization. The Organization's service revenues primarily represent services that are bundled and treated as a single performance obligation satisfied over time as services are provided. The Organization measures performance obligation on a daily basis as the services are provided from the date of admissions until the date of discharge.

**ECHOING HILLS VILLAGE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Service Revenue (Continued)

Opening balances of accounts receivable, net service, as of January 1, 2024 and January 1, 2023 were \$3,107,039 and \$2,765,472, respectively. Opening balance of deferred revenue related to Medicaid, as of January 1, 2024 and January 1, 2023 was \$-0- and \$1,276,129, respectively.

The Organization determines transaction price based on contractually agreed-upon amounts or rates. The Organization utilizes the expected value method to determine the amount of variable consideration that should be included to arrive at the transaction price. The Organization assesses collectibility on all accounts prior to providing the service.

ICF/IID Revenue

Medicaid reimbursement for an Ohio ICF/IID is based on cost and clinical assessments, with a rate cap based on the statewide average Medicaid rate for ICFs/IID. The Medicaid payment system in Ohio is a prospective one, whereby rates for the following state fiscal year beginning July 1 are based upon filed cost reports for the preceding calendar year. Future reimbursement changes are subject to legislative approval. The continuity of this system is subject to the uncertainty of the fiscal health of the state of Ohio, which can directly impact future rates and the methodology currently in place. Any significant change in rates, or the payment system itself, could have a material impact on future Medicaid funding to providers. ICF/IDD Revenue from Medicaid makes up approximately 84% and 85% of total net service revenue for the years ended December 31, 2024 and 2023, respectively.

Amounts paid under the Medicaid program are generally based on allowable costs and amounts earned are subject to review and audit by the Ohio Department of Medicaid. In the opinion of management, no provision was necessary as of December 31, 2024 for any adjustments that may result from such reviews. Any differences between estimated settlements and final determinations are reflected in operations in the year finalized.

Laws and regulations governing the Medicaid program are complex and subject to interpretation. Management believes it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoings. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, and exclusion from the Medicaid program.

**ECHOING HILLS VILLAGE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Service Revenue (Continued)

Day Habilitation Revenue

The Village provides day habilitation services for ICF/IID and waiver individuals and those living in other home and community settings through its Echoing Connections and Echoing U programs. Payments for the Village's ICF/IID individuals come from the facility's overall Medicaid rate. Individuals who live in other ICFs/IID pay on a fee-for-service basis. The Village bills the Department of Developmental Disabilities for individuals in the community who are funded through state of Ohio waiver programs. The Ohio legislature, through its biennium budget process, sets both ICF/IID and waiver reimbursement payment rates.

Waiver Revenue

The Ohio Department of Developmental Disabilities (DODD) issues waivers for the fee-based reimbursement of services provided for home and community-based services and vocational day services. The fee received is dependent on a profiling mechanism which places the individual receiving service into a funding range. Also, the fee is based on the acuity level of the individual which determines staffing requirements, group setting, and location of service provided. If any of these variables change during the year, the fee changes. Waiver Revenue from Medicaid makes up approximately 14% and 12% of total net service revenue for the years ended December 31, 2024 and 2023, respectively.

The Village is certified by the DODD to provide certain waiver services in the areas of homemaker/personal care, out-of-home respite, transportation, and adult day support. The Village bills the DODD directly to receive payment for the services it provides. Future revenue is subject to annual reassessments of individual needs and functioning levels and state of Ohio departmental budget allocations.

Contributions

The Organization recognizes contributions in accordance with ASC Subtopic 958-605, which requires the Organization to determine if a contribution is conditional on the basis of whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. Unconditional contributions are recognized as revenue when received or promised. Conditional contributions are recorded as liabilities and recognized as revenue in the period in which conditions are met. The Organization reports all donor-restricted contributions whose restrictions are met in the same reporting period as support without donor restrictions.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulation that limit the use of donated assets. When a donor stipulated time restriction ends, or a donor purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

**ECHOING HILLS VILLAGE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services

No amounts have been reflected in the consolidated financial statements for donated services. Many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs related to resident care and activities.

Functional Allocation of Expenses

The costs of providing various programs and support services have been summarized on a functional basis in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs are charged directly to the program or support cost center benefited at the time of the expenditure and accordingly no additional allocation of expenses is required.

Excess of Revenues Over Expenses

The consolidated statements of activities and changes in net assets includes excess of revenues over expenses. Other changes in net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include the release of contributions restricted for property and equipment, change in value of the interest rate swap agreement, and contributions received with donor restrictions for property and equipment.

Interest Rate Swap

The Organization uses an interest rate swap to mitigate interest rate risk on long-term debt. The related liability or asset is reported at fair value in the consolidated statements of financial position, and the change in value of the interest rate swap is included in the consolidated statement of activities.

Income Taxes

The Village and Foundation are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the organizations qualify for the charitable contribution deduction and have been classified as organizations that are not private foundations. Management is not aware of any course of action or series of events that have occurred that might adversely affect qualified status.

Management of the Organization is required to determine whether a tax position of the Organization is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Management of the Organization is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next 12 months. However, management's conclusions may be subject to review and adjustment at a later date based on factors including, but not limited to, new tax laws, regulations, and administrative interpretations (including relevant court decisions). The Organization's federal tax returns for the prior three fiscal years remain subject to examination by the Internal Revenue Service.

**ECHOING HILLS VILLAGE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

The Organization has evaluated subsequent events to the balance sheet date of December 31, 2024, through April 15, 2025, which is the date the consolidated financial statements were available to be issued, and have determined that there are no subsequent events that require recognition or disclosure.

NOTE 2 CASH, CASH EQUIVALENTS, AND CASH RESTRICTED AS TO USE FOR STATEMENTS OF CASH FLOWS

Cash restricted as to use consists of cash that is donor-restricted for the purpose of purchasing property and equipment. The following table provides a reconciliation of cash, cash equivalents, and cash restricted as to use as presented in the statements of cash flows at December 31:

	2024	2023
Cash and Cash Equivalents	\$ 7,437,351	\$ 6,481,114
Cash Restricted as to Use; Donor-Restricted for Property and Equipment	149,801	841,784
Total	<u>\$ 7,587,152</u>	<u>\$ 7,322,898</u>

NOTE 3 UNCONDITIONAL PROMISES TO GIVE

The Organization had the following outstanding unconditional promises to give at December 31:

	2024	2023
Less Than One Year - Other Promises to Give	\$ 3,376	\$ 20,711
Greater Than Five Years - Split-Interest Agreements	8,567,728	7,990,385
Total	<u>\$ 8,571,104</u>	<u>\$ 8,011,096</u>

Under the split-interest agreements, the Organization will receive future distributions from trusts only after obligations to another beneficiary are satisfied over the remaining life of the beneficiary. At the time of the beneficiary's death, the trusts are to terminate, and the remaining trust assets are to be distributed to the Organization. The fair value of the assets in the trusts less the present value of the expected payments to the beneficiary uses the beneficiary's life expectancy and a 3.43% discount rate (3.81% in 2023). It is at least reasonably possible that the recorded value of the split-interest agreements will change in the near term. The value of the split-interest agreements is included in net assets with donor restrictions.

The split-interest agreements are made up of owner restricted donations. The change in value of split-interest agreements for 2024 and 2023 was a total gain of \$577,344 and gain of \$642,966, respectively, to net assets with donor restrictions.

ECHOING HILLS VILLAGE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 3 UNCONDITIONAL PROMISES TO GIVE (CONTINUED)

The Organization has received numerous bequests included in wills. These bequests are considered intentions to give because the donor has the right to modify the will and, accordingly, the bequests are not recorded in the consolidated financial statements until each will has been validated after the donor's death.

NOTE 4 INVESTMENTS

The Organization held the following investments as of December 31:

	2024	2023
Common Stock	\$ 104,404	\$ 111,930
Mutual Funds	2,052,934	1,150,488
Exchange Traded Funds	1,683,580	2,300,446
Government Securities	1,726,571	2,143,169
Total	<u>\$ 5,567,489</u>	<u>\$ 5,706,033</u>

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows at December 31:

	2024	2023
Land	\$ 1,261,421	\$ 1,261,421
Land Improvements	3,656,330	2,905,497
Buildings and Improvements	24,784,254	17,511,148
Equipment	3,747,869	3,236,500
Transportation Equipment	4,172,252	4,285,399
Construction in Progress	228,227	2,001,368
Total Cost	<u>37,850,353</u>	<u>31,201,333</u>
Accumulated Depreciation	<u>(20,836,782)</u>	<u>(19,844,103)</u>
Net Carrying Amount	<u>\$ 17,013,571</u>	<u>\$ 11,357,230</u>

Depreciation and amortization expense for 2024 and 2023 was \$1,194,821 and \$1,150,453, respectively.

The Organization started construction on intermediate care facilities and other housing for individuals receiving services during 2023, which was included in construction in progress as of December 31, 2023. In 2024, many of intermediate care facilities and other housing were placed into service and remaining in construction in progress at December 31, 2024, includes construction for other housing as well as wastewater projects.

ECHOING HILLS VILLAGE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 6 CASH SURRENDER VALUE OF LIFE INSURANCE

The Foundation is the owner and beneficiary of a \$2,000,000 face value life insurance policy on the life of the founder. The cash surrender value on this policy was \$363,111 and \$336,454 as of December 31, 2024 and 2023, respectively.

The Village is also the owner of a split-dollar policy on the life of the founder with a face value of \$185,962, in which \$100,000 will be paid to the estate of the founder and the remaining benefit would be paid to the Village. The cash surrender value on this policy was \$48,594 and \$46,660 as of December 31, 2024 and 2023, respectively.

In addition, certain nonemployees of the Organization have contributed their whole life insurance policies to the Foundation. The Foundation is the owner and beneficiary of four individual life insurance policies at December 31, 2024 and 2023. These policies collectively have a face value of \$157,210 at December 31, 2024 and 2023. The cash surrender value of these policies was \$5,638 and \$6,841 as of December 31, 2024 and 2023, respectively.

NOTE 7 SELF INSURANCE

The Village is self-insured under a plan covering substantially all employees for health benefits. The plan is covered by a stop-loss policy that covers claims over \$100,000 per covered life. Claims charged to operations were \$2,282,354 and \$2,347,695 for the years ended December 31, 2024 and 2023, respectively. At December 31, 2024 and 2023, the Village had recorded an accrual for health insurance claims for \$233,406 and \$240,185, respectively, included in accrued payroll and related.

NOTE 8 LINES OF CREDIT

The Village has available a \$1,000,000 line of credit with a bank, collateralized by substantially all real and personal property of the Village. Interest accrues on borrowings at a variable interest rate of one month Secured Overnight Financing Rate (SOFR) plus 2.35% at December 31, 2024 (effective rate of 6.84%), and SOFR plus 2.36% at December 31, 2023 (effective rate 7.74%). The outstanding balance on this line was \$-0- as of December 31, 2024 and 2023. The line of credit was renewed in 2024 and matures on July 12, 2026.

The Village also has available a \$300,000 line of credit with a bank for the purchase of equipment and titled vehicles, collateralized by the equipment or vehicles purchased. Interest accrues on borrowings at a variable interest rate of Prime at December 31, 2024 (effective rate of 7.50%), and Prime at December 31, 2023 (effective rate 7.73%). The outstanding balance on this line was \$-0- as of December 31, 2024 and 2023. The line of credit matures on June 22, 2030.

These lines of credit include financial covenants. As of December 31, 2024 and 2023, management of the Organization is not aware of any noncompliance with these covenants.

**ECHOING HILLS VILLAGE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 9 LONG-TERM DEBT

Long-term debt at December 31 is as follows:

<u>Description</u>	<u>2024</u>	<u>2023</u>
Mortgage note due in monthly principal and interest installments of \$5,824 at 4.0%, with remaining principal due August 2025. The note is secured by the real estate purchased with the mortgage note proceeds.	\$ 604,078	\$ 648,419
Mortgage note due in monthly principal and interest installments of \$3,903 at 3.37%, with remaining principal due May 2030. The note is secured by the real estate purchased with the mortgage note proceeds.	231,253	269,473
Mortgage note due in monthly principal and interest installments of \$2,852 at 3.85% through July 2026. The note is secured by the real estate purchased with the mortgage note proceeds.	53,927	84,307
Multi-vehicle loan due in monthly principal and interest installments of \$2,840 at 4.25% through January 2024. The note is secured by the vehicles purchased with the loan proceeds.	-	2,773
Mortgage note due in monthly principal and interest installments \$6,195 at 3.81% through February 2032. The note is secured by the real estate purchased with the mortgage note proceeds.	720,646	766,127
Mortgage note due in monthly principal and interest installments \$10,700 at a stated rate with a swap agreement to convert to a fixed rate of 6.42% through August 1, 2033. The note is secured by the real estate purchased with the mortgage note proceeds.	5,040,000	766,127
Total	6,649,904	1,771,099
Less: Current Portion of Long-Term Debt	852,175	165,477
Long-Term Debt, Net of Current Portion	<u>\$ 5,797,729</u>	<u>\$ 1,605,622</u>

Certain long-term debt agreements described above include financial covenants. As of December 31, 2024 and 2023, management of the Organization is not aware of any noncompliance with these covenants.

ECHOING HILLS VILLAGE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 9 LONG-TERM DEBT (CONTINUED)

Scheduled principal payments on debt to maturity are as follows:

<u>Year Ending December 31.</u>	<u>Amount</u>
2025	\$ 852,175
2026	248,045
2027	239,879
2028	251,688
2029	267,367
Thereafter	4,790,750
Total	<u>\$ 6,649,904</u>

Interest expense was \$66,583 and \$72,218 for the years ended December 31, 2024 and 2023, respectively.

During the year, the Organization entered into a new interest rate swap agreement to hedge the cash flows on its variable rate debt. The swap is designed to mitigate exposure to interest rate fluctuations associated with the debt. Under the terms of the swap, the Organization pays monthly fixed interest payments of 6.42% and receives a variable interest rate based on one-month LIBOR. The effective date of the swap was December 10, 2024 and the termination date is August 1, 2033. The outstanding notional amount of the swap was \$5,040,000 and \$-0- at December 31, 2024 and 2023, respectively. The notional amount amortizes consistent with the underlying debt that the swap is economically hedging.

The interest rate swap has been marked to fair market value based upon a valuation by an investment bank. The change in value for the effective cash flow hedge of \$40,757 has been included in net assets without donor restrictions for the year ended December 31, 2024 and had a value of \$40,757 as liability as of December 31, 2024.

NOTE 10 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes at December 31:

	<u>2024</u>	<u>2023</u>
Subject to Expenditure for Specified Purpose:		
Resident Travel - Split-Interest Agreement	\$ 2,271,560	\$ 2,109,549
Purchase of Property and Equipment	149,801	841,784
Future Periods' Activities	1,070,292	1,159,933
Total Purpose and Time	3,491,653	4,111,266
Perpetual in Nature:		
Donor-Restricted Endowment Funds	4,110,912	4,110,911
Split-Interest Agreements	6,296,168	5,880,836
Total Perpetual in Nature	10,407,080	9,991,747
Total Net Assets with Donor Restrictions	<u>\$ 13,898,733</u>	<u>\$ 14,103,013</u>

ECHOING HILLS VILLAGE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 10 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

During 2024 and 2023, net assets were released from donor restrictions by incurring expenses satisfying the donor's restricted purposes in the amounts of \$1,225,070 and \$181,819, respectively.

Net assets that are perpetually restricted in nature consist of endowment fund assets (see Note 17) and split-interest agreements to be held indefinitely (see Note 3). The income from the assets can be used to support the Organization's general activities.

NOTE 11 LEASES

The Organization leases office space and facilities for operation of programs under operating lease agreements that expire at various dates through April 2028.

The following table provides quantitative information concerning the Organization's leases.

	<u>2024</u>	<u>2023</u>
Lease Costs:		
Operating Lease Costs	\$ 196,770	\$ 166,109
Short-Term Lease Costs	-	-
Total Lease Costs	<u>\$ 196,770</u>	<u>\$ 166,109</u>
Other Information:		
Operating Cash Flows from Operating Leases	\$ 198,552	\$ 163,912
Right-of-Use Assets Obtained in Exchange for New		
Operating Lease Liabilities	\$ 168,165	\$ 537,015
Weighted-Average Remaining Lease Term -		
Operating Leases	6.8 Years	7.5 Years
Weighted-Average Discount Rate - Operating Leases.	4.65%	4.65%

The Organization classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2024, is as follows:

<u>Year Ending December 31</u>	<u>Operating Leases</u>
2025	\$ 194,552
2026	174,552
2027	112,556
2028	43,000
2029	9,000
Thereafter	<u>226,900</u>
Total Lease Payments	760,560
Less: Interest	<u>102,334</u>
Present Value of Lease Liabilities	<u>\$ 658,226</u>

**ECHOING HILLS VILLAGE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 12 RETIREMENT PLAN

The Village maintains a tax-deferred annuity retirement plan qualified under Section 403(b) of the Internal Revenue Code for qualified employees who meet certain service requirements. The plan covers all employees who have exceeded 1,000 hours of service and who have reached age 21. The Village matches 50% of the first 2% of the employee's contribution to the plan. Pension expense for the defined contribution 403(b) plan totaled \$81,075 and \$71,149 for the years ended December 31, 2024 and 2023, respectively.

NOTE 13 COMMUNITY FOUNDATION OF GREATER LORAIN COUNTY

The Community Foundation of Greater Lorain County (the Community Foundation) holds funds for the Organization. Contributions to the funds are considered irrevocable gifts to the Community Foundation. The funds are administered by the Community Foundation and are subject to the Community Foundation's governing instruments. The market value of the funds was \$444,504 and \$419,482 as of December 31, 2024 and 2023, respectively. Accordingly, the Organization has not recorded these funds in their consolidated financial statements. Periodically, the Community Foundation makes distributions from the funds, which the Organization records as revenue upon receipt. The Organization received contributions of \$18,465 and \$18,147 from the Community Foundation during 2024 and 2023, respectively.

NOTE 14 COMMITMENTS AND CONTINGENCIES

A facility owned and operated by the Village is subject to restrictions for use under a forgivable loan agreement with the state of Ohio. In accordance with this agreement, the Village has agreed to use this facility to provide services to persons with developmental disabilities for a term of not less than 40 years, which expired in 2024. As long as the facility are utilized for this purpose, the state of Ohio will forgive monthly repayment of principal payments required under the terms of the agreement. In addition, the agreement does not require the payment of interest. In the event the use of the facility is changed prior to the expiration of the agreed-upon time period, the Village would become liable for the unamortized portion of the loan. The unamortized portion of the loan was \$-0- and \$39,843 at December 31, 2024 and 2023, respectively.

Consistent with its mission, it is the intent of the Village to operate this facility for the required period. Management has assessed the likelihood of potential repayment of the grant funds as remote, accordingly, no liability has been recorded in the accompanying consolidated financial statements.

ECHOING HILLS VILLAGE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 15 FAIR VALUE MEASUREMENTS

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

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

Level 1 – Inputs use quoted prices in active markets for identical assets or liabilities that the Organization have the ability to access.

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

Level 3 – Inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability. In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation.

The Organization's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. Following is description of valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at December 31, 2024 and 2023.

Common Stock/Mutual Funds/Exchange Traded Funds – Valued at quoted market prices, which represent the net asset value (NAV) of shares held by the Organization at year-end.

Government Securities – Valued based on yields currently available on comparable securities.

Interest Rate Swap Agreement – Valued using a third party's proprietary discounted cash flow model, which considers past, present, and future assumptions regarding interest rates and market conditions to estimate the fair value of the agreement.

Split-Interest Agreements and Charitable Gift Annuity Liability – Under the split-interest agreements, the Organization will receive future distributions from trusts only after obligations to another beneficiary are satisfied over the life of the beneficiary. At the time of the beneficiary's death, the trusts are to terminate and the remaining trust assets to be distributed to the organization.

ECHOING HILLS VILLAGE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 15 FAIR VALUE MEASUREMENTS (CONTINUED)

Assets and liabilities measured at fair value on a recurring basis at December 31:

	2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Common Stock	\$ 104,404	\$ -	\$ -	\$ 104,404
Mutual Funds	2,052,934	-	-	2,052,934
Exchange Traded Funds	1,683,580	-	-	1,683,580
Government Securities	-	1,726,571	-	1,726,571
Total Investments	3,840,918	1,726,571	-	5,567,489
Split-Interest Agreements	-	-	8,567,728	8,567,728
Total Assets	<u>\$ 3,840,918</u>	<u>\$ 1,726,571</u>	<u>\$ 8,567,728</u>	<u>\$ 14,135,217</u>
Liabilities:				
Charitable Gift Annuities	\$ 9,055	\$ -	\$ -	\$ 9,055
Interest Rate Swap Agreement	-	40,757	-	40,757
Total Liabilities	<u>\$ 9,055</u>	<u>\$ 40,757</u>	<u>\$ -</u>	<u>\$ 49,812</u>
	2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Common Stock	\$ 111,930	\$ -	\$ -	\$ 111,930
Mutual Funds	1,150,488	-	-	1,150,488
Exchange Traded Funds	2,300,446	-	-	2,300,446
Government Securities	-	2,143,169	-	2,143,169
Total Investments	3,562,864	2,143,169	-	5,706,033
Split-Interest Agreements	-	-	7,990,385	7,990,385
Total Assets	<u>\$ 3,562,864</u>	<u>\$ 2,143,169</u>	<u>\$ 7,990,385</u>	<u>\$ 13,696,418</u>
Liabilities:				
Charitable Gift Annuities	\$ 13,281	\$ -	\$ -	\$ 13,281
Interest Rate Swap Agreement	-	-	-	-
Total Liabilities	<u>\$ 13,281</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,281</u>

ECHOING HILLS VILLAGE, INC. AND AFFILIATE
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NOTE 15 FAIR VALUE MEASUREMENTS (CONTINUED)

The fair value of the assets in trust less the present value of the expected payments to the beneficiary's life and the value of the charitable gift annuity payable, the Organization estimates the fair value of these annuities based upon the present value of the expected future cash flows using management's best estimates of key assumptions including life expectancies of annuitants, payment periods, and a discount rate commensurate with the current market and other risks involved. The Organization has processes in place to select the appropriate valuation technique and unobservable inputs to perform Level 3 fair value measurements. Both observable and unobservable inputs may be used to determine the fair value of positions classified as Level 3 liabilities. As a result, the unrealized gains and losses for these assets and liabilities presented in the tables above may include changes in fair value that were attributable to both observable and unobservable inputs. The Organization's policy is to recognize transfers in and transfers out of Level 1, 2, and 3 fair value classifications as of the actual date of the event of change in circumstances that caused the transfer. There were no significant transfers between levels of the fair value hierarchy during 2024 and 2023.

NOTE 16 DONOR-RESTRICTED ENDOWMENTS

The Foundation's endowment includes donor-restricted endowment funds and split-interest agreements held in perpetuity. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The board of directors of the Foundation 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 Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent 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 in permanently restricted net assets is classified as restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund.
- The purpose of the Foundation and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Foundation.
- The investment policies of the Foundation.

**ECHOING HILLS VILLAGE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 16 DONOR-RESTRICTED ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law (Continued)

Changes in endowment net asset for the fiscal years ended December 31 are as follows:

	2024	2023
Endowment Net Assets - Beginning of Year	\$ 9,991,747	\$ 9,465,069
Change in Value of Split-Interest Agreements	415,333	526,678
Endowment Net Assets - End of Year	<u>\$ 10,407,080</u>	<u>\$ 9,991,747</u>

Funds With Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. There were no such deficiencies at December 31, 2024 and 2023.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 7% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation 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 Foundation 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.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year 5% of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to continue to grow. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

**ECHOING HILLS VILLAGE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 17 GOVERNMENTAL RELIEF

Employee Retention Credit

The CARES Act also contained provisions for an Employee Retention Credit (ERC), which is a refundable payroll credit. During 2021, the Organization earned an ERC of \$4,547,389 and revenue was recognized in 2021 for the employee retention credit of \$4,547,389, which was reported on the statement of financial position as a receivable as of December 31, 2022. In 2023, the Organization received their ERC payment in full, along with \$173,765 in related interest income that has been presented as Employee Retention Credit Interest on the statement of activities. The revenue recognized from the ERC is considered a contribution, in accordance with *Not-for-Profit Entities (Topic 958)* FASB ASU 2018-08, as the related conditions have been substantially met and are without donor restrictions. The terms and conditions governing the ERC funds are complex and subject to government oversight, including potential audits. Management of the Organization believes that the eligibility requirements to qualify to receive the credit have been met.

Ohio Direct Support Provider Retention Funding

Funding to support the retention of Direct Support Providers (DSPs) came from the State of Ohio Department of Developmental Disabilities (DODD) and was funded by local funds, county boards, and federal Medicaid match for a one-time payment to help support DSP retention. Payments made to the Organization under this program are to be used exclusively for the compensation to or on behalf of employees. The revenue recognized from the DODD Retention payment is considered a contribution, in accordance with *Not-for-Profit Entities (Topic 958)* ASU 2018-08. Management of the Organization believes that the eligibility requirements to qualify to receive the funding have been met and accordingly revenue of \$421,990 has been recognized at December 31, 2023.

ECHOING HILLS VILLAGE, INC. AND AFFILIATE
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NOTE 18 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's financial assets available within one year of the consolidated statements of financial position date for general expenditures are as follows at December 31:

	<u>2024</u>	<u>2023</u>
Total Assets at Years End Per Consolidated Statements of Financial Position	\$ 46,379,102	\$ 39,430,067
Less:		
Resident Funds	2,532,343	2,523,118
Prepaid Expenses and Other Current Assets	267,073	243,897
Operating Right-of-Use Assets	659,661	760,251
Investments Held by the Foundation	3,921,977	3,683,777
Property and Equipment, Net	17,013,571	11,357,230
Deposits	8,550	8,550
Cash Surrender Value of Life Insurance Policy	417,343	389,955
Unconditional Promises to Give, Net of Current Portion (Split-Interest Agreements)	8,567,728	7,990,385
Donation with Donor Restrictions for Purpose Included in Cash Restricted as to Use	149,801	841,784
Donation with Donor Restrictions for Future Period Activities Included in Cash	<u>1,070,292</u>	<u>1,159,933</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u><u>\$ 11,770,763</u></u>	<u><u>\$ 10,471,187</u></u>

The Organization has \$11,770,763 and \$10,471,187 as of December 31, 2024 and 2023, respectively, available to meet cash needs for general expenditures within one year. The Organization has a goal to maintain financial assets, to meet approximately 60 days of normal operating expenses. To manage liquidity, the Organization has two lines of credit (as described in Note 8) available. A line of credit of \$1,000,000 is available to utilize for operational cash needs and a second line of \$300,000 is available for the purchase needs of equipment and vehicles. At December 31, 2024 and 2023, these lines of credit had total balances outstanding of \$-0-.

NOTE 19 RISKS AND UNCERTAINTIES

The Organization assets include both split-interest agreements and investments in various investment securities. Split-interest agreements and investment securities are exposed to various risks such as interest rate, market, credit risks, and other external factors. Due to the level of risk associated with split-interest agreements and investment securities, it is at least reasonably possible that changes in the values of these assets will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statements of financial position.

**ECHOING HILLS VILLAGE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 20 OHIO PROVIDER MANAGEMENT SERVICES ORGANIZATION, LLC

In November 2024, Echoing Hills Village, Inc. entered into an operating agreement with two other nonprofit providers to establish the Ohio Provider Management Services Organization, LLC (OPMSO), an Ohio limited liability for-profit company, in which Echoing Hills Village, Inc. has a one-third noncontrolling interest. OPMSO's initial purpose is to engage in the business of providing certain nonclinical platform administrative and management services and other ancillary services to entities providing services to individuals with intellectual and development disabilities and healthcare providers in the state of Ohio. As of December 31, 2024, there has been no significant activity in OPMSO or expenses incurred by Echoing Hills Village, Inc.

ECHOING HILLS VILLAGE, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	Echoing Hills Village	Echoing Hills Village Foundation	Eliminating Entries	Total
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 7,322,931	\$ 114,420	\$ -	\$ 7,437,351
Cash Restricted as to Use	149,801	-	-	149,801
Accounts Receivable, Net Service	3,753,588	1,228	-	3,754,816
Accounts Receivable - Related Party	-	3,601	(3,601)	-
Accounts Receivable - Employee Retention Credit	-	-	-	-
Current Portion of Unconditional Promises to Give	3,376	-	-	3,376
Resident Funds	2,532,343	-	-	2,532,343
Prepaid Expenses and Other Current Assets	267,073	-	-	267,073
Total Current Assets	<u>14,029,112</u>	<u>119,249</u>	<u>(3,601)</u>	<u>14,144,760</u>
INVESTMENTS	1,645,512	3,921,977	-	5,567,489
PROPERTY AND EQUIPMENT, NET	17,013,571	-	-	17,013,571
INTEREST IN NET ASSETS	10,702,837	-	(10,702,837)	-
OPERATING RIGHT-OF-USE ASSET	659,661	-	-	659,661
OTHER ASSETS				
Deposits	8,550	-	-	8,550
Cash Surrender Value Life Insurance	48,594	368,749	-	417,343
Unconditional Promises to Give, Net of Current Portion	2,271,560	6,296,168	-	8,567,728
Total Other Assets	<u>2,328,704</u>	<u>6,664,917</u>	<u>-</u>	<u>8,993,621</u>
Total Assets	<u><u>\$ 46,379,397</u></u>	<u><u>\$ 10,706,143</u></u>	<u><u>\$ (10,706,438)</u></u>	<u><u>\$ 46,379,102</u></u>

ECHOING HILLS VILLAGE, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

LIABILITIES AND NET ASSETS	Echoing Hills Village	Echoing Hills Village Foundation	Eliminating Entries	Total
CURRENT LIABILITIES				
Accounts Payable	\$ 1,545,042	\$ 196	\$ -	\$ 1,545,238
Accounts Payable - Related Party	3,601	-	(3,601)	-
Resident Funds Payable	2,532,343	-	-	2,532,343
Lines of Credit	-	-	-	-
Current Portion of Long-Term Debt	852,175	-	-	852,175
Current Portion of Operating Lease Liability	205,033	-	-	205,033
Current Portion of Charitable Gift Annuity Payable	3,515	375	-	3,890
Accrued Payroll and Related	2,357,300	-	-	2,357,300
Deferred Revenue Medicaid	33,436	-	-	33,436
Total Current Liabilities	<u>7,532,445</u>	<u>571</u>	<u>(3,601)</u>	<u>7,529,415</u>
LONG-TERM LIABILITIES				
Long-Term Debt, Net of Current Portion	5,797,729	-	-	5,797,729
Charitable Gift Annuity Payable, Net of Current Portion	2,430	2,735	-	5,165
Operating Lease Liability, Net of Current Portion	453,193	-	-	453,193
Finance Lease Liability, Net of Current Portion	-	-	-	-
Interest Rate Swap Agreement	40,757	-	-	40,757
Total Long-Term Liabilities	<u>6,294,109</u>	<u>2,735</u>	<u>-</u>	<u>6,296,844</u>
Total Liabilities	13,826,554	3,306	(3,601)	13,826,259
NET ASSETS				
Without Donor Restrictions	18,654,110	220,858	(220,858)	18,654,110
With Donor Restrictions:				
Purpose and Time Restricted	3,491,653	74,899	(74,899)	3,491,653
Perpetual in Nature	10,407,080	10,407,080	(10,407,080)	10,407,080
Total With Donor Restrictions	<u>13,898,733</u>	<u>10,481,979</u>	<u>(10,481,979)</u>	<u>13,898,733</u>
Total Net Assets	<u>32,552,843</u>	<u>10,702,837</u>	<u>(10,702,837)</u>	<u>32,552,843</u>
Total Liabilities and Net Assets	<u>\$ 46,379,397</u>	<u>\$ 10,706,143</u>	<u>\$ (10,706,438)</u>	<u>\$ 46,379,102</u>

ECHOING HILLS VILLAGE, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

ASSETS	Echoing Hills Village	Echoing Hills Village Foundation	Eliminating Entries	Total
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 6,169,422	\$ 311,692	\$ -	\$ 6,481,114
Cash Restricted as to Use	841,784	-	-	841,784
Accounts Receivable - Net Service	3,105,344	1,695	-	3,107,039
Accounts Receivable - Related Party	139,839	25,082	(164,921)	-
Accounts Receivable - Employee Retention Credit	-	-	-	-
Current Portion of Unconditional Promises to Give	20,711	-	-	20,711
Resident Funds	2,523,118	-	-	2,523,118
Prepaid Expenses and Other Current Assets	243,153	744	-	243,897
Total Current Assets	<u>13,043,371</u>	<u>339,213</u>	<u>(164,921)</u>	<u>13,217,663</u>
INVESTMENTS	2,022,256	3,683,777	-	5,706,033
PROPERTY AND EQUIPMENT, NET	11,357,230	-	-	11,357,230
INTEREST IN NET ASSETS	10,103,617	-	(10,103,617)	-
OPERATING RIGHT-OF-USE ASSET	760,251	-	-	760,251
OTHER ASSETS				
Deposits	8,550	-	-	8,550
Cash Surrender Value Life Insurance	46,660	343,295	-	389,955
Unconditional Promises to Give, Net of Current Portion	2,109,549	5,880,836	-	7,990,385
Total Other Assets	<u>2,164,759</u>	<u>6,224,131</u>	<u>-</u>	<u>8,388,890</u>
Total Assets	<u><u>\$ 39,451,484</u></u>	<u><u>\$ 10,247,121</u></u>	<u><u>\$ (10,268,538)</u></u>	<u><u>\$ 39,430,067</u></u>

ECHOING HILLS VILLAGE, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

	Echoing Hills Village	Echoing Hills Village Foundation	Eliminating Entries	Total
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts Payable	\$ 1,888,251	\$ 200	\$ -	\$ 1,888,451
Accounts Payable - Related Party	25,082	139,839	(164,921)	-
Resident Funds Payable	2,523,118	-	-	2,523,118
Lines of Credit	-	-	-	-
Current Portion of Long-Term Debt	165,477	-	-	165,477
Current Portion of Operating Lease Liability	166,632	-	-	166,632
Current Portion of Charitable Gift Annuity Payable	3,871	355	-	4,226
Accrued Payroll and Related	2,249,663	-	-	2,249,663
Deferred Revenue Medicaid	-	-	-	-
Total Current Liabilities	<u>7,022,094</u>	<u>140,394</u>	<u>(164,921)</u>	<u>6,997,567</u>
LONG-TERM LIABILITIES				
Long-Term Debt, Net of Current Portion	1,605,622	-	-	1,605,622
Charitable Gift Annuity Payable, Net of Current Portion	5,945	3,110	-	9,055
Operating Lease Liability, Net of Current Portion	589,517	-	-	589,517
Finance Lease Liability, Net of Current Portion	-	-	-	-
Interest Rate Swap Agreement	-	-	-	-
Total Long-Term Liabilities	<u>2,201,084</u>	<u>3,110</u>	<u>-</u>	<u>2,204,194</u>
Total Liabilities	9,223,178	143,504	(164,921)	9,201,761
NET ASSETS				
Without Donor Restrictions	16,125,293	36,971	(36,971)	16,125,293
With Donor Restrictions:				
Purpose and Time Restricted	4,111,266	74,899	(74,899)	4,111,266
Perpetual in Nature	9,991,747	9,991,747	(9,991,747)	9,991,747
Total With Donor Restrictions	<u>14,103,013</u>	<u>10,066,646</u>	<u>(10,066,646)</u>	<u>14,103,013</u>
Total Net Assets	<u>30,228,306</u>	<u>10,103,617</u>	<u>(10,103,617)</u>	<u>30,228,306</u>
Total Liabilities and Net Assets	<u>\$ 39,451,484</u>	<u>\$ 10,247,121</u>	<u>\$ (10,268,538)</u>	<u>\$ 39,430,067</u>

ECHOING HILLS VILLAGE, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	Echoing Hills Village			Echoing Hills Village Foundation				
	Without Donor Restrictions	With Donor Restrictions	Echoing Hills Village Total	Without Donor Restrictions	With Donor Restrictions	Echoing Hills Village Foundation Total	Eliminating Entries	Totals
OPERATING REVENUES								
Net Service Revenue	\$ 41,998,047	\$ -	\$ 41,998,047	\$ -	\$ -	\$ -	\$ -	\$ 41,998,047
Other Operating Revenue	71,844	-	71,844	-	-	-	-	71,844
Gain on Disposal of Property and Equipment	45,150	-	45,150	-	-	-	-	45,150
Net Assets Released from Restrictions	278,938	(278,938)	-	-	-	-	-	-
Total Operating Revenues	42,393,979	(278,938)	42,115,041	-	-	-	-	42,115,041
OPERATING EXPENSES								
Program Expenses	37,219,894	-	37,219,894	37,800	-	37,800	-	37,257,694
General and Administrative Expenses	4,905,080	-	4,905,080	34,442	-	34,442	-	4,939,522
Fundraising Expenses	196,453	-	196,453	-	-	-	-	196,453
Total Operating Expenses	42,321,427	-	42,321,427	72,242	-	72,242	-	42,393,669
OPERATING REVENUES IN EXCESS (DEFICIT) OF OPERATING EXPENSES	72,552	(278,938)	(206,386)	(72,242)	-	(72,242)	-	(278,628)
OTHER INCOME								
Investment Income, Net	250,334	-	250,334	110,013	-	110,013	-	360,347
Net Realized and Unrealized Gains on Investments	36,153	-	36,153	343,768	-	343,768	-	379,921
Contributions	874,429	189,297	1,063,726	8,435	-	8,435	-	1,072,161
Employee Retention Credit Interest	-	-	-	-	-	-	-	-
Ohio DODD Retention Income	-	-	-	-	-	-	-	-
Change in Value of Split-Interest Agreements	-	162,011	162,011	-	415,333	415,333	-	577,344
Total Other Income	1,160,916	351,308	1,512,224	462,216	415,333	877,549	-	2,389,773
EXCESS OF REVENUES OVER EXPENSES	1,233,468	72,370	1,305,838	389,974	415,333	805,307	-	2,111,145
OTHER CHANGES IN NET ASSETS								
Contributions - Restricted for Property and Equipment	-	254,149	254,149	-	-	-	-	254,149
Contributions - Supporting Foundation	206,087	-	206,087	(206,087)	-	(206,087)	-	-
Change in Interest in Supporting Foundation	183,887	415,333	599,220	-	-	-	(599,220)	-
Change in Value of Interest Rate Swap Agreement	(40,757)	-	(40,757)	-	-	-	-	(40,757)
Net Assets Released from Restrictions - Property and Equipment	946,132	(946,132)	-	-	-	-	-	-
Other Changes in Net Assets	1,295,349	(276,650)	1,018,699	(206,087)	-	(206,087)	(599,220)	213,392
CHANGES IN NET ASSETS	2,528,817	(204,280)	2,324,537	183,887	415,333	599,220	(599,220)	2,324,537
Net Assets - Beginning of Year	16,125,293	14,103,013	30,228,306	36,971	10,066,646	10,103,617	(10,103,617)	30,228,306
NET ASSETS - END OF YEAR	<u>\$ 18,654,110</u>	<u>\$ 13,898,733</u>	<u>\$ 32,552,843</u>	<u>\$ 220,858</u>	<u>\$ 10,481,979</u>	<u>\$ 10,702,837</u>	<u>\$ (10,702,837)</u>	<u>\$ 32,552,843</u>

ECHOING HILLS VILLAGE, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

	Echoing Hills Village			Echoing Hills Village Foundation				
	Without Donor Restrictions	With Donor Restrictions	Echoing Hills Village Total	Without Donor Restrictions	With Donor Restrictions	Echoing Hills Village Foundation Total	Eliminating Entries	Totals
OPERATING REVENUES								
Net Service Revenue	\$ 36,852,848	\$ -	\$ 36,852,848	\$ -	\$ -	\$ -	\$ -	\$ 36,852,848
Other Operating Revenue	86,558	-	86,558	-	-	-	-	86,558
Gain on Disposal of Property and Equipment	7,744	-	7,744	-	-	-	-	7,744
Net Assets Released from Restrictions	143,221	(143,221)	-	-	-	-	-	-
Total Operating Revenues	37,090,371	(143,221)	36,947,150	-	-	-	-	36,947,150
OPERATING EXPENSES								
Program Expenses	34,278,974	-	34,278,974	35,977	-	35,977	-	34,314,951
General and Administrative Expenses	3,987,346	-	3,987,346	33,692	-	33,692	-	4,021,038
Fundraising Expenses	199,544	-	199,544	-	-	-	-	199,544
Total Operating Expenses	38,465,864	-	38,465,864	69,669	-	69,669	-	38,535,533
OPERATING EXPENSES IN EXCESS OF OPERATING REVENUE	(1,375,493)	(143,221)	(1,518,714)	(69,669)	-	(69,669)	-	(1,588,383)
OTHER INCOME								
Investment Income, Net	232,469	-	232,469	84,152	-	84,152	-	316,621
Net Realized and Unrealized Gains on Investments	26,310	-	26,310	407,102	-	407,102	-	433,412
Contributions	442,597	146,413	589,010	3,667	-	3,667	-	592,677
Provider Relief Fund Revenue	173,765	-	173,765	-	-	-	-	173,765
Ohio DODD Retention Income	421,990	-	421,990	-	-	-	-	421,990
Change in Value of Split-Interest Agreements	-	116,288	116,288	-	526,678	526,678	-	642,966
Total Other Income	1,297,131	262,701	1,559,832	494,921	526,678	1,021,599	-	2,581,431
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(78,362)	119,480	41,118	425,252	526,678	951,930	-	993,048
OTHER CHANGES IN NET ASSETS								
Contributions - Restricted for Property and Equipment	-	217,470	217,470	-	-	-	-	217,470
Contributions - Supporting Foundation	206,000	-	206,000	(206,000)	-	(206,000)	-	-
Change in Interest in Supporting Foundation	219,252	526,678	745,930	-	-	-	(745,930)	-
Change in Value of Interest Rate Swap Agreement	-	-	-	-	-	-	-	-
Net Assets Released from Restrictions - Property and Equipment	38,598	(38,598)	-	-	-	-	-	-
Other Changes in Net Assets	463,850	705,550	1,169,400	(206,000)	-	(206,000)	(745,930)	217,470
CHANGES IN NET ASSETS	385,488	825,030	1,210,518	219,252	526,678	745,930	(745,930)	1,210,518
Net Assets - Beginning of Year	15,739,805	13,277,983	29,017,788	(182,281)	9,539,968	9,357,687	(9,357,687)	29,017,788
NET ASSETS - END OF YEAR	<u>\$ 16,125,293</u>	<u>\$ 14,103,013</u>	<u>\$ 30,228,306</u>	<u>\$ 36,971</u>	<u>\$ 10,066,646</u>	<u>\$ 10,103,617</u>	<u>\$ (10,103,617)</u>	<u>\$ 30,228,306</u>



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