

**RIVERVIEW LUTHERAN RETIREMENT
COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2021 AND 2020



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

[CLAconnect.com](https://www.CLAconnect.com)

**RIVERVIEW LUTHERAN RETIREMENT COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

INDEPENDENT AUDITORS' REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	4
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS (DEFICIT)	5
CONSOLIDATED STATEMENTS OF CASH FLOWS	6
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	8
SUPPLEMENTARY INFORMATION	
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION	29
CONSOLIDATING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	31



INDEPENDENT AUDITORS' REPORT

Board of Directors
Riverview Lutheran Retirement Community of Spokane
dba: Riverview Retirement Community
Spokane, Washington

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Riverview Lutheran Retirement Community of Spokane dba: Riverview Retirement Community (a Washington nonprofit corporation), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities and changes in net assets (deficit), and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Riverview Retirement Community as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Riverview Retirement Community 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 Riverview Retirement Community's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' 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 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 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 Riverview Retirement Community'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 Riverview Retirement Community'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.

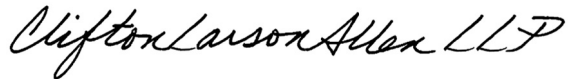
Emphasis of Matter Regarding Change in Reporting Entity

As discussed in Note 14 to the consolidated financial statements, there was a change in the reporting entity during the year ended December 31, 2021. Our opinion is not modified with respect to that matter.

Board of Directors
Riverview Lutheran Retirement Community of Spokane
dba: Riverview Retirement Community

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and the 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 audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Bellevue, Washington
May 26, 2022

RIVERVIEW LUTHERAN RETIREMENT COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,041,363	\$ 1,163,681
Investments	13,986,393	14,008,090
Accounts Receivable, Net	492,545	226,797
Prepaid Expenses and Other Assets	135,757	121,176
Total Current Assets	15,656,058	15,519,744
ASSETS LIMITED OR RESTRICTED AS TO USE		
Restricted for Debt Service and Reserve	1,480,274	1,543,333
Other Assets Limited or Restricted as to Use	952,821	1,010,475
Total Assets Limited or Restricted as to Use	2,433,095	2,553,808
PROPERTY, BUILDINGS, AND EQUIPMENT, NET		
	34,964,593	36,957,089
Total Assets	\$ 53,053,746	\$ 55,030,641
LIABILITIES AND NET ASSETS (DEFICIT)		
CURRENT LIABILITIES		
Accounts Payable	\$ 395,771	\$ 567,207
Accrued Payroll and Related Liabilities	508,329	712,553
Accrued Interest	372,458	379,549
Applicants' Deposits	134,500	125,500
Patient Trust Liability	4,963	5,465
Current Maturities of Long-Term Debt	602,201	576,077
Current Portion of Entrance Fees Refundable		
Upon Re-Occupancy	2,496,403	1,242,400
Total Current Liabilities	4,514,625	3,608,751
LONG-TERM LIABILITIES		
Long-Term Debt, Net	17,971,850	20,683,182
Entrance Fees Refundable upon Re-occupancy,		
Net of Current Portion	30,608,596	30,749,428
Deferred Revenue from Nonrefundable Entrance Fees	3,732,030	3,805,926
Deferred Compensation Payable	-	242,239
Total Long-Term Liabilities	52,312,476	55,480,775
Total Liabilities	56,827,101	59,089,526
NET ASSETS (DEFICIT)		
Net Assets (Deficit) Without Donor Restrictions:		
Without Board Designations	(4,419,514)	(4,626,152)
With Board Designations	-	59,115
Total Net Assets (Deficit) Without Donor Restrictions	(4,419,514)	(4,567,037)
With Donor Restrictions	646,159	508,152
Total Net Assets (Deficit)	(3,773,355)	(4,058,885)
Total Liabilities and Net Assets (Deficit)	\$ 53,053,746	\$ 55,030,641

See accompanying Notes to Consolidated Financial Statements.

RIVERVIEW LUTHERAN RETIREMENT COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS (DEFICIT)
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUE		
Resident Service Revenue, Net	\$ 9,674,482	\$ 12,275,647
Entrance Fees Earned	471,434	519,926
Loss on Fair Market Value Refund of Residency Agreements	(534,685)	-
Termination Income from Nonrefundable Portion of Residency Agreements	303,032	242,265
Tenant Reimbursements	196,560	201,897
Investment Income, Net	2,048,737	1,614,063
Contributions	68,918	28,671
Gain on Disposal of Equipment	-	3,162
Gain on Forgiveness of Debt	3,622,000	-
Grant Revenue	309,318	654,408
Other Revenue	218,342	340,426
Total Revenue	16,378,138	15,880,465
EXPENSES		
Health Services	4,365,816	4,783,873
Recreational Therapy Services	224,831	140,263
Chaplaincy Services	82,639	79,041
Dining Services	1,704,198	2,115,484
Environmental Services	636,670	703,033
Plant Operations and Security	2,147,630	2,159,356
Fiscal and Administration	2,234,012	2,982,564
Interest Expense	1,000,429	1,028,335
Taxes and Insurance	537,230	530,439
Depreciation	3,298,560	3,266,752
Total Expenses	16,232,015	17,789,140
CHANGE IN NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS	146,123	(1,908,675)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	82,787	8,675
Investment Income, Net	55,220	19,747
Change in Net Assets with Donor Restrictions	138,007	28,422
CHANGE IN NET ASSETS (DEFICIT)	284,130	(1,880,253)
Net Assets (Deficit) - Beginning of Year	(4,057,485)	(2,178,632)
NET ASSETS (DEFICIT) - END OF YEAR	\$ (3,773,355)	\$ (4,058,885)

See accompanying Notes to Consolidated Financial Statements.

RIVERVIEW LUTHERAN RETIREMENT COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets (Deficit)	\$ 284,130	\$ (1,880,253)
Adjustments to Reconcile Change in Net Assets (Deficit) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	3,298,560	3,266,752
Amortization of Debt Issuance Costs	25,517	25,517
Amortization of Bond Premium	(12,550)	(12,549)
Gain on Forgiveness of Debt	(3,622,000)	-
Nonrefundable Contracts - Entrance Fees Received	683,620	276,760
Nonrefundable Contracts - Termination Income	(303,032)	(242,265)
Entrance Fees Earned	(471,434)	(519,926)
Loss on Fair Market Value Refund of Residency Agreements	534,685	-
Realized (Gain) Loss on Investments	(1,333,834)	107,902
Unrealized Gain on Investments	(69,289)	(1,507,101)
Gain on Disposal of Equipment	-	(3,162)
Net Change in:		
Accounts Receivable	30,152	1,081,862
Prepaid Expenses	(14,581)	(328)
Accounts Payable	(305,251)	(515,754)
Accrued Payroll and Related Liabilities	(204,224)	43,726
Accrued Interest	(7,091)	(7,991)
Patient Trust Liability	(502)	(1,292)
Applicants' Deposits	9,000	(20,500)
Net Cash Provided (Used) by Operating Activities	(1,478,124)	91,398
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Investments	3,301,337	1,081,611
Purchase of Investments	(1,976,988)	(1,890,291)
Purchase of Property, Buildings, and Equipment	(1,172,249)	(1,623,600)
Net Cash Provided (Used) by Investing Activities	152,100	(2,432,280)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Long-Term Debt	(576,175)	(549,759)
Proceeds from Long-Term Debt	1,500,000	2,122,000
Refundable Contracts - Entrance Fees Received	2,734,480	1,107,040
Refundable Contracts - Entrance Fees Refunded	(2,434,944)	(493,922)
Net Cash Provided by Financing Activities	1,223,361	2,185,359
CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(102,663)	(155,523)
Cash, Cash Equivalents and Restricted Cash - Beginning of Year	1,822,716	1,978,239
CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	\$ 1,720,053	\$ 1,822,716

See accompanying Notes to Consolidated Financial Statements.

**RIVERVIEW LUTHERAN RETIREMENT COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021	2020
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash and Cash Equivalents - Unrestricted	\$ 1,041,363	\$ 1,163,681
Cash and Cash Equivalents - Restricted for Debt Service	633,814	648,582
Cash and Cash Equivalents - Restricted for Debt Service Reserve	39,913	4,988
Cash and Cash Equivalents - Patient Trust Fund	4,963	5,465
Total Cash and Cash Equivalents	\$ 1,720,053	\$ 1,822,716
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest Paid in Cash	\$ 1,022,460	\$ 1,054,071
Noncash Acquisition of Property, Buildings, and Equipment	\$ 133,815	\$ 75,570

See accompanying Notes to Consolidated Financial Statements.

**RIVERVIEW LUTHERAN RETIREMENT COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Riverview Lutheran Retirement Community of Spokane dba: Riverview Retirement Community is incorporated under the Washington State Nonprofit Corporation Act for the purpose of owning, operating, and providing retirement housing for the elderly in the local Spokane community and the surrounding communities. Riverview Retirement Community is exempt from federal income tax under Internal Revenue Code (IRC) Section 501(c)(3). Riverview Retirement Community operates five divisions: Riverview Village provides independent living services, Riverview Terrace provides assisted living services, Riverview Care Center provides skilled nursing services, Riverview Memory Care provides memory care services and Riverview Rehabilitation Center provides outpatient diagnostic, therapeutic, and restorative services. Riverview Retirement Community permanently closed Riverview Care Center in May 2020.

Riverview Resident Assistance Foundation (the Foundation), a Washington nonprofit corporation and a 501(c)(3) organization, was incorporated on January 19, 2017. The Foundation was organized to generate donations and to provide financial assistance to residents of Riverview Retirement Community who outlive their financial assets. The Foundation is deemed a Type 1 Supporting Organization by the Internal Revenue Service (IRS) and Riverview Retirement Community is identified as the Supported Organization. The initial board of directors of the Foundation was appointed by the board of directors of Riverview Retirement Community and all new members of the Foundation board of directors must first be approved by the board of directors of Riverview Retirement Community.

The financial position of the Foundation and the results of its activities, changes in its net assets, and its cash flows for the year then ended have been consolidated into the financial statements of Riverview Retirement Community. Riverview Retirement Community and Riverview Resident Assistance Foundation are collectively referred to as the Corporation.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Riverview Retirement Community and Riverview Resident Assistance Foundation. All inter-organization transactions have been eliminated in consolidation.

Basis of Presentation

The consolidated financial statements are prepared on the accrual basis of accounting pursuant to accounting principles generally accepted in the United States of America.

Performance Indicator

Change in net assets (deficit) without donor restrictions as reflected in the accompanying statements of activities and changes in net assets is the performance indicator. Items excluded from the performance indicator, consistent with industry practice include, if present, contributions of and assets released from donor restrictions related to long lived assets and investment returns restricted to use by donors or by law.

RIVERVIEW LUTHERAN RETIREMENT COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents include cash, money market accounts, commercial paper, and other securities with maturities of three months or less at date of acquisition that are not otherwise held by an investment advisor or restricted by donors or other external parties.

Investments

Investments are stated at fair value based on quoted market prices. Investments acquired by gift are recorded at fair value on the date received. Investments in marketable securities are adjusted to fair value through recognition of unrealized gains and losses in the performance indicator as they are classified as trading securities. Gains or losses are calculated based on specific identification of the investments. Dividend, interest, and other investment income are recorded net of related custodial and advisory fees. See Note 8 for fair value hierarchy disclosures.

Accounts Receivable

The Corporation provides services to residents even though they may lack adequate funds or may participate in programs that do not pay full charges. The Corporation receives payment for health services from residents, insurance companies, Medicare, Medicaid, and other third-party payors. As a result, the Corporation is exposed to certain credit risks. The Corporation manages its risk by regularly reviewing its accounts, by providing appropriate allowances for uncollectible accounts, and by having secured the accounts through its Residency and Patient Agreements with the residents of the community.

Accounts receivable are stated at the amount management expects to collect. If necessary, management provides for possible uncollectible amounts through a charge to revenue and a credit to a valuation allowance based on its assessment of the current status of individual balances. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and credit to resident accounts receivable.

Assets Limited or Restricted as to Use

Assets limited or restricted as to use include assets that are restricted for debt reserve and debt service or limited as to use by the board of directors or donors for various reasons (see Note 4).

Property, Building, and Equipment

Property, building, and equipment are recorded at cost, or fair value when received, if donated. The cost basis includes any interest, finance charges, major replacements and improvements, and other related costs capitalized during construction. The Corporation capitalizes fixed assets with a cost greater than \$5,000 in the independent and assisted living departments and \$2,000 in the skilled nursing facility. Maintenance, repairs, and minor replacements are charged to expense when incurred.

RIVERVIEW LUTHERAN RETIREMENT COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Building, and Equipment (Continued)

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 30 years. When assets are retired or otherwise disposed of, the cost of the asset and its related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in revenue or expense for the period.

The Corporation, using its best estimates based on reasonable and supportable assumptions and projections, reviews for impairment of long-lived assets when indicators of impairment are identified. The review addresses the estimated recoverability of the assets' carrying value, which is principally determined based on projected undiscounted cash flows generated by the underlying tangible assets. When the carrying value of an asset exceeds estimated recoverability, an asset impairment is recognized. No impairment losses were present for the years ended December 31, 2021 and 2020.

Applicants' Deposits

The Corporation requires each applicant for residency to pay a \$3,000 (nonresident) or \$1,500 (resident) fee to join the waiting list for the independent living, assisted living, or memory care units. This deposit enables the Corporation to objectively determine which applicant will prevail when more than one applicant is interested in the same unit by awarding the unit to the applicant that has been on the waiting list longest. The waiting list deposits are fully refundable for any reason at any time prior to applying the deposit to a resident agreement. When an independent living unit becomes available, the applicant is required to pay a nonrefundable \$4,000 entrance fee deposit to reserve a specific independent living unit prior to occupancy.

Patient Trust Liability

Patient trust liability consists of patients' funds held under agency agreement with the Corporation. A corresponding asset is recorded in assets limited or restricted as to use.

Entrance Fees Refundable Upon Re-Occupancy

Residency Agreements are 75% or 80% refundable at the time of re-occupancy after termination of the contract. There are a limited number of residency agreements in which the refund is equal to 80% of the entrance fee received from subsequent resident of the unit. The refundable portion of entrance fees as of December 31, 2021 and 2020 was \$33,104,999 and \$31,991,828, respectively. As of December 31, 2021 and 2020, \$2,496,403 and \$1,242,400, respectively, of the refundable portions due to residents were included in current portion of entrance fees refundable upon re-occupancy and will be refunded at the time the unit is reoccupied by another resident. Actual refunds of such entrance fees were \$2,434,944 and \$493,922 for the years ended December 31, 2021 and 2020, respectively. The nonrefundable portion of the entrance fee for the Residency Agreements is described in the following paragraph.

RIVERVIEW LUTHERAN RETIREMENT COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue from Nonrefundable Entrance Fees

The nonrefundable portion (20% or 25% of the entrance fee) of the Residency Agreements is recorded as deferred revenue. The nonrefundable deferred entrance fees are amortized to income on a straight-line basis over the estimated remaining life expectancy of the resident which is estimated at the time of entrance and is adjusted annually based on actuarially determined, estimated, remaining life expectancy of the resident. Upon voluntary or involuntary termination, the remaining unamortized balance of the nonrefundable portion of the entrance fee is recognized as income. Amounts amortized to income relating to these types of contracts were \$471,434 and \$519,926, respectively, for the years ended December 31, 2021 and 2020, and are presented in entrance fees earned in the statements of activities and changes in net assets (deficit). At December 31, 2021 and 2020, the Corporation had nonrefundable entrance fees, net of accumulated amortization, of \$3,732,030 and \$3,805,926, respectively, related to entrance fees received that will be recognized as revenue in future years.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets without donor restrictions represent unrestricted resources available to support the Corporation’s operations and restricted resources which have become available for use by the Corporation in accordance with the intention of the donor.

Net Assets With Donor Restrictions – Net assets with donor restrictions represent net assets subject to donor-imposed stipulations that they be maintained by the Corporation in perpetuity. The board of directors has interpreted Washington’s enacted 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 permanently restricted donations absent explicit donor stipulations to the contrary. As a result of this interpretation, the Corporation classifies as net assets with donor restrictions (a) the original value of gifts donated, (b) the original value of subsequent gifts, and (c) accumulations to the permanently restricted fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Generally, the donors of these assets permit the Corporation to use all or part of the investment return on these assets.

Management reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized.

RIVERVIEW LUTHERAN RETIREMENT COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loss on Fair Value Refund of Residency Agreements

The Corporation entered into certain residency agreements during a previous downturn in the economy that adjusts refunds to prior occupants for market changes. The difference between the entrance fee paid by the former resident and the increase of the total refund paid to the former resident is recognized as loss on fair market value of refund of residency agreements in the consolidated statements of activities and changes in net assets.

Contributions and Grants

The Corporation reports unconditional contributions and grants of cash and other assets at fair value at the date the contribution is received. Conditional contributions are reported at fair value at the date the conditions are substantially met. The gifts are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets.

Tax-Exempt Status

The Corporation has been recognized by the IRS as a nonprofit corporation as described in Section 501(c)(3) of the IRC and is exempt from federal income taxes on related activities. No tax provision has been made in the accompanying statements of activities and changes in net assets.

Concentrations of Risk

The Corporation's cash, cash equivalents, investments, and assets limited or restricted as to use consist of various financial instruments. These financial instruments may subject the Corporation to concentrations of risk as, from time to time, cash and investment balances may exceed amounts insured by the Federal Deposit Insurance Corporation (FDIC) and the Securities Investor Protection Corporation (SIPC), the fair value of debt securities are dependent on the ability of the issuer to honor its contractual commitments, and the fair value of investments are subject to change. Management monitors the financial condition of these institutions on an ongoing basis and does not believe significant credit risk exists at this time.

Concentration of credit risk results from the Corporation granting credit without collateral to its residents and patients, most of whom are local residents and may be insured under third-party payor agreements. See Note 3 for the mix of receivables from residents and third-party payors at December 31, 2021 and 2020.

Unemployment Self-Insurance

The Corporation self-insures for unemployment benefits. Provision for self-insurance claims is made in the period the claims are paid.

Advertising

The Corporation follows the policy of expensing advertising costs as incurred. The Corporation's advertising expense for the years ended December 31, 2021 and 2020 was \$192,884 and \$304,233, respectively.

**RIVERVIEW LUTHERAN RETIREMENT COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Reclassifications

Certain financial statement reclassifications have been made to prior year balances for comparability purposes and had no impact on changes in net assets (deficit) or net assets (deficit) as previously reported.

Subsequent Events

The board of directors and management have evaluated subsequent events through May 26, 2022, the date the consolidated financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

As of December 31, 2021 and 2020, the Corporation had a working capital of \$11,141,433 and \$11,910,993, respectively.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise of the following:

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 1,041,363	\$ 1,163,681
Investments	13,986,393	14,008,090
Accounts Receivable, Net	492,545	226,797
Assets Limited or Restricted as to Use:		
By Board for Visions for Tomorrow	-	59,115
Total Financial Assets	<u>\$ 15,520,301</u>	<u>\$ 15,457,683</u>

As part of the Corporation's liquidity management plan, cash in excess of daily requirements is invested in short-term investments and money market funds. In 2018, the board designated the funds in the Visions for Tomorrow Fund to be used for matching gifts to encourage donations to the Foundation. The fund totaled \$0- and \$59,115 as of December 31, 2021 and 2020, respectively.

Additionally, the Corporation maintains a \$2,000,000 line of credit, as discussed in more detail in Note 6. As of December 31, 2021, \$2,000,000 remained available on the Corporation's line of credit.

RIVERVIEW LUTHERAN RETIREMENT COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at December 31:

	2021		2020	
	Amount	Percentage	Amount	Percentage
Medicare	\$ 279,487	30 %	\$ 181,478	34 %
Managed Care	151,218	16	171,216	32
Private Payors	152,765	16	87,601	16
Medicaid	53,175	6	58,762	11
Entrance Fee Receivable	295,900	32	-	-
Other	-	-	40,740	7
Accounts Receivable, Gross	932,545	100 %	539,797	100 %
Less: Allowance for Doubtful Accounts	(440,000)		(313,000)	
Accounts Receivable, Net	<u>\$ 492,545</u>		<u>\$ 226,797</u>	

The opening and closing balances of accounts receivable were as follows:

	Accounts Receivable
Balance as of January 1, 2020	\$ 1,307,559
Balance as of December 31, 2020	226,797
Balance as of December 31, 2021	492,545

NOTE 4 ASSETS LIMITED OR RESTRICTED AS TO USE

Assets limited or restricted as to use consisted of the following at December 31:

	2021	2020
Restricted for Debt Service and Reserve:		
Series 2012 Bond Debt Service Reserve Fund	\$ 846,460	\$ 894,751
Series 2012 Bond Debt Service Fund	633,814	648,582
Subtotal	<u>1,480,274</u>	<u>1,543,333</u>
Other Assets Limited or Restricted as to Use:		
Beneficial Interest in Perpetual Trust and Endowments	473,737	446,270
Riverview Resident Assistance Foundation	461,867	246,393
Restricted under Deferred Compensation Arrangements By Board for Visions for Tomorrow	-	242,239
Beneficial Interest in Innovia Foundation Funds	12,254	59,115
Patient Trust Funds	4,963	10,993
Subtotal	<u>952,821</u>	<u>1,010,475</u>
Total Assets Limited or Restricted as to Use	<u>\$ 2,433,095</u>	<u>\$ 2,553,808</u>

RIVERVIEW LUTHERAN RETIREMENT COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 5 PROPERTY, BUILDINGS, AND EQUIPMENT

Property, buildings, and equipment consisted of the following at December 31:

	<u>2021</u>	<u>2020</u>
Land	\$ 4,067,427	\$ 4,067,426
Land Improvements	5,657,082	5,258,475
Buildings	33,118,464	33,118,464
Building Improvements	24,387,735	23,668,641
Equipment and Furnishings	6,592,628	6,443,310
Vehicles	534,678	534,679
Subtotal	<u>74,358,014</u>	<u>73,090,995</u>
Less: Accumulated Depreciation	<u>(40,563,921)</u>	<u>(37,265,363)</u>
Subtotal	33,794,093	35,825,632
Construction in Progress	<u>1,170,500</u>	<u>1,131,457</u>
Total Property, Buildings, and Equipment, Net	<u><u>\$ 34,964,593</u></u>	<u><u>\$ 36,957,089</u></u>

Approximately \$900,000 of the construction in progress at December 31, 2021, relates to the Adult Family Home construction. The Adult Family Home was substantially complete as of December 31, 2021 and will be placed in service in 2022.

The rest of the construction in progress costs are related to unit renovations and other routine costs. The construction in progress projects are funded by operations.

NOTE 6 LONG-TERM DEBT

Long-term debt consisted of the following at December 31:

<u>Description</u>	<u>2021</u>	<u>2020</u>
Washington State Housing Finance Commission 5% Fixed Rate Demand Elderly Housing Revenue Bonds, Series 2012	\$ 14,492,201	\$ 14,706,077
Memory Care Building Note Payable	4,594,736	4,957,036
Paycheck Protection Program (PPP) Loan	<u>-</u>	<u>2,122,000</u>
Long-Term Debt, Gross	19,086,937	21,785,113
Add: Unamortized Premium	11,504	24,053
Less: Unamortized Debt Issuance Costs	<u>(524,390)</u>	<u>(549,907)</u>
Carrying Amount of Long-Term Debt	18,574,051	21,259,259
Less: Current Maturities	<u>(602,201)</u>	<u>(576,077)</u>
Long-Term Debt, Net	<u><u>\$ 17,971,850</u></u>	<u><u>\$ 20,683,182</u></u>

RIVERVIEW LUTHERAN RETIREMENT COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 6 LONG-TERM DEBT (CONTINUED)

Series 2012 Fixed Rate Revenue Bonds

On December 3, 2012, the Washington State Housing Finance Commission (the Commission) issued its \$15,695,000 Nonprofit Housing Revenue and Refunding Revenue Bonds (Riverview Retirement Community Project), Series 2012 bonds. The proceeds of the Series 2012 bonds were used (1) to refund the Series 1997 bonds, (2) to finance and refinance capital improvements, (3) to fund a debt service reserve fund, (4) to pay capitalized interest on the Series 2012 bonds and (5) to pay the costs of issuing the Series 2012 bonds. The Series 2012 bonds were issued pursuant to a Master Trust Indenture agreement between the Commission and U.S. Bank N.A., as Bond Trustee.

These bonds were issued in two tranches: \$2,060,000 of 5.00% term bonds due January 1, 2023 with a yield of 4.25% and \$13,635,000 of 5.00% term bonds due January 1, 2048. Principal is payable annually on January 1, which commenced on January 1, 2014 and interest payments are made semi-annually on January 1 and July 1, which commenced on January 1, 2013. Pledged collateral includes gross receivables, equipment, and a deed of trust on the properties. Holders of the Series 2012 Bonds and Washington Trust Bank who financed the \$6 million credit agreement hold parity collateral positions in the pledged collateral. The bond proceeds included a \$125,495 premium that is amortized over 10 years.

Memory Care Building Note Payable

On October 6, 2017, the Corporation and Washington Trust Bank signed a \$6,000,000 credit agreement to finance the construction of the memory care building. The note bears interest and is based on the regular five-year Federal Home Loan Bank Intermediate/Long Term, Fixed Advance rate (the FHLB Rate) as published by the Federal Home Loan Bank of Des Moines, plus a margin of two and one-quarter percent (2.25%). Interest rate was 4.50% as of December 31, 2021 and 2020. Principal is payable monthly through October 1, 2032.

The note included issuance costs of \$127,085, which are amortized over the term of the note. Pledged collateral includes gross receivables, equipment, and a deed of trust on the properties. Holders of the Series 2012 Bonds and Washington Trust Bank who financed the \$6 million credit agreement hold parity collateral positions in the pledged collateral.

Paycheck Protection Program (PPP) Loan

In response to the coronavirus (COVID-19) outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security Act (also known as the CARES Act) to provide \$2 trillion in economic stimulus. As part of the stimulus package, a Paycheck Protection Program (PPP) was established to provide \$669 billion in small business loans. The loans are forgivable if an entity spends all of the funds on payroll, mortgage interest, rent and utilities in the eight weeks after receiving the loan, with at least 75% of the funds spent specifically on payroll.

On April 30, 2020 the Corporation received proceeds in the amount of \$2,122,000 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). On June 16, 2021 the Corporation's PPP loan for \$2,122,000 was forgiven.

RIVERVIEW LUTHERAN RETIREMENT COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 6 LONG-TERM DEBT (CONTINUED)

Paycheck Protection Program (PPP) Loan (Continued)

On April 7, 2021, the Corporation received a second draw of PPP loan for \$1,500,000 at Washington Trust Bank from the Small Business Administration (SBA). This PPP loan was forgiven on October 12, 2021.

The Corporation recognized a gain upon the forgiveness of the PPP loans in the consolidated statement of activities and changes in net assets (deficit) for the year ended December 31, 2021. The SBA may review funding thresholds and other factors at a later date and the amount of liability, if any, from potential noncompliance cannot be determined with certainty. Management is of the opinion that any review will not have a material adverse impact on Corporation's financial position.

Aggregate maturities of long-term debt are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ 602,201
2023	634,201
2024	661,201
2025	695,197
2026	729,542
Thereafter	15,764,595
Total Maturities	<u>\$ 19,086,937</u>

Interest expense consisted of the following for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Interest Expense	\$ 987,462	\$ 1,015,367
Amortization - Bond Premium	(12,550)	(12,549)
Amortization - Debt Issuance Costs	25,517	25,517
Total Interest Expense	<u>\$ 1,000,429</u>	<u>\$ 1,028,335</u>

Restrictive Covenants

The bond and note payable agreements contain various covenants which, among other things, require the Corporation to maintain certain financial ratios. The Corporation obtained a Waiver and Consent from the bondholders in regards to the required December 31, 2020, debt service coverage ratio. Additionally, the bondholders have waived and provided consent for the Corporation to extend the debt limitations. The Corporation utilized the additional debt capacity to seek funding from the second draw of the PPP. On April 7, 2021, the Corporation received \$1,500,000 of the second draw PPP Loan which was forgiven on October 12, 2021.

**RIVERVIEW LUTHERAN RETIREMENT COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 6 LONG-TERM DEBT (CONTINUED)

Line of Credit

During the year ended December 31, 2013, the Corporation obtained a \$2,000,000 short-term line of credit with Washington Trust Bank which has been renewed annually since inception. The credit line is unsecured. The maturity date is October 22, 2022. The variable interest rate on the line of credit was 3.75% and 4.25% at December 31, 2021 and 2020, respectively. The outstanding balance on the line at December 31, 2021 and 2020 was \$-0-. Principal outstanding on this line of credit shall not exceed the lesser of \$2,000,000 or the maximum nonparty indebtedness permitted in the Master Trust Indenture dated December 1, 2012 that relates to the Series 2012 Bonds.

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at December 31:

	2021	2020
Residence Assistance Foundation Fund	\$ 386,900	\$ 248,893
Oscar and Marie Peterson Memorial Fund	249,259	249,259
Innovia Foundation	10,000	10,000
Total Net Assets with Donor Restrictions	\$ 646,159	\$ 508,152

The Corporation's endowment consists of funds in the Oscar and Marie Peterson Memorial fund and Innovia Foundation. Its endowment includes donor-restricted endowment funds. As required by ASC 958-205, *Not-for-Profit Entities*, net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

Net assets with donor restrictions are comprised of investments to be held in perpetuity, the income from which is unrestricted.

The Corporation has interpreted the 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 Corporation classifies as net assets with donor restrictions (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 net assets without donor restrictions until those amounts are appropriated for expenditure by the Corporation, in a manner consistent with the standard of prudence prescribed by UPMIFA.

RIVERVIEW LUTHERAN RETIREMENT COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

In accordance with UPMIFA, the Corporation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- Duration and preservation of the fund;
- Purpose of the Corporation and donor-restricted endowment fund;
- General economic conditions;
- Possible effects of inflation and deflation;
- Expected total return from income and the appreciation of investments;
- Other resources of the Corporation, and
- Investment policies of the Corporation.

Endowments by net assets class in total:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Assets - December 31, 2019	\$ 181,584	\$ 259,259	\$ 440,843
Investment Return:			
Investment Income	7,944	-	7,944
Net Change in Value	36,800	-	36,800
Investment Fees	(7,957)	-	(7,957)
Total Investment Return	36,787	-	36,787
Cash Disbursements	(20,367)	-	(20,367)
Endowment Assets - December 31, 2020	198,004	259,259	457,263
Investment Return:			
Investment Income	8,539	-	8,539
Net Change in Value	49,460	-	49,460
Investment Fees	(8,904)	-	(8,904)
Total Investment Return	49,095	-	49,095
Cash Disbursements	(20,367)	-	(20,367)
Endowment Assets - December 31, 2021	\$ 226,732	\$ 259,259	\$ 485,991

RIVERVIEW LUTHERAN RETIREMENT COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 8 FINANCIAL INSTRUMENTS

FASB Accounting Standards Codification (ASC) 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or net assets value per share (or its equivalent) with the ability to redeem the investment in the near term.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the statement of financial position at December 31, 2021 and 2020, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Cash and Cash Equivalents: Cash and cash equivalents approximate fair value due to the short maturity of such instruments. Cash and cash equivalents held by investment advisors are included in money market funds.

Investments: Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include cash and cash equivalents held for investment, exchange-traded equities and mutual funds, debt securities, and fixed income securities. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with identical characteristics, discounted cash flows, or net asset values. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

RIVERVIEW LUTHERAN RETIREMENT COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 8 FINANCIAL INSTRUMENTS (CONTINUED)

The following tables present the fair value hierarchy for those assets measured at fair value on a recurring basis at December 31:

	2021			
	Level 1	Level 2	Level 3	Total
Investment Accounts:				
Money Market Funds	\$ 1,529,466	\$ -	\$ -	\$ 1,529,466
Fixed Income Funds	4,613,658	-	-	4,613,658
Equity Funds	10,276,364	-	-	10,276,364
Total Investments	<u>\$ 16,419,488</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,419,488</u>
	2020			
	Level 1	Level 2	Level 3	Total
Investment Accounts:				
Money Market Funds	\$ 866,060	\$ -	\$ -	\$ 866,060
Fixed Income Funds	3,606,889	-	-	3,606,889
Equity Funds	12,088,949	-	-	12,088,949
Total Investments	<u>\$ 16,561,898</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,561,898</u>

The financial instruments are classified in the statement of financial position at December 31:

	2021	2020
Investments	\$ 13,986,393	\$ 14,008,090
Assets Limited or Restricted as to Use	2,433,095	2,553,808
Total	<u>\$ 16,419,488</u>	<u>\$ 16,561,898</u>

Investment income for the years ended December 31 consists of the following:

	2021	2020
Interest and Dividends	\$ 776,106	\$ 302,303
Realized Gain (Loss)	1,333,834	(107,902)
Unrealized Gain	69,289	1,507,101
Investment Fees	(75,272)	(67,692)
Total Investment Income	<u>\$ 2,103,957</u>	<u>\$ 1,633,810</u>

RIVERVIEW LUTHERAN RETIREMENT COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 9 RETIREMENT PLANS

Supplemental Executive Retirement Plan

The Corporation is a sponsor of a Supplemental Executive Retirement Plan (Plan). The Plan is a nonqualified employee pension benefit plan providing deferred compensation to a select group of management or highly compensated employees. A participant in the Plan who has attained the age of 62 with a minimum of five years of “benefit service” and has 5 to 10 years employment at the Corporation is eligible for benefits from the Plan upon termination of employment. The Plan is administered by the executive committee of the board of directors. Contributions to the Plan are made at a rate of between 5% and 20% of the participant’s base compensation and specific percentages are determined annually by the Personnel Committee. Contributions to the Plan by the Corporation were \$18,333 and \$31,540, respectively, for the years ended December 31, 2021 and 2020. The assets of the Plan are included in Other Assets Limited or Restricted as to Use and the liabilities of the Plan are presented as Deferred Compensation Payable on the face of the statements of financial position as of December 31, 2021 and 2020. This plan was eliminated in 2021 and the respective assets were distributed to the plan participant beneficiaries.

Employee Retirement Plan

The Corporation maintains a safe harbor 403(b) retirement plan for all eligible employees. Riverview matches 100% of the employee’s contribution up to 3% of the employee’s wage and 50% of contributions over 3% up to 5% of an employee’s wage. The employer match in the 403(b) plan vests immediately. For the years ended December 31, 2021 and 2020, the Corporation’s contributions to the plan were \$144,509 and \$145,816, respectively.

NOTE 10 RESIDENT SERVICE REVENUE

Resident service revenue is reported at the amount that reflects the consideration to which the Corporation expects to be entitled in exchange for providing resident care. These amounts are due from residents, third-party payors (including health insurers and government programs), and include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Corporation bills the residents and third-party payors several days after the services are performed. Revenue is recognized as performance obligations are satisfied. For the years ended December 31, 2021 and 2020, approximately 2% and 6%, respectively, of resident service revenue was derived under federal and state third-party reimbursement programs.

RIVERVIEW LUTHERAN RETIREMENT COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 10 RESIDENT SERVICE REVENUE (CONTINUED)

Performance obligations are determined based on the nature of the services provided by the Corporation. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Corporation believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to residents in the facility receiving health care services or housing residents receiving services in the facility. The Corporation considers daily services provided to residents of the skilled nursing facility, the comprehensive outpatient rehabilitation facility, and monthly rental for housing services as a separate performance obligation and measures this on a monthly basis, or upon move-out within the month, whichever is shorter. Nonrefundable entrance fees are considered to contain a material right associated with access to future services, which is the related performance obligation. Revenue from nonrefundable entrance fees is recognized ratably in future periods covering a resident's life expectancy using a time-based measurement.

Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to the residents and customers in a retail setting (for example, gift shop, salon, transportation, and cafeteria meals) and the Corporation does not believe it is required to provide additional goods or services related to that sale.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Corporation has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

The Corporation determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Corporation's policy and/or implicit price concessions provided to residents. The Corporation determines its estimates of contractual adjustments based on contractual agreements, its policies, and historical experience. The Corporation determines its estimate of implicit price concessions based on its historical collection experience.

The Corporation recognizes the majority of its revenues over a period of time from its payors based on fees for services performed. Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

RIVERVIEW LUTHERAN RETIREMENT COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 10 RESIDENT SERVICE REVENUE (CONTINUED)

Medicare

The licensed nursing facility and the licensed comprehensive outpatient rehabilitation facility participate in the Medicare program. This federal program is administered by the Centers for Medicare and Medicaid Services (CMS). The nursing facility is paid under the Medicare Prospective Payment System (PPS) for residents who are Medicare Part A eligible and meet the coverage guidelines for skilled nursing facility services. The PPS is a per diem price-based system. Annual cost reports are required to be submitted to the designated Medicare Administrative Contractor; however, they do not contain a cost settlement. Effective October 1, 2019, the Medicare Reimbursement System underwent a significant change in methodology and implemented a Patient Driven Payment Model (PDPM). PDPM payment system operates similar to PPS in that patients are assigned standard rates of payment for their specific needs. Therapy services to residents not in a covered Part A stay remain the same.

Nursing facilities licensed for participation in the Medicare and Medical Assistance programs are subject to annual licensure renewal. If it is determined that a nursing facility is not in substantial compliance with the requirements of participation, CMS may impose sanctions and penalties during the period of noncompliance. Such a payment ban would have a negative impact on the revenues of the licensed nursing facility. The comprehensive outpatient rehabilitation facility is paid under Medicare Part B if resident is eligible and meets the coverage guidelines for skilled rehabilitation care. Annual cost reports are required to be submitted to the designated Medicare Administrative Contractor. Rehabilitation facilities licensed for participation in the Medicare and Medical Assistance programs are subject to a six-year licensure renewal.

Medicaid

The skilled nursing and assisted living facilities participate in the Medicaid program administered by the Washington State Department of Social and Health Services. The department sets prospective Medicaid payment rates for nursing facility services provided to medical care recipients. Nursing and assisted living facility rates are facility specific, meaning each facility receives an individual rate based on their costs. Each rate represents a nursing facility's maximum compensation for one resident day of care provided a medical care recipient determined by the department to both require and be eligible to receive nursing facility care. In setting rates, the department will use the greater of actual days from the cost report period on which the rate is based or days calculated at minimum occupancy. The average payment rate for the cost report year shall not exceed the contractor's average customary charges to the general public for the services covered by the payment rate for the same time period.

Other

Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined daily rates.

RIVERVIEW LUTHERAN RETIREMENT COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 10 RESIDENT SERVICE REVENUE (CONTINUED)

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care.

These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and the Corporation's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in an implicit price concession impacting transaction price, were not significant in 2021 or 2020.

Generally residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Corporation estimates the transaction price for residents with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent charges to the estimate of the transaction price are generally recorded as adjustments to resident and client services revenue in the period of the change. Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments were not considered material for the years ended December 31, 2021 or 2020. Subsequent changes that are determined to be the result of an adverse change in the resident's ability to pay are recorded as provision for uncollectible accounts and were not considered material for the years ended December 31, 2021 and 2020.

The Corporation has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors: payors, geography, service lines, method of reimbursement, and timing of when revenue is recognized. Tables providing details of these factors are presented below.

The composition of service fees and health care revenue by service line for the years ended December 31 consisted of the following:

	<u>2021</u>	<u>2020</u>
Independent Living	\$ 1,694,282	\$ 1,856,763
Assisted Living	5,527,688	6,799,238
Rehabilitation Center	93,936	-
Care Center	-	1,574,598
Memory Care	2,358,576	2,045,048
Total Resident Service Revenue	<u>\$ 9,674,482</u>	<u>\$ 12,275,647</u>

RIVERVIEW LUTHERAN RETIREMENT COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 10 RESIDENT SERVICE REVENUE (CONTINUED)

The composition of service fees and health care revenue by primary payor for the years ended December 31 consisted of the following:

	2021	2020
Private Payors	\$ 9,468,951	\$ 11,379,646
Medicare	171,609	592,319
Medicaid	-	290,002
Managed Care	33,922	13,680
Total Resident Service Revenue	\$ 9,674,482	\$ 12,275,647

Revenue from resident and patient deductibles and coinsurance are included in the categories presented above based on the primary payor.

Financing Component

The Corporation has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from residents and third-party payors for the effects of a significant financing component due to the Corporation's expectation that the period between the time the service is provided to a resident and the time that the resident or a third-party payor pays for that service will be one year or less. However, the Corporation does, in certain instances, enter into payment agreements with residents that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

Contract Costs

The Corporation has applied the practical expedient provided by FASB ASC 340-40-25-4 and all incremental customer contract acquisition costs are expensed as they are incurred as the amortization period of the asset that the Corporation otherwise would have recognized is one year or less in duration.

NOTE 11 COMMITMENTS AND CONTINGENCIES

The Corporation is party to various claims and legal actions in the normal course of business. In the opinion of management, the Corporation has substantial meritorious defenses to pending or threatened litigation and based upon current facts and circumstances, the resolution of these matters is not expected to have a material adverse effect on the financial position of the Corporation.

RIVERVIEW LUTHERAN RETIREMENT COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 11 COMMITMENTS AND CONTINGENCIES (CONTINUED)

COVID-19 Pandemic

During the fiscal year ended December 31, 2020, the World Health Organization declared the spread of the Coronavirus disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Corporation, COVID-19 may impact various parts of its fiscal 2022 operations and financial results.

Management believes the Corporation is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.

NOTE 12 FUNCTIONAL EXPENSES

The financial statements report certain expense categories that are attributable to more than one life plan service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, including depreciation, interest, and other occupancy costs, are allocated to a function based on a square-footage or units-of-service basis. Allocated life plan services costs not allocated on a units-of-service basis are otherwise allocated based on revenue.

Functional expenses consisted of the following for the years ended December 31:

	2021		
	Program Services	Management and General	Total
Salaries and Benefits	\$ 6,408,322	\$ 1,597,774	\$ 8,006,096
Purchased Services	84,376	-	84,376
Supplies	378,397	31,951	410,348
Depreciation	2,473,920	824,640	3,298,560
Interest	950,407	50,022	1,000,429
Taxes and Insurance	438,909	98,321	537,230
Other	2,592,520	302,456	2,894,976
Total Expenses	<u>\$ 13,326,851</u>	<u>\$ 2,905,164</u>	<u>\$ 16,232,015</u>
	2020		
	Program Services	Management and General	Total
Salaries and Benefits	\$ 6,908,247	\$ 1,995,051	\$ 8,903,298
Purchased Services	227,943	758,604	986,547
Supplies	1,148,464	129,917	1,278,381
Depreciation	2,462,384	804,368	3,266,752
Interest	979,713	48,622	1,028,335
Taxes and Insurance	518,407	12,032	530,439
Other	1,607,813	187,575	1,795,388
Total Expenses	<u>\$ 13,852,971</u>	<u>\$ 3,936,169</u>	<u>\$ 17,789,140</u>

RIVERVIEW LUTHERAN RETIREMENT COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 13 HHS PROVIDER RELIEF FUNDS

Due to the Coronavirus pandemic, the U.S. Department of Health and Human Services (HHS) made available emergency relief grant funds to health care providers through the CARES Act Provider Relief Fund (PRF). Total grant funds approved and received by the Corporation were \$309,318 and \$654,408 during the years ended December 31, 2021 and 2020, respectively. The PRFs are subject to certain restrictions on eligible expenses or uses, reporting requirements, and will be subject to audit. At December 31, 2021 and 2020, the Corporation recognized the entire grant as grant revenue in the consolidated statement of activities and changes in net assets (deficit). Management believes the amounts have been recognized appropriately for the years ended December 31, 2021 and 2020.

NOTE 14 CHANGE IN REPORTING ENTITY

As of December 31, 2021, Riverview Retirement Community determined the financial position and activities of the Foundation to be material in relation to the financial statements of Riverview Retirement Community resulting in a change in reporting entity. A change in reporting entity is considered an accounting change and requires retrospective application. Under retrospective application, the financial result of all periods presented in the financial statements for both Riverview Retirement Community and the Foundation are presented. As a result of this change in reporting entity, the net assets of the Corporation and assets limited as to use at January 1, 2020 increased by \$211,796.

**RIVERVIEW LUTHERAN RETIREMENT COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021**

ASSETS	Riverview Retirement Community	Foundation	Eliminations	Total
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 1,041,363	\$ -	\$ -	\$ 1,041,363
Investments	13,986,393	-	-	13,986,393
Accounts Receivable, Net	488,635	7,820	(3,910)	492,545
Prepaid Expenses and Other Assets	135,757	-	-	135,757
Total Current Assets	<u>15,652,148</u>	<u>7,820</u>	<u>(3,910)</u>	<u>15,656,058</u>
ASSETS LIMITED OR RESTRICTED AS TO USE				
Restricted for Debt Service and Reserve	1,480,274	-	-	1,480,274
Other Assets Limited or Restricted as to Use	490,954	461,867	-	952,821
Total Assets Limited or Restricted as to Use	<u>1,971,228</u>	<u>461,867</u>	<u>-</u>	<u>2,433,095</u>
PROPERTY, BUILDINGS, AND EQUIPMENT, NET	<u>34,964,593</u>	<u>-</u>	<u>-</u>	<u>34,964,593</u>
Total Assets	<u>\$ 52,587,969</u>	<u>\$ 469,687</u>	<u>\$ (3,910)</u>	<u>\$ 53,053,746</u>
LIABILITIES AND NET ASSETS (DEFICIT)				
CURRENT LIABILITIES				
Accounts Payable	\$ 399,681	\$ -	\$ (3,910)	\$ 395,771
Accrued Payroll and Related Liabilities	508,329	-	-	508,329
Accrued Interest	372,458	-	-	372,458
Applicants' Deposits	134,500	-	-	134,500
Patient Trust Liability	4,963	-	-	4,963
Current Maturities of Long-Term Debt	602,201	-	-	602,201
Current Portion of Entrance Fees Refundable Upon Re-Occupancy	2,496,403	-	-	2,496,403
Total Current Liabilities	<u>4,518,535</u>	<u>-</u>	<u>(3,910)</u>	<u>4,514,625</u>
LONG-TERM LIABILITIES				
Long-Term Debt, Net	17,971,850	-	-	17,971,850
Entrance Fees Refundable upon Re-occupancy, Net of Current Portion	30,608,596	-	-	30,608,596
Deferred Revenue from Nonrefundable Entrance Fees	3,732,030	-	-	3,732,030
Deferred Compensation Payable	-	-	-	-
Total Long-Term Liabilities	<u>52,312,476</u>	<u>-</u>	<u>-</u>	<u>52,312,476</u>
Total Liabilities	56,831,011	-	(3,910)	56,827,101
NET ASSETS (DEFICIT)				
Net Assets (Deficit) Without Donor Restrictions:				
Without Board Designations	(4,502,301)	-	82,787	(4,419,514)
With Board Designations	-	-	-	-
Total Net Assets (Deficit) Without Donor Restrictions	<u>(4,502,301)</u>	<u>-</u>	<u>82,787</u>	<u>(4,419,514)</u>
With Donor Restrictions	259,259	469,687	(82,787)	646,159
Total Net Assets (Deficit)	<u>(4,243,042)</u>	<u>469,687</u>	<u>-</u>	<u>(3,773,355)</u>
Total Liabilities and Net Assets (Deficit)	<u>\$ 52,587,969</u>	<u>\$ 469,687</u>	<u>\$ (3,910)</u>	<u>\$ 53,053,746</u>

**RIVERVIEW LUTHERAN RETIREMENT COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020**

ASSETS	Riverview Retirement Community	Foundation	Eliminations	Total
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 1,163,681	\$ -	\$ -	\$ 1,163,681
Investments	14,008,090	-	-	14,008,090
Accounts Receivable, Net	225,697	2,500	(1,400)	226,797
Prepaid Expenses and Other Assets	121,176	-	-	121,176
Total Current Assets	<u>15,518,644</u>	<u>2,500</u>	<u>(1,400)</u>	<u>15,519,744</u>
ASSETS LIMITED OR RESTRICTED AS TO USE				
Restricted for Debt Service and Reserve	1,543,333	-	-	1,543,333
Other Assets Limited or Restricted as to Use	764,082	246,393	-	1,010,475
Total Assets Limited or Restricted as to Use	<u>2,307,415</u>	<u>246,393</u>	<u>-</u>	<u>2,553,808</u>
PROPERTY, BUILDINGS, AND EQUIPMENT, NET	<u>36,957,089</u>	<u>-</u>	<u>-</u>	<u>36,957,089</u>
Total Assets	<u>\$ 54,783,148</u>	<u>\$ 248,893</u>	<u>\$ (1,400)</u>	<u>\$ 55,030,641</u>
LIABILITIES AND NET ASSETS (DEFICIT)				
CURRENT LIABILITIES				
Accounts Payable	\$ 567,207	\$ -	\$ -	\$ 567,207
Accrued Payroll and Related Liabilities	712,553	-	-	712,553
Accrued Interest	379,549	-	-	379,549
Applicants' Deposits	125,500	-	-	125,500
Patient Trust Liability	5,465	-	-	5,465
Current Maturities of Long-Term Debt	576,077	-	-	576,077
Current Portion of Entrance Fees Refundable Upon Re-Occupancy	1,242,400	-	-	1,242,400
Total Current Liabilities	<u>3,608,751</u>	<u>-</u>	<u>-</u>	<u>3,608,751</u>
LONG-TERM LIABILITIES				
Long-Term Debt, Net	20,683,182	-	-	20,683,182
Entrance Fees Refundable upon Re-occupancy, Net of Current Portion	30,749,428	-	-	30,749,428
Deferred Revenue from Nonrefundable Entrance Fees	3,805,926	-	-	3,805,926
Deferred Compensation Payable	242,239	-	-	242,239
Total Long-Term Liabilities	<u>55,480,775</u>	<u>-</u>	<u>-</u>	<u>55,480,775</u>
Total Liabilities	59,089,526	-	-	59,089,526
NET ASSETS (DEFICIT)				
Net Assets (Deficit) Without Donor Restrictions:				
Without Board Designations	(4,624,752)	-	(1,400)	(4,626,152)
With Board Designations	59,115	-	-	59,115
Total Net Assets (Deficit) Without Donor Restrictions	<u>(4,565,637)</u>	<u>-</u>	<u>(1,400)</u>	<u>(4,567,037)</u>
With Donor Restrictions	259,259	248,893	-	508,152
Total Net Assets (Deficit)	<u>(4,306,378)</u>	<u>248,893</u>	<u>(1,400)</u>	<u>(4,058,885)</u>
Total Liabilities and Net Assets (Deficit)	<u>\$ 54,783,148</u>	<u>\$ 248,893</u>	<u>\$ (1,400)</u>	<u>\$ 55,030,641</u>

**RIVERVIEW LUTHERAN RETIREMENT COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2021**

	Riverview Retirement Community	Foundation	Eliminations	Total
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS				
REVENUE				
Resident Service Revenue, Net	\$ 9,674,482	\$ -	\$ -	\$ 9,674,482
Entrance Fees Earned	471,434	-	-	471,434
Loss on Fair Market Value Refund of Residency Agreements	(534,685)	-	-	(534,685)
Termination Income from Nonrefundable Portion of Residency Agreements	303,032	-	-	303,032
Tenant Reimbursements	196,560	-	-	196,560
Investment Income, Net	2,048,737	-	-	2,048,737
Contributions	68,918	-	-	68,918
Gain on Forgiveness of Debt	3,622,000	-	-	3,622,000
Grant Revenue	309,318	-	-	309,318
Other Revenue	218,342	-	-	218,342
Total Revenue	<u>16,378,138</u>	<u>-</u>	<u>-</u>	<u>16,378,138</u>
EXPENSES				
Health Services	4,365,816	-	-	4,365,816
Recreational Therapy Services	224,831	-	-	224,831
Chaplaincy Services	82,639	-	-	82,639
Dining Services	1,704,198	-	-	1,704,198
Environmental Services	636,670	-	-	636,670
Plant Operations and Security	2,147,630	-	-	2,147,630
Fiscal and Administration	2,316,799	-	(82,787)	2,234,012
Interest Expense	1,000,429	-	-	1,000,429
Taxes and Insurance	537,230	-	-	537,230
Depreciation	3,298,560	-	-	3,298,560
Total Expenses	<u>16,314,802</u>	<u>-</u>	<u>(82,787)</u>	<u>16,232,015</u>
CHANGE IN NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS	63,336	-	82,787	146,123
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS				
Contributions	-	165,574	(82,787)	82,787
Investment Income, Net	-	55,220	-	55,220
Change in Net Assets With Donor Restrictions	<u>-</u>	<u>220,794</u>	<u>(82,787)</u>	<u>138,007</u>
CHANGE IN NET ASSETS (DEFICIT)	63,336	220,794	-	284,130
Net Assets (Deficit) - Beginning of Year	<u>(4,306,378)</u>	<u>248,893</u>	<u>-</u>	<u>(4,057,485)</u>
NET ASSETS (DEFICIT) - END OF YEAR	<u>\$ (4,243,042)</u>	<u>\$ 469,687</u>	<u>\$ -</u>	<u>\$ (3,773,355)</u>

**RIVERVIEW LUTHERAN RETIREMENT COMMUNITY OF SPOKANE
DBA: RIVERVIEW RETIREMENT COMMUNITY
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2020**

	Riverview Retirement Community	Foundation	Eliminations	Total
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS				
REVENUE				
Resident Service Revenue, Net	\$ 12,275,647	\$ -	\$ -	\$ 12,275,647
Entrance Fees Earned	519,926	-	-	519,926
Loss on Fair Market Value Refund of Residency Agreements	-	-	-	-
Termination Income from Nonrefundable Portion of Residency Agreements	242,265	-	-	242,265
Tenant Reimbursements	201,897	-	-	201,897
Investment Income, Net	1,614,063	-	-	1,614,063
Contributions	28,671	-	-	28,671
Gain on Disposal of Equipment	3,162	-	-	3,162
Grant Revenue	654,408	-	-	654,408
Other Revenue	340,426	-	-	340,426
Total Revenue	<u>15,880,465</u>	<u>-</u>	<u>-</u>	<u>15,880,465</u>
EXPENSES				
Health Services	4,783,873	-	-	4,783,873
Recreational Therapy Services	140,263	-	-	140,263
Chaplaincy Services	79,041	-	-	79,041
Dining Services	2,115,484	-	-	2,115,484
Environmental Services	703,033	-	-	703,033
Plant Operations and Security	2,159,356	-	-	2,159,356
Fiscal and Administration	2,989,839	-	(7,275)	2,982,564
Interest Expense	1,028,335	-	-	1,028,335
Taxes and Insurance	530,439	-	-	530,439
Depreciation	3,266,752	-	-	3,266,752
Total Expenses	<u>17,796,415</u>	<u>-</u>	<u>(7,275)</u>	<u>17,789,140</u>
CHANGE IN NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS	(1,915,950)	-	7,275	(1,908,675)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS				
Contributions	-	17,350	(8,675)	8,675
Investment Income, Net	-	19,747	-	19,747
Change in Net Assets With Donor Restrictions	<u>-</u>	<u>37,097</u>	<u>(8,675)</u>	<u>28,422</u>
CHANGE IN NET ASSETS (DEFICIT)	(1,915,950)	37,097	(1,400)	(1,880,253)
Net Assets (Deficit) - Beginning of Year	<u>(2,390,428)</u>	<u>211,796</u>	<u>-</u>	<u>(2,178,632)</u>
NET ASSETS (DEFICIT) - END OF YEAR	<u>\$ (4,306,378)</u>	<u>\$ 248,893</u>	<u>\$ (1,400)</u>	<u>\$ (4,058,885)</u>

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor. CLA is an independent member of Nexia International, a leading, global network of independent accounting and consulting firms. See [nexia.com/member-firm-disclaimer](https://www.nexia.com/member-firm-disclaimer) for details. **CliftonLarsonAllen LLP**

