The Benjamin Rose Institute on Aging and Subsidiaries

YEARS ENDED DECEMBER 31, 2024 AND 2023

THE BENJAMIN ROSE INSTITUTE ON AGING AND SUBSIDIARIES

YEARS ENDED DECEMBER 31, 2024 AND 2023

Contents

Independent Auditor's Report

Board of Directors
The Benjamin Rose Institute on Aging and Subsidiaries
Cleveland, Ohio

Opinion

We have audited the accompanying consolidated financial statements of The Benjamin Rose Institute on Aging and Subsidiaries ("Organization"), 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.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of The Benjamin Rose Institute on Aging and Subsidiaries as of December 31, 2024 and 2023, and the changes in its net assets 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Benjamin Rose Institute on Aging and Subsidiaries 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Benjamin Rose Institute on Aging and Subsidiaries' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2025 on our consideration of The Benjamin Rose Institute on Aging and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Benjamin Rose Institute on Aging and Subsidiaries' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Benjamin Rose Institute on Aging and Subsidiaries' internal control over financial reporting and compliance.

HW & Co

Cleveland, Ohio
May 7, 2025

THE BENJAMIN ROSE INSTITUTE ON AGING AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2024 AND 2023

ASSETS

	2024	2023
Current assets:		
Cash and cash equivalents	$ 2,592,493	$ 3,712,865
Cash and cash equivalents, restricted	721	1,671
Cash reserve - bond trustee fund	127,261	59,979
Receivables:		
Client, net of allowance for credit losses of $1,200 at December 31, 2024 and 2023, respectively	399,764	290,978
Grants and contributions, net of uncollectible receivables of $30,000 at December 31, 2023	297,495	333,521
Other	646,242	777,114
Related party	593,003	317,230
Prepaid expenses and other assets	260,461	359,275
Total current assets	4,917,440	5,852,633
Other assets:		
Investments:		
Board designated	45,868,830	45,469,889
Donor restricted	852,669	797,352
Investment, equity method	3,632,224	981,551
Notes receivable	2,600,000	2,200,000
Property and equipment, net	10,389,324	10,328,512
Beneficial interest in charitable perpetual trusts	111,092,067	103,515,918
Total other assets	174,435,114	163,293,222
Total assets	**$ 179,352,554**	**$ 169,145,855**

LIABILITIES AND NET ASSETS

		2024		2023
Current liabilities:				
Accounts payable and accrued expenses	$	1,846,774	$	1,896,504
Deferred revenue		1,718,136		3,102,714
Current portion of notes payable		41,588		39,206
Current portion of deferred retirement obligations				4,140
Current portion of bonds payable		650,000		650,000
Total current liabilities		4,256,498		5,692,564
Long-term debt:				
Notes payable		403,578		45,165
Deferred retirement obligations				7,909
HUD mortgages payable		6,370,800		6,370,800
Bond payable		2,010,000		2,660,000
Bond issuance costs		(37,501)		(55,385)
Total liabilities		13,003,375		14,721,053
Net assets:				
Without donor restrictions		54,192,357		49,800,473
With donor restrictions		112,156,822		104,624,329
Total net assets		166,349,179		154,424,802
Total liabilities and net assets	**$**	**179,352,554**	**$**	**169,145,855**

See notes to consolidated financial statements.

THE BENJAMIN ROSE INSTITUTE ON AGING AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Support and revenue without donor restrictions:		
Program revenue	$ 3,548,734	$ 3,276,336
Grants	8,312,247	2,459,703
Contributions:		
In-kind	320,615	347,033
Other	622,605	681,314
Interest and dividends, net	1,233,246	1,096,102
Trust distributions	4,872,742	4,894,297
Other income	108,613	36,486
Net assets released from restrictions	271,556	406,700
Total support and revenue without restrictions	19,290,358	13,197,971
Expenses:		
Program services	14,807,922	10,466,941
Support services	3,593,785	3,596,558
Total expenses	18,401,707	14,063,499
Net income (loss) from operations	888,651	(865,528)
Other changes:		
Loss on sale of property and equipment	(77,473)	(2,387,472)
Forgiveness of real estate tax		250,432
Realized and unrealized gains on investments, net	3,580,706	4,536,151
Net increase in net assets without donor restrictions	4,391,884	1,533,583
Net assets without donor restrictions, beginning	49,800,473	48,266,890
Net assets without donor restrictions, ending	**$ 54,192,357**	**$ 49,800,473**

(continued)

THE BENJAMIN ROSE INSTITUTE ON AGING AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Net assets with donor restrictions:		
Beginning balance	104,624,329	93,267,777
Changes in net assets:		
Increase in beneficial interest in charitable perpetual trusts	7,576,149	11,356,786
Grant income	140,000	300,000
Contributions	3,000	1,575
Interest and dividends, net	24,698	18,855
Realized and unrealized gains on investments, net	60,202	86,036
Net assets released from restrictions	(271,556)	(406,700)
Change in net assets	7,532,493	11,356,552
Net assets with donor restrictions, ending balance	**$ 112,156,822**	**$ 104,624,329**

See notes to consolidated financial statements.

THE BENJAMIN ROSE INSTITUTE ON AGING AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2024

	Program Services							Support Services			
	Research	Advocacy	Eldercare Services Institute, LLC	Rose Centers for Aging Well, LLC	ESOP & ESOP Realty	SPRY	Total Program Services	Management and General	Fundraising	Total Support Services	Consolidated Total
Salaries and wages	$ 1,665,114		$ 1,254,140	$ 1,551,783	$ 806,565		$ 5,277,602	$ 1,117,359	$ 109,591	$ 1,226,950	$ 6,504,552
Employee benefits	413,708		374,249	451,649	146,661		1,386,267	417,422	15,615	433,037	1,819,304
Professional and other purchased services	629,399	$ 90,000	263,996	318,464	190,088	$ 17,992	1,509,939	493,924	52,863	546,787	2,056,726
Direct assistance payments					5,067,180		5,067,180				5,067,180
Maintenance	6,865		10,094	25,217	8,250		50,426	78,768	20,937	99,705	150,131
Utilities	15,057		26,337	29,481	15,768		86,643	174,452	5,067	179,519	266,162
Operating supplies	23,437		6,254	340,478	10,477		380,646	140,580	14,870	155,450	536,096
Miscellaneous	3,901		2,040	2,825	59	6,080	14,905	46,822	27,002	73,824	88,729
Staff transportation	43,928		13,883	6,341	2,769	238	67,159	25,975	552	26,527	93,686
Staff development	5,515		3,954	1,330	1,123		11,922	36,507	169	36,676	48,598
Volunteer costs			153,017				153,017				153,017
In-kind				320,615			320,615				320,615
Interest, bond fees and amortization	20,803		32,131	5,738	15,458		74,130	164,002	5,512	169,514	243,644
Insurance	8,999		9,516	50,750	4,816		74,081	95,610	1,656	97,266	171,347
Advertising			1,060		1,000		2,060	176,541	29,605	206,146	208,206
Real estate taxes								12,791		12,791	12,791
Bad debt			53,661	4,740	39,888		98,289				98,289
Depreciation and amortization	39,313		60,481	104,181	29,066		233,041	319,403	10,190	329,593	562,634
	$ 2,876,039	**$ 90,000**	**$ 2,264,813**	**$ 3,213,592**	**$ 6,339,168**	**$ 24,310**	**$ 14,807,922**	**$ 3,300,156**	**$ 293,629**	**$ 3,593,785**	**$ 18,401,707**

Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated include (1) salaries and wages and employee benefits that are allocated based on job descriptions, time and effort, and (2) utilities, insurance, interest, bond fees and amortization and depreciation and amortization that are allocated based on square footage. The remaining expenses, which are not directly identifiable by program or support service are allocated on the best estimates of management.

See notes to consolidated financial statements.

THE BENJAMIN ROSE INSTITUTE ON AGING AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023

	Program Services								Support Services			
	Research	Advocacy	Eldercare Services Institute, LLC	Margaret Wagner Apartments	Rose Centers for Aging Well, LLC	ESOP & ESOP Realty	SPRY	Total Program Services	Management and General	Fundraising	Total Support Services	Consolidated Total
Salaries and wages	$ 1,506,352		$ 1,175,591	$ 106,721	$ 1,433,598	$ 891,799		$ 5,114,061	$ 1,105,838	$ 214,549	$ 1,320,387	$ 6,434,448
Employee benefits	407,308		374,756	22,173	442,230	290,115		1,536,582	412,912	77,418	490,330	2,026,912
Professional and other purchased services	810,365	$ 89,500	217,892	28,074	291,244	273,555	$ 20,995	1,731,625	489,120	61,498	550,618	2,282,243
Maintenance	4,713		6,232	18,930	34,629	7,127		71,631	69,945	19,307	89,252	160,883
Utilities	16,006		19,875	62,537	25,237	17,982		141,637	175,353	5,294	180,647	322,284
Operating supplies	21,967		9,001	1,684	434,110	9,560		476,322	49,508	22,243	71,751	548,073
Miscellaneous	1,535		220	105	11,835	10,306	5,500	29,501	44,839	2,098	46,937	76,438
Staff transportation	41,186		8,973	48	6,902	2,069	1,880	61,058	23,336		23,336	84,394
Staff development	5,070		4,733	757	4,758	3,619		18,937	67,149	3,915	71,064	90,001
Volunteer costs			118,829					118,829				118,829
In-kind					347,033			347,033				347,033
Interest, bond fees and amortization	22,571		30,376		5,971	15,940		74,858	193,556	5,349	198,905	273,763
Insurance	9,066		13,458	5,643	53,157	8,208		89,532	94,656	1,527	96,183	185,715
Advertising	269		6,508		3,116	17,418		27,311	71,123	17,042	88,165	115,476
Real estate taxes				14,600				14,600	567		567	15,167
Bad debt	1,765		2,613		14,786	76,221		95,385				95,385
Depreciation and amortization	71,181		103,482	135,767	171,724	35,885		518,039	360,054	8,362	368,416	886,455
	$ 2,919,354	**$ 89,500**	**$ 2,092,539**	**$ 397,039**	**$ 3,280,330**	**$ 1,659,804**	**$ 28,375**	**$ 10,466,941**	**$ 3,157,956**	**$ 438,602**	**$ 3,596,558**	**$ 14,063,499**

Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated include (1) salaries and wages and employee benefits that are allocated based on job descriptions, time and effort, and (2) utilities, insurance, interest, bond fees and amortization and depreciation and amortization that are allocated based on square footage. The remaining expenses, which are not directly identifiable by program or support service are allocated on the best estimates of management.

See notes to consolidated financial statements.

THE BENJAMIN ROSE INSTITUTE ON AGING AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Cash flows from operating activities:		
Increase in net assets	$ 11,924,377	$ 12,890,135
Adjustments to reconcile change in net assets to net cash from operating activities:		
Loss on sale of property and equipent	77,473	2,387,472
Forgiveness of debt		250,432
Realized and unrealized gains on investments	(3,640,908)	(4,622,187)
Increase in beneficial interest in charitable perpetual trusts	(7,576,149)	(11,356,786)
Amortization of bond issuance costs included in interest expense	17,884	21,124
Depreciation and amortization	562,634	886,455
Bad debts	98,289	95,385
(Increase) decrease in receivables	(40,177)	1,470,746
Decrease (increase) in prepaid expenses and other assets	98,814	(119,202)
(Decrease) increase in accounts payable and accrued expenses and other liabilities	(1,446,357)	2,504,122
Net cash provided by operating activities	75,880	4,407,696
Net cash from investing activities:		
Additions to property and equipment	(700,919)	(378,885)
Increase in related party receivable	(275,773)	(317,230)
Purchase of related party investment	(2,650,673)	(446,618)
Proceeds from sales of investments	4,427,712	2,304,749
Purchases of investments	(1,241,062)	(2,173,114)
Net cash used in investing activities	(440,715)	(1,011,098)
Net cash from financing activities:		
Payments on notes payable	(39,205)	(36,962)
Payment on bond payable	(650,000)	(600,000)
Net cash used in financing activities	(689,205)	(636,962)
(Decrease) increase in cash and cash equivalents, including restricted	(1,054,040)	2,759,636
Cash and cash equivalents, including restricted, beginning	3,774,515	1,014,879
Cash and cash equivalents, including restricted, ending	**$ 2,720,475**	**$ 3,774,515**
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest:	**$ 180,712**	**$ 200,596**

See notes to consolidated financial statements.

1. Description of organization and summary of significant accounting policies:

Description of organization:

The Benjamin Rose Institute on Aging and Subsidiaries ("Organization") consists of the Benjamin Rose Institute on Aging ("Institute") and a family of corporate entities to which the Institute supplies management services, staffing, and budgetary support; Eldercare Services, LLC ("ESI"), Benjamin Rose Property, LLC, Setting Priorities for Retirement Years ("SPRY"), Rose Centers for Aging Well, LLC ("Rose Centers"), and East Side Organizing Project, Inc. ("ESOP"). All significant intercompany balances and transactions have been eliminated in consolidation.

Founded in 1908, the Institute is a Cleveland-based nonprofit who supports the aging journeys of adults and those who care for them through the discovery, development and delivery of accessible, centralized programs and services that ensure each person is heard, treated with dignity and positioned for a better tomorrow. Throughout the Institutes history, the Institute has provided direct service to older adults and their caregivers, engaged in applied social research, and led advocacy efforts on their behalf. The Institute continues to develop and enhance home and community-based services to best support older adults who are aging in place. The Institute's mission is achieved through the work of programs and subsidiaries.

Eldercare Services Institute, LLC provides a full-range of home and community-based services for older adults and their caregivers. ESI provides behavioral health services (mental health day treatment, mental health case management and psychotherapy), WeCare…Because You Do (an evidence-based program), social work, service coordination, and senior companion services.

Benjamin Rose Property, LLC manages the properties owned and operated by the Institute, including the portion of Margaret Wagner House that includes Benjamin Rose Center and Margaret Wagner Senior Apartments LP. Margaret Wagner House is also a programming hub for the Institute including a commissary kitchen.

MW Apartments offered independent, supportive housing for low-income older adults age 62 and older (all residents qualify as low-income per HUD guidelines). The apartments were subsidized under the Department of Housing and Urban Development (HUD) Section 202 Supportive Housing for the Elderly Program. Effective June 21, 2023, the MW Apartments were terminated as part of a reconsolidation with HUD and Margaret Wagner Senior Apartments L.P. was formed to operate and expand the HUD program formerly operated by MW Apartments (see Note 4).

SPRY supports educational and nonpartisan advocacy activities which benefit older persons, including hosting the Elder Justice Coalition, a national coalition concerned with advocating for the protection of older people from abuse and exploitation.

Rose Centers for Aging Well, LLC exists to promote successful aging for Northeast Ohio's adults by offering opportunities, programs and services that foster choice and independence. The goal is to provide support that will improve the quality of life for Cleveland's older adults by decreasing social isolation. Services provided include home-delivered meals and transportation, as well as hot lunches and social and recreational programs at six Rose Center locations throughout the Greater Cleveland area.

1. Description of organization and summary of significant accounting policies (continued):

Description of organization (continued):

ESOP helps adults in all stages of life achieve and maintain financial wellness and housing stability through HUD-approved housing and financial counseling and education. ESOP Realty, Inc. was a full service nonprofit real estate brokerage assisting buyers and sellers. ESOP Realty, Inc. worked with community development corporations and other affordable housing developments to make the dream of home ownership available to more members of the community. Net proceeds from real estate sales funded ESOP's homebuyer programs and services. During 2023, ESOP Realty, Inc. operations ceased and effective December 28, 2023, ESOP Realty, Inc. was dissolved.

Income taxes:

The Institute, SPRY, ESOP, ESOP Realty, Inc., and MW Apartments are nonprofit corporations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from income taxes on related income pursuant to Section 501(a) of the Code. Eldercare Services Institute, LLC and Rose Centers for Aging Well, LLC, are both single member LLCs elected to be treated as a Corporation and received exemptions from income taxes on related income pursuant to Section 501(a) of the Code. Benjamin Rose Property, LLC is a single member LLC and is considered a disregarded entity and is consolidated with the Institute for tax purposes. Effective December 28, 2023, ESOP Realty, Inc. was dissolved.

Accounting principles generally accepted in the United States of America (U.S. GAAP) require management to evaluate tax positions taken by the Organization and recognize a tax liability if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. The Organization's evaluation at December 31, 2024 revealed no tax positions that would have a material impact on the consolidated financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates and assumptions.

Advertising costs:

The Organization incurs advertising costs in the form of newspaper, print ads, electronic and other media, including employment ads. Such costs are expensed as incurred. Advertising costs, charged to expense included in advertising, professional and other purchased services, totaled $397,491 in 2024 and $339,180 in 2023.

1. Description of organization and summary of significant accounting policies (continued):

Charity care policy:

Consistent with its mission, the Organization provides services to patients who meet certain criteria under its charity care policy without charge or at amounts less than the Organization's established rates. Because the Organization does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue or as bad debts.

The Organization estimates the costs associated with providing charity care by aggregating the applicable direct and indirect costs, including salaries, wages and benefits, supplies, and other operating expenses. The costs of caring for charity care patients totaled approximately $703,000 in 2024 and $730,000 in 2023. The cost of charity care for ESI was improved as a result of $18,000 received from American Rescue Plan Act (ARPA) funds received during the year ended December 31, 2023 as a result of COVID-19.

Cash and cash equivalents, and cash and cash equivalents, restricted:

Cash and cash equivalents include interest bearing and non-interest bearing checking accounts.

Cash and cash equivalents, restricted includes cash restricted by donors and are held in interest bearing and non-interest bearing checking accounts.

At times during the year, funds on deposit at financial institutions in non-interest bearing checking accounts were in excess of FDIC insurable limits. Management does not expect to incur any losses resulting from cash held at financial institutions.

Client and other receivables:

Client receivables consist of amounts due from government programs, commercial insurance companies, third party funders and private pay clients.

Part of the Organization's operations is in the behavioral health and social services industry and its client receivables are primarily derived from Medicare, Medicaid, commercial insurance and other payors. The Organization recognizes an expected allowance for credit losses at each balance sheet date. In addition, also at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist. Accounts receivable are evaluated individually when they do not share similar risk characteristics which could exist in circumstances where amounts are considered at risk or uncollectible.

The allowance estimate is derived from a review of the Organization's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization. The Organization believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Organization's portfolio segments have remained constant since the Organization's inception. The allowance for credit losses was $1,200 for the each of the years ended December 31, 2024 and 2023.

1. Description of organization and summary of significant accounting policies (continued):

Client and other receivables (continued):

The Organization writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to bad debt expense in the year of recovery, in accordance with the entity's accounting policy election. The total amount of write-offs was immaterial to the consolidated financial statements as a whole for the years ended December 31, 2024 and 2023.

Donated services:

Many individuals volunteer their time and perform a variety of tasks that assist the Organization with various programs. These services are not fully reflected in the consolidated financial statements. The Organization pays for services requiring specific expertise.

Investments and investment income:

Investments are recorded at fair value based on quoted market prices.

Investment income, including interest and dividends, net of investment expenses, is included in the consolidated statements of activities and changes in net assets.

The realized gains on investments, included in realized and unrealized gains (losses) on investments, net in the consolidated statements of activities and changes in net assets, represent the difference between the proceeds received and the average cost of investments sold.

Property and equipment, net:

Property and equipment are stated at cost or, in the case of donations, at fair value as of the date of donation. Depreciation and amortization, calculated on the straight-line method, is provided in amounts sufficient to amortize the cost of the related assets over the shorter of the useful lives (ranging from three to 40 years) of depreciable assets or lease term. Routine maintenance and repairs are expensed as incurred.

Bond issuance costs:

Unamortized bond issuance costs have been included with debt in the consolidated statements of financial position as of December 31, 2024 and 2023. Additionally, amortization of the bond issuance costs is included with interest expense in the consolidated statements of activities and changes in net assets.

Bond issuance costs represent bond issuance and underwriters' fees on long-term obligations, which are being amortized using the effective interest method over the term of the bonds. Accumulated amortization on bond issuance costs totaled $264,817 at December 31, 2024 and $246,933 at December 31, 2023.

1. Description of organization and summary of significant accounting policies (continued):

Beneficial interest in charitable perpetual trusts:

The Institute is an income beneficiary of several charitable perpetual trusts. Beneficial interest in charitable perpetual trusts is recorded in the consolidated statements of financial position at the fair value of the Institute's portion of the investments held by the trusts which approximates present value of expected future cash flows from the perpetual trusts. Included in trust distributions in the consolidated statements of activities and changes in net assets is approximately $2,362,000 in 2024 and $2,390,000 in 2023 from the Rose Trust and approximately $2,510,000 in 2024 and $2,505,000 in 2023 from other trusts.

Net assets without donor restrictions:

Net assets without restrictions include net assets available for use in general operations and are not subject to donor restrictions.

Net assets with donor restrictions:

Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets with donor restrictions by donor-imposed restriction is provided in Note 11.

Program revenue:

The Organization recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers.* The core principal of this guidance is that an entity should recognize revenue to depict the transfer of promised goods or services in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps, (1) identify the contract(s), (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the entity satisfies a performance obligation.

Eldercare Services Institute:

Revenue received from the Medicare programs is based primarily on prospectively determined episodic payment rates. Revenue received from the Ohio Medicaid programs is based upon fee schedules up to maximum allowable amounts. Payments are subject to audit and retroactive adjustment by the respective governmental agencies.

Estimated amounts management believes will result from audits and settlements by the appropriate governmental authority in the determination of final reimbursement rates are included in these statements. Revisions in estimates are reflected in the period in which the facts which require the revisions become known.

1. Description of organization and summary of significant accounting policies (continued):

Program revenue (continued):

Eldercare Services Institute (continued):

Laws and regulations governing the Medicare and Ohio Medicaid programs are complex and subject to interpretation. Potential noncompliance with laws and regulations can be subject to future government review and interpretation as well as regulatory action. The Organization believes that it is in compliance with all applicable laws and regulations and is not aware of any material pending or threatened investigations involving allegations of noncompliance.

Behavioral health services, including “WeCare…Because You Do”, are recorded as program revenue at the amount that reflects the consideration to which the Organization expects to be entitled to in exchange for community case management and mental health assessment services to its adult clients. These amounts are due from various third-party payors and self pay. Generally, the Organization bills third-party payors in the month subsequent to the services being provided. Revenue is recognized as performance obligations are satisfied.

Rose Centers Programs:

Revenue from Rose Centers programs include home-delivered meals and transportation, as well as hot lunches and social recreational programs. The programs are primarily funded through government grants pass-through from the Western Reserve Area Agency on Aging. Program revenue is recorded when performance obligations are met under the cost-reimbursable government grant agreements, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Conditions are deemed to be met and revenue recognized when the Organization has incurred expenditures in compliance with the specific grant provisions.

Rose Centers expanded their delivered meal program to include medically tailored meals primarily funded through private funders. Program revenue is recorded when performance obligations are met. Funding received prior to completion of performance obligations is recorded as deferred revenue until performance obligations are met.

MW Apartments:

Program revenue derived from MW Apartments included affordable monthly rent from tenants and subsidized housing assistance payments under HUD Section 202 Supportive Housing for the Elderly Program through June 21, 2023. Revenue was recognized when earned on a monthly basis as tenants occupy units.

1. Description of organization and summary of significant accounting policies (continued):

Program revenue (continued):

ESOP and ESOP Realty:

Revenues for ESOP programming primarily includes senior financial empowerment initiatives and affordable housing initiatives. Programs are primarily funded through grant funding, received through both governmental reimbursement contracts and private funders. Revenue is recorded when performance obligations are met under the cost-reimbursable government grant agreements, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Revenue is recorded from private funders when award is received unless there are performance obligations required to recognize the awards. Conditions are deemed to be met and revenue recognized when the Organization has incurred expenditures in compliance with the specific grant provisions.

Revenues for ESOP Realty primarily included commissions and broker fees on housing sales completed by registered real estate agents. Revenue was recognized when a sale was substantially completed.

Contributions and grants:

The Organization recognizes unconditional contributions when cash, securities, promises to give or notification of beneficial interest or other assets is received without condition. If there is a performance obligation to be met or other barrier and a right of return the contributions are not recognized until the conditions on which they depend have been met. Contributions totaling $285,742 at December 31, 2024 and $725,881 at December 31, 2023 have not been recognized in the accompanying consolidated statements of activities and changes in net assets because the conditions on which they depend has not yet been met. There were advances included in deferred revenue totaling $209,434 in 2024 and $657,905 in 2023 on these contributions.

Contributions are considered to be available for unrestricted use, unless specifically restricted by the donor. Contributions whose restrictions are met in the same reporting period are classified as net assets without donor restrictions. In evaluating the collectability of contributions and grants receivable, the Organization considers a number of factors, including the age of accounts, changes in collection patterns, the composition of accounts by payer type and general industry conditions. The allowance for uncollectible receivables related to contributions and receivables totaled $30,000 at December 31, 2023. No allowance was recorded at December 31, 2024.

Awards to the Organization from private foundations are recorded as grants and contributions when the value received from the foundation is incidental to the potential public benefit. Contributions that are conditioned upon services to be provided (and where uncertainty exists as to the likelihood of meeting the conditions) are not recorded as revenue until the conditions are met. The Organization records these awards as contribution revenue when the conditions are met.

Awards to the Organization from governmental entities are recorded as grants. Revenue is recorded when performance obligations are met under the governmental contract agreement.

1. Description of organization and summary of significant accounting policies (continued):

Contributions and grants (continued):

A portion of the Organization's revenue is derived from cost-reimbursable Federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position. The Organization received cost-reimbursable grants of $6,245,872 at December 31, 2024 and $12,501,182 at December 31, 2023 that have not been recognized because qualifying expenditures have not yet been incurred. There were advances included in deferred revenue totaling $1,409,216 at December 31, 2024 and $2,394,191 at December 31, 2023.

In-kind contributions:

During the year ended December 31, 2024, in-kind contributions consisted of the following:

	Revenue Received	Valuation Technique and Inputs
Occupancy	$ 291,696	Value is estimated based on the square footage donated space using an estimated market price per square foot within the area during the year
Labor	28,919	Value is estimated based on volunteers hours and a published volunteer rate for the state of Ohio by Independent Sector annually
	$ 320,615	

During the year ended December 31, 2023, in-kind contributions consisted of the following:

	Revenue Received	Valuation Technique and Inputs
Occupancy	$ 321,657	Value is estimated based on the square footage donated space using an estimated market price per square foot within the area during the year
Labor	25,376	Value is estimated based on volunteers hours and a published volunteer rate for the state of Ohio by Independent Sector annually
	$ 347,033	

The related costs are allocated to the specific programs noted above, and recorded as operating support and expenses in the consolidated statements of activities and changes in net assets.

The Organization receives other donated services which do not meet the criteria for recognition in the Organization's consolidated financial statements or cannot be objectively measured. These donations, while not recognized in the consolidated financial statements, also provide valuable resources to the Organization.

2. Investments:

The Organization invests in various investment securities. Investment securities are exposed to various risks, including interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could have a material effect on the Organization's consolidated statements of financial position, activities and changes in net assets and cash flows.

3. Fair value:

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FAS ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access. Inputs to the methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability

Level 2 – Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following table presents the financial instruments carried at fair value as of December 31, 2024:

ASSETS:	Level 1	Level 2	Level 3	Total
Money market funds	$ 1,519,430			$ 1,519,430
Equities	30,134,786			30,134,786
Fixed income	12,734,321			12,734,321
Beneficial interest in charitable perpetual trusts:				
PNC Bank (trustee)			$ 8,547,119	8,547,119
BNY Mellon (trustee)			102,065,497	102,065,497
Key Bank (trustee)			479,451	479,451
	$ 44,388,537	$	$ 111,092,067	155,480,604
Investments reported at net asset value: [a]				
Alternative investments				2,332,962
				$ 157,813,566

3. Fair value (continued):

The following table presents the financial instruments carried at fair value as of December 31, 2023:

ASSETS:	Level 1	Level 2	Level 3	Total
Money market funds	$ 4,408,822			$ 4,408,822
Equities	28,122,584			28,122,584
Fixed income	11,315,812			11,315,812
Beneficial interest in charitable perpetual trusts:				
PNC Bank (trustee)			$ 8,013,141	8,013,141
BNY Mellon (trustee)			95,077,032	95,077,032
Key Bank (trustee)			425,745	425,745
	$ 43,847,218	$	$ 103,515,918	147,363,136
Investments reported at net asset value: (a)				
Alternative investments				2,420,023
				$ 149,783,159

(a) In accordance with Subtopic 820-10, certain investments that are measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

The following is a description of the Organization's valuation methodologies for assets and liabilities measured at fair value. Fair value for Level 1 is based upon net asset values at the end of the year for equities, which include mutual funds and exchange traded funds, and fixed income, which include fixed income mutual funds. The equities and fixed income are determined by reference to quoted market prices and other relevant information generated by market transaction. The money market funds are determined based on face value which approximates fair value. Fair value for Level 3 is based on the Organization's percentage of fair value of the assets contributed to the perpetual trust which the Organization believes approximates the present value of the expected future cash flows of the trusts.

The following is a description of the Organization's investment in alternative investments. Commonfund Capital Partners VI, LP ("CCP VI") is a multi-manager, multi-strategy private capital program with allocations to private equity, venture capital and natural resources. The Organization has a commitment totaling $2 million and has contributed capital totaling $1,795,000 and $1,785,000 at December 31, 2024 and 2023, respectively, and the adjusted market value of the investment in CCP VI totaled $2,332,962 and $2,420,023, respectively. The investment in CCP VI is recorded based on financial activity through the third quarter of that year's financials as information is not readily available for the fourth quarter prior to the audit report date. Organization management has estimated financial activity based on historical data and current information and is of the opinion that the fourth quarter activity is not material to the consolidated financial statements.

The following table is a reconciliation of the beginning and ending balances, separately for each major category of assets and liabilities, measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2024 and 2023:

3. Fair value (continued):

	2024		
	Perpetual Trusts (100% Beneficiary)	Perpetual Trusts (Partial Beneficiary)	Total
Beginning balance	$ 94,928,851	$ 8,587,067	$ 103,515,918
Change in present value of expected future cash flows of perpetual trusts	7,007,455	568,694	7,576,149
Ending balance	$ 101,936,306	$ 9,155,761	$ 111,092,067

	2023		
	Perpetual Trusts (100% Beneficiary)	Perpetual Trusts (Partial Beneficiary)	Total
Beginning balance	$ 84,367,186	$ 7,791,946	$ 92,159,132
Change in present value of expected future cash flows of perpetual trusts	10,561,665	795,121	11,356,786
Ending balance	$ 94,928,851	$ 8,587,067	$ 103,515,918

4. Investment, equity method - Margaret Wagner Senior Apartments G.P.:

During 2021, the Department of Housing and Urban Development (HUD) awarded the Institute $1,125,000 in new funding under HUD-202 for the construction of 20 new one-bedroom units to be known as Margaret Wagner Senior Apartments ("MWSA"). MWSA and HUD finalized a firm commitment in November 2022 for this new award with closing of the new project in June of 2023.

During 2023, the Institute entered into a partnership agreement with CHN Housing Partners ("CHN") and formed Margaret Wagner Senior Apartments G.P. ("MWSA GP"). MWSA GP as the general partner and Key Community Development Corporation ("KCDC") as the equity investor formed Margaret Wagner Senior Apartments L.P. ("MWSA LP"). MWSA LP was awarded low-income housing tax credits ("LIHTCs") to renovate the existing MWA and MWA II. At the completion of the renovation of MWA, MWA II and the construction of new low-income housing units, which is estimated to total approximately $18,100,000, the HUD projects will be consolidated and exist under one PRAC owned and operated by MWSA LP.

The Institute holds a 49% interest in MWSA GP and has recorded the investment on the equity method. During 2023, the Institute contributed $981,551 to MWSA GP and an additional $2,646,440 during 2024.

Effective June 21, 2023, the PRAC covering the MWA and MWA II low-income housing units were transferred to MWSA LP. The property and equipment of MWA, MWA II and additional property and equipment recorded on Benjamin Rose Property, LLC relating to new low-income housing units were sold to MWSA LP in exchange for $2,200,000 in notes receivable (see Note 5). As a result of the sale, a loss on sale of property and equipment of $2,387,075 was recorded in the 2023 consolidated statement of activities and changes in net assets. Furthermore, $250,432 of forgiveness of real estate tax was recorded for estimated real estate taxes no longer considered payable as a result of the sale and transfer to MWSA LP.

4. Investment, equity method - Margaret Wagner Senior Apartments G.P. (continued):

The following is a summary of the balance sheet and results of operations of the investments accounted for by the equity method as of December 31, 2024 and 2023 (unaudited):

	2024	2023
Investments in MWSA L.P.	$ 3,632,224	$ 981,551
Total assets	$ 3,632,224	$ 981,551
Equity	$ 3,632,224	$ 981,551
Total liabilities and equity	$ 3,632,224	$ 981,551

During 2024 and 2023, the Organization paid expenses on behalf of MWSA LP totaling $584,816 and $317,230, respectively. Additionally, repayments of $309,043 were received during 2024. At December 31, 2024 and 2023, amounts owed by MWSA LP totaled $593,003 and $317,230, respectively, which are included in receivables, related party on the 2024 and 2023 consolidated statements of financial position.

5. Notes receivable:

The Organization issued three promissory notes to MWSA LP totaling $2,200,000 in exchange for the sale of property and equipment MWA, MWA II and construction-in-progress relating to new low-income housing units. The notes bear an interest rate of 4.02% and mature in June 2068. The notes are due and payable in full on the earlier of the maturity date or any sale or other transfer of the project. No amount of the notes are deemed due and payable under the terms of the note except to the extent of (i) advanced from residual receipts generated by MWSA LP in accordance with prior written authorization from HUD or (ii) provided by MWSA LP's sponsor or other affiliate from sources unrelated to the project or the HUD 202 Capital Advance funds of MWSA LP. At December 31, 2024 and 2023, the balance of the notes receivable were $2,200,000.

During 2024, the Organization issued a promissory note to MWSA LP totaling $400,000 as part of the Affordable Housing Program with bank, where the Organization is the sponsor. The note bears no interest and matures 15 years from the later of a) the date the project reports an 80% occupancy rate, b) the date of occupancy is issued or c) the date of final disbursement of the AHP subsidy. Based on terms of the agreement, the note matures in June 2068. No amount of the notes are deemed due and payable under the terms of the note except to the extent of (i) advanced from residual receipts generated by MWSA LP in accordance with prior written authorization from HUD or (ii) provided by MWSA LP's sponsor or other affiliate from sources unrelated to the project or the HUD 202 Capital Advance funds of MWSA LP.

6. Property and equipment, net:

Property and equipment consists of the following at December 31, 2024 and 2023:

	2024	2023
Construction-in-progress	$ 387,357	$ 181,198
Land and land improvements	1,127,417	1,127,417
Building and building fixtures/improvements	11,074,524	11,034,462
Equipment and furniture	3,871,537	3,494,311
	16,460,835	15,837,388
Less accumulated depreciation	6,071,511	5,508,876
	$ 10,389,324	$ 10,328,512

6. Property and equipment, net (continued):

On June 21, 2023, the Organization sold property and equipment of MWA, MWA II and additional property and equipment recorded on Benjamin Rose Property, LLC for $2,200,000.

Construction-in-progress at December 31, 2024 and 2023 consisted primarily of design and upgrade costs for new and existing platforms used for research and intake, and vehicle upfitting. As a result of the sale of MWA and MWA II property to MWSA on June 21, 2023, $534,933 of construction-in-progress was transferred to MWSA in exchange for The Benjamin Rose Institute's investment interest in the project. See Note 4 for further details.

7. Line of credit:

The Organization has a demand line of credit with Citizens Bank of $2,000,000. Effective in January 2023, the line of credit was renewed and amended with an interest rate of 1.25% plus Simple SOFR (4.49% at December 31, 2024 and 5.38% at December 31, 2023). There was no balance outstanding on the line at December 31, 2024 or 2023.

8. Debt and leases:

Note payable:

The Organization financed building improvements through a 5.91% note payable with a contractor totaling $186,361 with payments of $3,595 monthly through January 2026. Balance due on the note was $45,165 and $84,371 at December 31, 2024 and 2023, respectively.

The Organization obtained a $400,000 loan from a bank related to the Affordable Housing Program (Note 5). The note bears no interest with payment due upon maturity in June 2068.

Scheduled principal repayments on the note payable are as follows:

Year ending December 31,	
2025	$ 41,588
2026	3,578
Thereafter	400,000
	$ 445,166

Bond payable:

The Organization issued $16,315,000 of variable rate, taxable demand note bonds, The Benjamin Rose Institute on Aging Variable Rate Taxable Demand Notes, Series 2005 (the "Variable Bonds"). The proceeds of the Variable Bonds were used to decrease the outstanding principal amount of Health Care Facilities Revenue Bonds (Series 1998 Bonds) and to pay certain costs related to the issuance of the Variable Bonds.

The proceeds from the Variable Bonds were deposited with a trustee (Huntington Bank) and were used to pay the regularly scheduled principal and interest of the Series 1998 Bonds.

8. Debt and leases (continued):

Bond payable (continued):

The Variable Bonds bear interest based upon a variable rate of 4.68% at December 31, 2024 and 5.42% at December 31, 2023, which is adjusted weekly, and require annual payments each year on December 1, at varying amounts through 2028.

The Variable Bonds are payable solely from the Organization's revenue and the bond funds are secured by a letter of credit issued by Citizens Bank, N.A. The letter of credit has been extended through December 18, 2028. The repayment of potential drawings under the letter of credit are secured by reimbursement agreements between the Bank and the Organization. Pursuant to the terms of the bond indenture, the County assigned to the Trustee its rights, title and interest in and to the lease, pledged and assigned to the Trustee the revenue and transferred and granted a lien on all of its rights, title and interest in the bond funds of the Trustee, all to provide for the payment of the bond service charges on the Variable Bonds. The payment of the bond service charges on the Variable Bonds are guaranteed by the Organization under a guaranty agreement between the Organization and Trustee. The Variable Bonds are also secured by a pledge of the Organization's revenue to the Trustee and a lien on the County's right, title and interest in the bond funds.

The Organization's variable rate bonds are remarketed on a weekly basis. There may be times where there is a limited market or potentially no market for these bonds. Interest rates payable by the Organization on these bonds can increase based on the limited market for variable rate bonds. If a buyer cannot be found to purchase the bonds, the Trustee would draw on the letter of credit to enable the purchase of the bonds by the letter of credit bank at which time the bonds will be referred to as "bank bonds". The bank bonds would be subject to the terms of the letter of credit agreements unless the bonds are subsequently purchased by a buyer.

The Organization is subject to restrictive covenants, including provisions relating to minimum liquidity, and other matters. In the opinion of management, the Organization met all debt covenant requirements at December 31, 2024 and 2023.

Scheduled principal repayments on the Series 2005 Bonds are as follows:

Year ending December 31,	
2025	$ 650,000
2026	650,000
2027	700,000
2028	660,000
	$ 2,660,000

Interest expense relating to the bonds totaled $176,775 in 2024 and $201,222 in 2023.

8. Debt and leases (continued):

Margaret Wagner Apartments, Inc.:

MWA entered into a 40-year mortgage note payable for $2,047,300 from HUD under HUD's Capital Advance Program for the purpose of renovating the two floors. The note payable, which matures September 26, 2040, does not bear interest and repayment is not required as long as MWA remain available for low-income elderly persons in accordance with Section 202. The note provided that if (1) MWA has remained available for occupancy by eligible families until the maturity date of the note, and (2) the note had not otherwise become due and payable by reason of default under the note or the related mortgage or regulatory agreement, the note shall be deemed to be paid and discharged on the maturity date. The principal balance becomes due and payable with interest at 6.625% if MWA defaults under the terms of the note, mortgage or regulatory agreements.

Effective June 21, 2023, the PRAC covering the MWA low-income housing units was transferred to Margaret Wagner Senior Apartments L.P. As a result, HUD terminated and released MWA from the compliance with the Section 202 program. However, the 40-year note payable was not forgiven and, as a result, the $2,047,300 note payable was assigned and assumed by The Benjamin Rose Institute.

Margaret Wagner Apartments, Inc. II:

MWA II entered into a 40-year mortgage note payable for $4,323,500 which was drawn as of December 31, 2012 from HUD under HUD's Capital Advance Program for the purpose of renovating the two floors. The note payable, which matures in 2052, does not bear interest and repayment is not required as long as MWA II remain available for low-income elderly persons in accordance with Section 202. The note provides that if (1) MWA II has remained available for occupancy by eligible families until maturity date of the note, and (2) the note has not otherwise become due and payable by reason of default under the note or the related mortgage or regulatory agreement, the note shall be deemed to be paid and discharged on the maturity date. The principal balance becomes due and payable with interest at 6.625% if MWA II defaults under the terms of the note, mortgage or regulatory agreements.

Effective June 21, 2023, the PRAC covering the MWA II, Inc. low-income housing units was transferred to Margaret Wagner Senior Apartments L.P. As a result, HUD terminated and released MWA II from the compliance with the Section 202 program. However, the 40-year note payable was not forgiven and, as a result, the $4,323,500 note payable was assigned and assumed by The Benjamin Rose Institute.

9. Retirement plans:

The Organization has a 401(k) Plan covering all employees who meet certain minimum age and service requirements. The Organization contributes a safe harbor nonelective contribution equal to 3.0% of qualified employees' gross wages on a bi-weekly basis. Employees who meet minimum age requirements may also make salary deferral contributions to the plan. The Organization additionally contributes a 2.0% matching contribution on eligible employee salary deferrals, after minimum service requirements are met, up to 2.0%. The Organization recorded approximately $277,200 in 2024 and $278,000 in 2023 as employer contribution to the plan, after utilization of approximately $10,200 and $8,000 in forfeitures in 2024 and 2023, respectively.

10. Deferred obligations:

The Organization had a deferred compensation agreement requiring annual payments of $4,269 to be paid during the lifetime of the individual receiving benefit whom passed away during 2024. The remaining reserve for future estimated payments of $9,035 was recorded to other income in the 2024 consolidated statement of activities and changes in net assets. There are no remaining future payments.

11. Endowments:

The Organization's endowments consist of various endowment funds established for a variety of purposes. Its endowments include both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law:

The Board of Directors of the Organization has interpreted the State of Ohio's 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 the interpretation, the Organization classifies as restricted, (a) the original value of gifts donated to the endowment with donor restrictions, (b) the original value of subsequent gifts to the endowment with donor restrictions, and (c) accumulations to the endowment with donor restrictions made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

General economic conditions;

1) The possible effect of inflation or deflation;
2) The expected tax consequences, if any, of investment decisions or strategies;
3) The role that each investment or course of action plays within the overall investment portfolio of the fund;
4) The expected total return from income and the appreciation of investments;
5) Other resources of the Organization;
6) The need of the Organization and of the fund to make distributions and preserve capital;
7) An asset's special relationship or special value, if any, to the charitable purposes of the Organization.

Endowment net asset composition by type of fund as of December 31, 2024 and 2023:

	2024	2023
Endowment funds with donor restriction	$ 852,669	$ 797,352
Endowment funds without donor restriction	45,868,830	45,469,889
Total funds	$ 46,721,499	$ 46,267,241

11. Endowments (continued):

Interpretation of relevant law (continued):

Changes in endowment net assets for the year ended December 31, 2024:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	$ 45,469,889	$ 797,352	$ 46,267,241
Investment return:			
Investment income, net	1,216,364	24,698	1,241,062
Realized and unrealized gains (losses) on investments, net	3,580,706	60,202	3,640,908
Total investment return	4,797,070	84,900	4,881,970
Contributions		3,000	3,000
Appropriations for expenditures	(4,398,129)	(32,583)	(4,430,712)
Total change in endowment funds	398,941	55,317	454,258
Endowment net assets, end of year	$ 45,868,830	$ 852,669	$ 46,721,499

Changes in endowment net assets for the year ended December 31, 2023:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	$ 41,009,003	$ 726,373	$ 41,735,376
Investment return:			
Investment income, net	1,082,755	18,830	1,101,585
Realized and unrealized gains (losses) on investments, net	4,536,151	83,929	4,620,080
Total investment return	5,618,906	102,759	5,721,665
Appropriations for expenditures	(1,158,020)	(31,780)	(1,189,800)
Total change in endowment funds	4,460,886	70,979	4,530,685
Endowment net assets, end of year	$ 45,469,889	$ 797,352	$ 46,267,241

Reconciliation of endowment donor restricted net assets to net assets with donor restrictions on the consolidated statements of financial position at December 31, 2024 and 2023:

11. Endowments (continued):

Interpretation of relevant law (continued):

	2024	2023
Endowments with donor restrictions:		
Funds held in perpetuity:		
Kahler fund	$ 108,705	$ 108,705
Ott Hanson fund	11,558	11,558
Barnes fund	18,706	18,706
O'Neill fund	100,000	100,000
Betty Rose fund	100,242	100,242
Specified purpose/passage of time:		
Hinds fund (specified purpose)	144,220	127,028
Kahler fund (specified purpose)	138,297	125,006
Ott Hanson fund (specified purpose)	13,197	11,855
Barnes fund (specified purpose)	9,351	7,849
O'Neill fund (specified purpose)	122,103	110,225
Betty Rose fund (specified purpose)	86,290	76,178
	852,669	797,352
Other net assets with donor restrictions:		
Beneficial interest in charitable perpetual trusts	111,092,067	103,515,918
Specified purpose/passage of time:		
Grants – various purposes	211,365	309,388
Chairman's Fund – Board activities	721	1,671
	$112,156,822	$104,624,329

Return objectives and risk parameters:

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period 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 earn a respectable, long-term rate of return.

Strategies employed for achieving objectives:

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Spending policy and how the investment objectives relate to spending policy:

In establishing a spending policy, the Organization considered the long term expected return on its endowment. This is consistent with the Organization'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.

12. Contingencies:

The Organization is self-insured relative to its workers' compensation. The Organization estimates its liability relative to claims incurred and reported and unreported and records an accrual to cover such claims.

Effective January 1, 2023, the Organization became self-insured for health insurance ("self-insured health plan") under a plan covering substantially all employees. The self-insured health plan has a stop-loss policy that covers claims over $65,000 for health benefits per covered person, a maximum benefit for aggregate losses per policy year of $1,000,000 and an unlimited lifetime maximum for covered person. Included in accounts payable and accrued expenses are provisions for estimated incurred, but not reported, and accrued, but not paid, health benefits claims totaling $190,888 and $108,592 at December 31, 2024 and 2023, respectively.

13. Liquidity and availability:

The Organizations financial assets available within one year of the balance sheet as of December 31, 2024 and 2023 for general expenditures are as follows:

	2024	2023
Cash and cash equivalents	$ 2,592,493	$ 3,712,865
Client, grant, contribution and other receivables, current	1,936,504	1,718,843
	$ 4,528,997	$ 5,431,708

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, the Organization has a line of credit in the amount of $2,000,000, with no amounts outstanding at December 31, 2024. The Organization has board designated investments, long-term totaling $45,868,830 that can be drawn upon for unanticipated cash requirements. Additionally, the Organization anticipates distributions from trusts which are used for general operations to total approximately $5,367,000 during 2025.

14. Net assets released from restrictions:

During 2024 and 2023, net assets were released from restrictions as follows:

	2024	2023
Endowments	$ 32,583	$ 31,779
Grants	238,023	90,862
HUD Bldg fd (DPG) – MWA		240,163
Chairman's fund	950	450
Richard's – Adult Daycare Support		43,446
	$ 271,556	$ 406,700

15. Consolidated statements of cash flows:

Cash and restricted cash included in the consolidated statements of cash flows at December 31, 2024 and 2023 are as follows:

	2024	2023
Cash and cash equivalents	$ 2,592,493	$ 3,712,865
Cash and cash equivalents, restricted	721	1,671
Cash reserve – bond trustee fund	127,261	59,979
Total cash and cash equivalents, including restricted	$ 2,720,475	$ 3,774,515

Non-cash investing and financing activities:

During 2024, the Organization sponsored a loan to MWSA from a bank. This resulted in a $400,000 increase in notes receivable and notes payable.

On June 21, 2023, the Organization sold property and equipment to Margaret Wagner Senior Apartments L.P., a related party, in exchange for $2,200,000 in notes receivable and a $534,933 investment interest. This resulted in a $2,200,000 increase to notes receivable, $534,933 increase to investment, equity method, a $5,122,008 decrease to property and equipment, net and a $2,387,075 increase in loss on sale of property and equipment.

16. Stimulus funding and Employee Retention Credit:

The Organization received stimulus funding related funding during 2023 as follows:

Stimulus funding:

The Organization received stimulus funding from programs under the Coronavirus Aid Relief and Economic Securities Act (CARES Act). These funds are specifically designated for health care and related providers and are known as either Provider Relief Funds (PRF) or Coronavirus Relief Funds (CRF). The funds are required to be used for increase in expenses and/or lost revenue relating to the COVID-19 pandemic. In accordance with U.S. GAAP FASB 958-605, the Organization recognized stimulus relief funds as income once there is reasonable assurance that the applicable terms and conditions required to retain the funds have been met. During the year ended December 31, 2023, the Organization received and recognized $117,813 of aggregate stimulus relief funds as stimulus revenue, which are included in grants in the 2023 consolidated statements of activities and changes in net assets. The above amounts received were Federal funds received from the U.S. Department of Health and Human Services (HHS).

Employee retention credit:

The CARES Act provides an employee retention credit (ERC) which is a refundable tax credit against certain employment taxes. Eligible employers were required to meet certain gross receipts reduction or were subject to fully or partially suspended operations (as defined) due to orders from an appropriate governmental authority during any calendar quarter in 2020 and through September 30, 2021. The Organization determined that it met the criteria of the ERC in 2021 and recorded these amounts in accordance with FASB ASC 958. During 2023, the Organization received $1,639,120, which includes $1,503,225 for the calendar year 2021 ERC credits filed plus accrued interest of $135,895.

17. Subsequent event:

On January 27, 2025, the OMB of the United States Federal Government instituted a pause on the disbursement of federal grant and loan funds, which became effective on January 28, 2025. The extent to which the funding freeze impacts operations, financial results, and cash flows, both current and future, will depend on future developments, which are highly uncertain and cannot be predicted with any measure of certainty or probability. As a result, the Organization is unable to estimate what impact, if any, the funding freeze has on the December 31, 2024 consolidated financial statements or future operations. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 7, 2025, the date the Organization's consolidated financial statements were available to be issued.

Independent Auditor's Report on Accompanying Consolidating Supplemental Information

Board of Directors
The Benjamin Rose Institute on Aging and Subsidiaries
Cleveland, Ohio

We have audited the consolidated financial statements of The Benjamin Rose Institute on Aging and Subsidiaries ("Organization") as of and for the years ended December 31, 2024 and 2023, and have issued our report thereon dated May 7, 2025 which contained an unmodified opinion on those consolidated financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating financial statements are presented for the purposes of additional analysis of the consolidated financial statements, rather than to present the financial position and results of operations of the individual organizations, and are not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position and results of operations of the individual organizations. The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

HW & Co

Cleveland, Ohio
May 7, 2025

THE BENJAMIN ROSE INSTITUTE ON AGING AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024

	Benjamin Rose Institute	Eldercare Services Institute, LLC	Benjamin Rose Property, LLC	SPRY	Rose Centers for Aging Well, LLC	ESOP & ESOP Realty	Consolidating Eliminations	Total
Assets								
Current assets:								
Cash and cash equivalents	$ 882,793	$ (5,833)		$ 85,942	$ 7,340	$ 1,622,251		$ 2,592,493
Cash and cash equivalents, restricted	721							721
Cash reserve - bond trustee fund			$ 127,261					127,261
Receivables:								
Client, net of allowance for uncollectible receivables of $1,200	39,600	176,160			184,004			399,764
Grants and contributions, net of uncollectible receivables of$30,000 at December 31, 2023	250,386	37,171				9,938		297,495
Other	506,377	2,950			31,415	105,500		646,242
Related party	13,846,615						$ (13,253,612)	593,003
Prepaid expenses and other assets	247,011	2,662	1,907	651	7,198	1,032		260,461
Total current assets	15,773,503	213,110	129,168	86,593	229,957	1,738,721	(13,253,612)	4,917,440
Other assets:								
Investments:								
Board designated	38,333,556		6,477,312		1,057,962			45,868,830
Donor restricted	852,669							852,669
Investment, equity method	3,632,224							3,632,224
Notes receivable	2,600,000							2,600,000
Property and equipment, net	94,120		9,993,471		301,733			10,389,324
Beneficial interest in charitable perpetual trusts	111,092,067							111,092,067
Total other assets	156,604,636		16,470,783		1,359,695			174,435,114
Total assets	**$ 172,378,139**	**$ 213,110**	**$ 16,599,951**	**$ 86,593**	**$ 1,589,652**	**$ 1,738,721**	**$ (13,253,612)**	**$ 179,352,554**

THE BENJAMIN ROSE INSTITUTE ON AGING AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024

	Benjamin Rose Institute	Eldercare Services Institute, LLC	Benjamin Rose Property, LLC	SPRY	Rose Centers for Aging Well, LLC	ESOP & ESOP Realty	Consolidating Eliminations	Total
Liabilities and net assets								
Current liabilities:								
Accounts payable and accrued expenses	$ 1,067,813	$ 268,239	$ 94,991		$ 232,760	$ 182,971		$ 1,846,774
Deferred revenue	291,062				22,373	1,404,701		1,718,136
Intercompany accounts payable		5,505,531	6,245,024		1,009,175	493,882	$ (13,253,612)	
Current portion of notes payable			41,588					41,588
Current portion of notes and bonds payable			650,000					650,000
Total current liabilities	1,358,875	5,773,770	7,031,603		1,264,308	2,081,554	(13,253,612)	4,256,498
Long-term debt:								
Notes payable	400,000		3,578					403,578
HUD mortgages payable	6,370,800							6,370,800
Bond payable			2,010,000					2,010,000
Bond issuance costs			(37,501)					(37,501)
Total liabilities	8,129,675	5,773,770	9,007,680		1,264,308	2,081,554	(13,253,612)	13,003,375
Net assets:								
Without donor restrictions	52,178,007	(5,560,660)	7,592,271	$ 86,593	307,459	(411,313)		54,192,357
With donor restrictions	112,070,457				17,885	68,480		112,156,822
Total net assets	164,248,464	(5,560,660)	7,592,271	86,593	325,344	(342,833)		166,349,179
Total liabilities and net assets	**$ 172,378,139**	**$ 213,110**	**$ 16,599,951**	**$ 86,593**	**$ 1,589,652**	**$ 1,738,721**	**$ (13,253,612)**	**$ 179,352,554**

THE BENJAMIN ROSE INSTITUTE ON AGING AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2024

	Benjamin Rose Institute	Eldercare Services Institute, LLC	Benjamin Rose Property, LLC	SPRY	Rose Centers for Aging Well, LLC	ESOP & ESOP Realty	Consolidating Eliminations	Total
Support and revenue without donor restrictions								
Program revenue	$ 452,561	$ 784,550	$ 103,087		$ 2,026,058	$ 303,719	$ (121,241)	$ 3,548,734
Grants	1,584,070	325,957		$ 7,500		6,411,317	(16,597)	8,312,247
Contributions:								
In-kind					320,615			320,615
Other	533,609	2,016		28,000	46,436	12,544		622,605
Interest and dividends, net	997,783		204,778		30,685			1,233,246
Trust distributions	2,622,442	787,400	475,800		634,200	352,900		4,872,742
Other income	11,492	112	9,396		65,798	21,815		108,613
Net assets released from restrictions	160,607				110,949			271,556
Total support and revenue without restrictions	6,362,564	1,900,035	793,061	35,500	3,234,741	7,102,295	(137,838)	19,290,358
Expenses:								
Program services	3,049,325	2,286,705		24,310	3,253,993	6,352,335	(158,746)	14,807,922
Support services	2,780,229		792,648				20,908	3,593,785
Total expenses	5,829,554	2,286,705	792,648	24,310	3,253,993	6,352,335	(137,838)	18,401,707
Net income (loss) from operations	533,010	(386,670)	413	11,190	(19,252)	749,960		888,651
Other changes:								
Loss on sale of property and equipment	(77,473)							(77,473)
Realized and unrealized gains on investments, net	3,047,025		458,770		74,911			3,580,706
Net (decrease) increase in net assets without donor restrictions	3,502,562	(386,670)	459,183	11,190	55,659	749,960		4,391,884
Net assets without donor restrictions, beginning	48,675,445	(5,173,990)	7,133,088	75,403	251,800	(1,161,273)		49,800,473
Net assets without donor restrictions, ending	**$ 52,178,007**	**$ (5,560,660)**	**$ 7,592,271**	**$ 86,593**	**$ 307,459**	**$ (411,313)**	**$**	**$ 54,192,357**

THE BENJAMIN ROSE INSTITUTE ON AGING AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)

YEAR ENDED DECEMBER 31, 2024

	Benjamin Rose Institute	Eldercare Services Institute, LLC	Benjamin Rose Property, LLC	SPRY	Rose Centers for Aging Well, LLC	ESOP & ESOP Realty	Consolidating Eliminations	Consolidated
Net assets with donor restrictions:								
Beginning balance	$ 104,442,015	$	$	$	$ 113,834	$ 68,480	$	$ 104,624,329
Changes in net assets:								
Increase in beneficial interest in charitable perpetual trusts	7,576,149							7,576,149
Grant income	125,000				15,000			140,000
Contributions	3,000							3,000
Interest and dividends, net	24,698							24,698
Realized and unrealized gains on investments, net	60,202							60,202
Net assets released from restrictions	(160,607)				(110,949)			(271,556)
Change in net assets	7,628,442				(95,949)			7,532,493
Net assets with donor restrictions, ending balance	**$ 112,070,457**	**$**	**$**	**$**	**$ 17,885**	**$ 68,480**	**$**	**$ 112,156,822**