

**JULIETTE FOWLER COMMUNITIES, INC.
AND AFFILIATES**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2025 AND 2024



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

INDEPENDENT AUDITORS' REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
CONSOLIDATED BALANCE SHEETS	3
CONSOLIDATED STATEMENTS OF OPERATIONS	5
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS	6
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES	7
CONSOLIDATED STATEMENTS OF CASH FLOWS	9
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	10
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION	32
SUPPLEMENTARY INFORMATION	
CONSOLIDATING BALANCE SHEET	33
CONSOLIDATING STATEMENT OF OPERATIONS	35
CONSOLIDATING STATEMENT OF CHANGES IN NET ASSETS	36



INDEPENDENT AUDITORS' REPORT

Board of Directors
Juliette Fowler Communities, Inc. and Affiliates
Dallas, Texas

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Juliette Fowler Communities, Inc. and Affiliates, which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Juliette Fowler Communities, Inc. and Affiliates as of December 31, 2025 and 2024, and the results of their operations, changes in their net assets, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Juliette Fowler Communities, Inc. and Affiliates and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Juliette Fowler Communities, Inc. and Affiliates' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 Juliette Fowler Communities, Inc. and Affiliates' 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 Juliette Fowler Communities, Inc. and Affiliates' 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.



CliftonLarsonAllen LLP

Addison, Texas
May 29, 2025

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 3,888,650	\$ 2,824,470
Resident Accounts Receivable	217,235	150,713
Allowance for Expected Credit Loss	(40,714)	(85,857)
Pledges Receivable	152,750	287,404
Other Receivables	70,095	119,708
Prepaid Expenses	198,060	119,743
Total Current Assets	<u>4,486,076</u>	<u>3,416,181</u>
INVESTMENTS	30,705,168	39,573,995
RESTRICTED DEPOSITS	2,149,869	1,994,990
PROPERTY AND EQUIPMENT, NET	60,497,047	48,887,371
OTHER ASSETS		
Beneficial Interest in Perpetual Trusts	3,182,437	2,902,300
Split-Interest Agreements	903,358	847,488
Mineral Interests	7,641,175	11,493,818
Other Assets	53,779	55,899
Investment in Risk Retention Group	618,852	618,852
Total Other Assets	<u>12,399,601</u>	<u>15,918,357</u>
Total Assets	<u><u>\$ 110,237,761</u></u>	<u><u>\$ 109,790,894</u></u>

See accompanying Notes to Consolidated Financial Statements.

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
CONSOLIDATED BALANCE SHEETS (CONTINUED)
DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	\$ 247,674	\$ 239,461
Accounts Payable	2,689,636	762,229
Accrued Expenses	<u>460,159</u>	<u>348,546</u>
Total Current Liabilities	3,397,469	1,350,236
LONG-TERM LIABILITIES		
Long-Term Debt, Net of Current Maturities	13,461,801	13,693,809
Tenant Deposits	<u>220,000</u>	<u>197,838</u>
Total Long-Term Liabilities	<u>13,681,801</u>	<u>13,891,647</u>
Total Liabilities	17,079,270	15,241,883
NET ASSETS		
Without Donor Restrictions:		
Undesignated	74,394,826	76,715,581
Undesignated - Limited Partnership - Noncontrolling Interest	9,012,876	8,604,909
Board-Designated	<u>842,261</u>	<u>842,261</u>
Total Without Donor Restrictions	84,249,963	86,162,751
With Donor Restrictions:		
Purpose Restrictions	3,064,342	2,881,081
Time Restrictions	4,085,795	3,749,788
Perpetual Funds	<u>1,758,391</u>	<u>1,755,391</u>
Total With Donor Restrictions	<u>8,908,528</u>	<u>8,386,260</u>
Total Net Assets	<u>93,158,491</u>	<u>94,549,011</u>
Total Liabilities and Net Assets	<u>\$ 110,237,761</u>	<u>\$ 109,790,894</u>

See accompanying Notes to Consolidated Financial Statements.

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
REVENUES		
Resident Services Revenues	\$ 6,675,565	\$ 6,199,820
Rental Revenue	5,269,513	4,982,514
Individual and Foundation Donations	1,329,944	766,937
Other Income	370,945	814,103
Net Assets Released from Restrictions	227,954	455,906
Total Revenues	<u>13,873,921</u>	<u>13,219,280</u>
EXPENSES		
Health Care and Rehabilitation	-	260,933
Assisted Living	7,334,351	4,531,796
Independent Living	1,205,938	1,156,881
Children and Youth Programs	289,600	253,103
Affordable Housing	3,600,537	4,300,826
General and Administrative	471,509	3,539,065
Fundraising	560,190	714,181
Interest Expense	513,136	498,755
Provisions for Credit Losses	149,017	54,906
Depreciation Expense	3,763,665	3,894,907
Expenditures of Specific Donations	47,276	2,896
Total Expenses	<u>17,935,219</u>	<u>19,208,249</u>
OPERATING LOSS	(4,061,298)	(5,988,969)
NONOPERATING INCOME (EXPENSE)		
Net Investment Income	794,981	13,007,923
Other Expense	(186)	(323,518)
Total Nonoperating Income	<u>794,795</u>	<u>12,684,405</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	<u><u>\$ (3,266,503)</u></u>	<u><u>\$ 6,695,436</u></u>

See accompanying Notes to Consolidated Financial Statements.

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	\$ (3,266,503)	\$ 6,695,436
NET ASSETS WITH DONOR RESTRICTIONS - PURPOSE		
Donations	414,214	712,610
Net Assets Released from Restrictions	<u>(227,954)</u>	<u>(448,406)</u>
Change in Net Assets With Donor Restrictions - Purpose	186,260	264,204
NET ASSETS WITH DONOR RESTRICTIONS - TIME		
Change in Beneficial Interest in Perpetual Trusts and Split Interest Agreements	336,007	81,626
NET ASSETS WITH DONOR RESTRICTIONS - TIME AND PURPOSE		
Net Assets Released from Restrictions	<u>-</u>	<u>(7,500)</u>
CHANGE IN NET ASSETS	<u>\$ (2,744,236)</u>	<u>\$ 7,033,766</u>
	<u>2025</u>	<u>2024</u>
NET ASSETS - BEGINNING OF YEAR	\$ 94,549,011	\$ 87,515,245
Change in Net Assets - Controlling Interest	(1,798,487)	8,487,407
Change in Net Assets - Noncontrolling Interest	(945,749)	(1,453,641)
Contributions - Noncontrolling Interest	<u>1,353,716</u>	<u>-</u>
NET ASSETS - END OF YEAR	<u>\$ 93,158,491</u>	<u>\$ 94,549,011</u>

See accompanying Notes to Consolidated Financial Statements.

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

	Program Services				Management and General	Fundraising	Total
	Assisted Living	Independent Living	Foster and Youth Programs	Affordable Housing			
COMPENSATION AND RELATED EXPENSES							
Wages, Taxes, and Benefits	\$ 3,013,805	\$ 896,650	\$ 120,129	\$ -	\$ 4,030,584	\$ 401,824	\$ 4,759,519
Other Operating Expenses	1,720,216	158,133	52,918	3,233,992	5,165,259	(118,408)	5,219,533
Outside Services	2,192,199	10,652	106,351	-	2,309,202	(901,823)	1,467,776
Utilities	267,665	56,485	5,278	325,410	654,838	928,990	1,583,828
Insurance	138,589	83,175	4,718	41,135	267,617	53,974	321,591
Travel and Training	1,877	843	206	-	2,926	106,952	109,878
Total Compensation and Related Expenses	7,334,351	1,205,938	289,600	3,600,537	12,430,426	471,509	13,462,125
OTHER EXPENSES							
Interest	-	-	-	513,136	513,136	-	513,136
Provisions for Credit Losses	-	44,558	-	104,459	149,017	-	149,017
Depreciation Expense	596,924	335,598	270	1,694,982	2,627,774	1,135,891	3,763,665
Expenditures of Specific Donations	-	-	-	-	-	47,276	47,276
Total Other Expenses	596,924	380,156	270	2,312,577	3,289,927	1,183,167	4,473,094
 Total Expenses by Function	 <u>\$ 7,931,275</u>	 <u>\$ 1,586,094</u>	 <u>\$ 289,870</u>	 <u>\$ 5,913,114</u>	 <u>\$ 15,720,353</u>	 <u>\$ 1,654,676</u>	 <u>\$ 560,190</u>
							<u>\$ 17,935,219</u>

See accompanying Notes to Consolidated Financial Statements.

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services						Management and General	Fundraising	Total
	Health Care and Rehabilitation	Assisted Living	Independent Living	Foster and Youth Programs	Affordable Housing	Total Program Expenses			
COMPENSATION AND RELATED EXPENSES									
Wages, Taxes, and Benefits	\$ 61,119	\$ 1,975,218	\$ 285,411	\$ 92,772	\$ 276,993	\$ 2,691,513	\$ 2,725,967	\$ 450,988	\$ 5,868,468
Other Operating Expenses	140,284	1,094,127	584,588	101,354	1,528,515	3,448,868	(1,581,245)	202,193	2,069,816
Outside Services	13,896	1,231,427	2,390	37,201	1,746,387	3,031,301	1,848,236	61,000	4,940,537
Utilities	20,336	128,251	224,108	13,336	361,314	747,345	200,829	-	948,174
Taxes and Insurance	25,298	88,690	60,384	8,415	387,617	570,404	179,959	-	750,363
Travel and Training	-	14,083	-	25	-	14,108	165,319	-	179,427
Total Compensation and Related Expenses	260,933	4,531,796	1,156,881	253,103	4,300,826	10,503,539	3,539,065	714,181	14,756,785
OTHER EXPENSES									
Interest	-	-	-	-	498,755	498,755	-	-	498,755
Provisions for Credit Losses	(30,780)	85,686	-	-	-	54,906	-	-	54,906
Depreciation Expense	296,585	418,316	261,222	21,888	1,756,982	2,754,993	1,139,914	-	3,894,907
Expenditures of Specific Donations	-	-	-	-	-	-	-	2,896	2,896
Total Other Expenses	265,805	504,002	261,222	21,888	2,255,737	3,308,654	1,139,914	2,896	4,451,464
Total Expenses by Function	<u>\$ 526,738</u>	<u>\$ 5,035,798</u>	<u>\$ 1,418,103</u>	<u>\$ 274,991</u>	<u>\$ 6,556,563</u>	<u>\$ 13,812,193</u>	<u>\$ 4,678,979</u>	<u>\$ 717,077</u>	<u>\$ 19,208,249</u>

See accompanying Notes to Consolidated Financial Statements.

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (2,744,236)	\$ 7,033,766
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation and Amortization Expense	3,763,665	3,894,907
Deferred Financing Fee Amortization	15,667	15,841
Provisions for Credit Losses	149,017	54,906
Unrealized and Realized Gain on Investments	(1,360,505)	(3,982,035)
(Increase) Decrease in Mineral Interest	3,852,643	(4,239,767)
(Increase) Decrease in Assets:		
Resident Accounts Receivable, Net	(260,682)	10,841
Pledges Receivable	134,654	(115,904)
Other Receivables	49,613	58,750
Prepaid Expenses and Other Assets	(76,197)	(15,804)
Increase (Decrease) in Liabilities:		
Accounts Payable	1,927,407	255,836
Accrued Expenses	111,613	(226,015)
Tenant Deposits	(132,717)	258,053
Net Cash Provided by Operating Activities	<u>5,429,942</u>	<u>3,003,375</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(15,373,341)	(6,035,648)
Purchase of Investments	(847,217)	(945,693)
Proceeds from Sale of Investments	11,076,549	5,551,806
Change in Beneficial Interest in Perpetual Trusts	(280,137)	(73,418)
Change in Split-Interest Agreements	(55,870)	(8,208)
Change in Investment in Risk Retention Group	-	(4,726)
Net Cash Used by Investing Activities	<u>(5,480,016)</u>	<u>(1,515,887)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Capital Contribution	1,353,716	-
Payments on Mortgage Payable	(239,462)	(231,520)
Net Cash Provided (Used) by Financing Activities	<u>1,114,254</u>	<u>(231,520)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,064,180	1,255,968
Cash and Cash Equivalents - Beginning of Year	<u>2,824,470</u>	<u>1,568,502</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,888,650</u>	<u>\$ 2,824,470</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	<u>\$ 513,136</u>	<u>\$ 498,755</u>

See accompanying Notes to Consolidated Financial Statements.

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The mission of Juliette Fowler Communities, Inc. and Affiliates, is to provide dignity of choice, build community, and create beneficial connections for children, youth, and elders. Juliette Fowler Communities, is the primary beneficiary of its affiliates, all located in Dallas, Texas and consists of the following:

Juliette Fowler Communities, Inc. (JFC)

Juliette Fowler Communities, Inc. is an operating nonprofit corporation with approximately 130 employees working on the 16-acre campus in Dallas, Texas. JFC provides residential care as a 20-unit assisted living memory care facility, a 40-unit assisted living facility, and a 54-unit independent living facility.

Juliette Fowler Properties, Inc. (JFP)

Juliette Fowler Properties, Inc. is a nonprofit corporation that holds and manages all buildings and real estate on and off the 16-acre campus. JFP collects rent from JFC.

Juliette Fowler Foundation (JFF)

Juliette Fowler Foundation is a nonprofit corporation that manages investments and the mineral and royalty interests. This corporation also handles the investment assets, including stocks and bonds, and makes distributions in the form of grants to JFC and JFP for operating needs.

Juliette Fowler Senior Affordable Housing LP (JFSAH)

Juliette Fowler Senior Affordable Housing LP is a for-profit limited partnership that provides affordable housing to low-income persons. The general partner of JFSAH is JFC.

Fowler Christian Apartments (FCAs)

Fowler Christian Apartments (I, II, and III) was organized for the purpose of providing homes for persons who have limited income and are at least 62 years of age, and for persons at least 18 years of age and in need of barrier-free housing or assisted living services. The Project is regulated by the U.S. Department of Housing and Urban Development (HUD).

JFC is the primary beneficiary of the related nonprofit corporations. The consolidated entities are related institutions of the Christian Church (Disciples of Christ) in the United States and Canada and are so listed in its yearbook under the heading Christian Church (Disciples of Christ) in the Southwest.

Principles of Consolidation

These consolidated financial statements include accounts of JFC, JFP, JFF, JFSAH, and FCAs (collectively referred to as the Organization). All intercompany activity has been eliminated upon consolidation.

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of consolidated 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. Estimates also affect the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Income Taxes

JFC, JFF, and FCA's have been granted exempt status relative to federal and state income taxes under Section 501(c)(3), and JFP is a 501(c)(2) of the Internal Revenue Code (IRC) and applicable state codes, and are exempt from federal income taxes under the Internal Revenue Service (IRS) group ruling #1125 issued to the General Assembly of the Christian Church in July 1951. JFC and JFF have been classified as organizations that are not private foundations under Section 509(a). JFSAH is not a tax paying entity, thus, no provision for income taxes has been recorded in the consolidated financial statements. All tax effects of JFSAH is passed through to the partners.

The Organization's income tax returns are subject to review and examination by federal and state authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status. The Organization reports any activities that are subject to tax on unrelated business income or excise or other taxes and files all proper returns related to these activities.

Basis of Accounting

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 – Include net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. At times, the governing board can designate, from net assets without donor restrictions, board-designated net assets. As of December 31, 2025 and 2024, the governing board has designated \$842,261 of net assets.

Net Assets With Donor Restrictions – Include net assets 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. As of December 31, 2025 and 2024, donor-imposed restrictions perpetual in nature were \$1,758,391. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource has been fulfilled, or both.

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

Unconditional promises to give cash and other assets are accrued at estimated fair market value at the date each promise is received. 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. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as an increase in net assets without donor restrictions. Income earned on net assets with donor restrictions, including capital appreciation, is recognized in the period earned.

Cash and Cash Equivalents

For the purposes of the consolidated statements of cash flows, the Organization considers all highly liquid investments with original maturities of three months or less as cash equivalents.

Concentration of Credit Risk

The Organization maintains the majority of its cash balances in two financial institutions. At various times throughout the years ended December 31, 2025 and 2024, the Organization may have had balances in excess of the federally insured limits or include uninsured investments in money market mutual funds. To date, the Organization has not experienced credit losses in any of these accounts. Investments are made by diversified investment managers whose performance is monitored by the Organization and the investment committee of the board of directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Organization. Management does not believe the solvency of the financial institution is of concern.

Resident Accounts Receivable

Residents participate in a financial verification process before moving into the Organization, however, residents are not required to provide collateral for services rendered. As a result, 100% collection is not always guaranteed. Payment for services is required within 30 days of receipt of invoice or claim submitted. Accounts past due more than 90 days are individually analyzed for collectability. When all collection efforts have been exhausted, the account is written off against the related allowance. As of December 31, 2025 and 2024, the allowance for credit losses was \$40,714 and \$85,857, respectively.

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident Accounts Receivable (Continued)

The Organization provides an allowance for credit losses based on the allowance method using management's judgment. The allowance represents the estimate of expected credit losses based on historical experience, current economic conditions, and certain forward-looking information.

Accounts receivable are reported net of an allowance for credit losses to represent the Company's estimate of expected losses at the consolidated balance sheets date. The adequacy of the Company's allowance for credit losses is reviewed on an ongoing basis, using historical payment trends, write-off experience, aging of receivables, a review of specific accounts, as well as expected future economic conditions and market trends, and adjustments are made to the allowance, as necessary.

Changes in the allowance for credit losses were as follows:

	2025	2024
Balance, Beginning of Year	\$ 85,857	\$ 176,354
Provision for Losses	149,017	54,906
Amounts Written Off	(194,160)	(145,403)
Balance, End of Year	<u>\$ 40,714</u>	<u>\$ 85,857</u>

Pledges Receivable

Pledges receivable are unconditional promises to give that are expected to be collected within one year at net realizable value and are included as other receivables in the consolidated balance sheets. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the consolidated statements of operations. The allowance for credit losses for pledges receivable is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. For 2025 and 2024, the allowance for credit losses related to pledges receivable was \$7,800 and \$-0-, respectively.

Investments and Investment Income

Net investment income is reported in the consolidated statements of operations and consists of interest and dividend income, realized and unrealized gains and losses, oil and gas royalties, and change in value of mineral interests, less external and internal investment expenses. Net investment income is reported as nonoperating activity in the consolidated statements of operations.

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and Investment Income (Continued)

Donated investments are reported at estimated fair value at the date of receipt. Funds are classified as with donor restrictions or without donor restrictions in accordance with the wishes of the donor. The general policy of the Organization is to preserve the corpus of funds in which the donor has imposed perpetual restrictions.

Investment income (expenses) and investment gains (losses) are added to or (subtracted from) all funds unless otherwise instructed by the donor. In the event that such allocations would reduce the balance of any perpetually donor restricted fund below the corpus, such allocation would instead be applied to funds without donor restrictions.

Property and Equipment

Property and equipment are stated at cost or fair market value at time of the donation. Depreciation is provided for on the straight-line method over the estimated useful lives of the respective assets.

Estimated useful lives used in computing depreciation for consolidated financial statement purposes are as follows:

Buildings and Improvements	5 to 40 Years
Automobiles	4 to 5 Years
Furniture and Equipment	3 to 20 Years

Costs of repairs and maintenance that do not improve or extend the useful lives of the respective assets are expensed when incurred. It is the Organization's policy to capitalize property and equipment over \$10,000. Additionally, building improvements over \$7,500 are capitalized.

Impairment of Long-Lived Assets

The Organization reviews its property and equipment periodically to determine potential impairment. If determined that the carrying value exceeds the fair market value, an impairment loss is recognized. There was no property and equipment impairment as of December 31, 2025 and 2024.

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Beneficial Interest in Perpetual Trusts and Split-Interest Agreements

The Organization has been named as an irrevocable beneficiary of perpetual trusts held and administered by independent trustees. Perpetual trusts provide for the distribution of the net income of the trusts to the Organization; however, the Organization will never receive the assets of the trusts. At the date the Organization receives notice of a beneficial interest, a contribution with donor restrictions of a perpetual nature is recorded in the consolidated statements of operations, and a beneficial interest in perpetual trust is recorded in the consolidated balance sheets at the fair value of the underlying trust assets. Thereafter, beneficial interests in the trusts are reported at the fair value of the trusts' assets in the consolidated balance sheets, with trust distributions and changes in fair value recognized in the consolidated statements of operations.

Over the years, the Organization has also received, as contributions, various types of split-interest agreements for which the Organization is not the Trustee of the assets.

The fair value of the contribution is measured at the present value of the estimated future cash receipts from the trust's assets, and that value may generally be measured by the fair value of the assets contributed to the trust, unless facts and circumstances indicate that the fair value of the assets contributed to the trust differs from the present value of the expected future cash flows. Distributions from the trust are reported as investment income that increases the appropriate net asset class. Adjustments to the amount reported as an asset, based on periodic review, are recognized as change in beneficial interest in perpetual trusts and split-interest agreements in net assets with donor restrictions. The discount rates and actuarial assumptions used in calculating present values have been based on IRS guidelines and actuarial tables. Pursuant to Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Financial Statements of Not-for-Profit Entities*, split-interest agreements held by others, net of expected cash flows, are revalued to fair value at each year-end using a current risk-free rate of return. For 2025 and 2024, the discount rate utilized was 2.55% and 2.48%, respectively.

Mineral Interests

Mineral interests are carried at estimated fair value and are based on 36 months of undiscounted income based on the most recent 12-month income history as adjusted to remove unusual fluctuations. Unrealized gains and losses are calculated at the estimated current fair value at the end of the year less estimated current fair value at the beginning of the year. Investment income consists of mineral interest royalties net of related expenses.

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment in Communities of Faith Risk Retention Group

The Organization is a subscriber in the “Communities of Faith Risk Retention Group” (the CFRRG), a voluntary reciprocal association captive insurer organized and existing under the laws of South Carolina, for the purposes of the reciprocal exchange of private contracts of insurance, reinsurance, or indemnity among its subscribers. The CFRRG subscribers include a select group of Texas nonprofit retirement communities and continuing care retirement communities with similar low rates of liability claims. Entrance into the captive required a capital contribution of approximately \$75,000. The investment is accounted for by the equity method and is included on the consolidated balance sheets.

Fair Value Measurements

The Organization follows the *Fair Value Measurements* accounting standard. The standard emphasizes that fair value is a market-based measurement, not an entity-specific measurements. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement. Investments valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity’s own assumptions, as there is little, if any, related market activity.

The Organization also adopted the policy of valuing certain financial instruments at fair value. The accounting policy allows entities the irrevocable option to elect fair value for the initial and subsequent measurement for certain financial assets and liabilities on an instrument-by-instrument basis. The Organization has not elected to measure any existing financial instruments at fair value; however, the Organization may elect to measure newly acquired financial instruments at fair value in the future.

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tenant Security Deposits

The Organization holds in trust, security deposits advanced by the tenants. The Organization accrues simple interest on the deposits from the date of receipt in accordance with statutory requirements for security deposits.

Functional Allocation of Expenses

The nature of operations of the Organization is to provide residential care to seniors requiring aid for health care and rehabilitation, assisted living, independent living, foster and youth programs, and affordable housing. The Organization, through its faith-based foundation, serves children, youth, and elders. Older adults live in various settings which include independent living, assisted living, memory care, and affordable housing. Children are served through foster care, adoption services, and young women at risk for homelessness who have experienced abuse, neglect, or abandonment. The Organization has presented these services as programs on the consolidated statements of functional expenses.

The costs of providing program and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated among program services and supporting services benefited, which includes management and general, and fundraising expenses. Such allocations are determined by management on an equitable basis. The consolidated financial statements report certain categories of expenses that are attributed to more than one category or function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include:

1. Insurance, maintenance, utilities, depreciation, and property taxes, which are allocated based upon square footage of the buildings;
2. Purchased services and professional fees, which are allocated on a full-time equivalent;
3. All other expenses presented on the consolidated statements of functional expenses, including salaries and wages, employee benefits, and general and administrative expenses, are allocated on the basis of estimates of time and effort.

Resident Services Revenue

Resident services revenue is reported at the amount that reflects the consideration to which the Organization 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 others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Organization bills the residents and third-party payors prior or when the services are performed. Revenue is recognized as performance obligations are satisfied.

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident Services Revenue (Continued)

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time, generally resident services, is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Organization 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. The Organization considers daily services provided to residents of the skilled nursing 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.

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 and cafeteria meals) and the Organization does not believe it is required to provide additional goods or services related to that sale.

The Organization 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 Organization's policy and/or implicit price concessions provided to residents. The Organization determines its estimates of contractual adjustments based on contractual agreements, its policies, and historical experience. The Organization determines its estimate of implicit price concessions based on its historical collection experience.

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:

Medicaid

The Organization participates in the Medicaid program that is administered by the Texas Health and Human Services Commission. Nursing facilities that participate in the Medicaid program in the state of Texas were reimbursed based upon prospective rates. Effective September 1, 2025, the Medicaid reimbursement system uses a patient driven payment model (PDPM). PDPM uses the underlying complexity and clinical needs of a patient as a basis for reimbursement. Nursing Facilities (NFs) must complete the resident assessments according to a specific time schedule designed for Medicare payment. NFs that do not comply with this requirement will be paid at a default payment for the days of a resident's care for which the NF is not in compliance. The Organization is required to file an annual Medicaid cost report which is subject to audit by the Texas Health and Human Services Commission. Adjustments to the report may prospectively affect payment rates.

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident Services Revenue (Continued)

Other

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

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 Organization'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 2025 and 2024.

Generally, residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Organization 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 services revenue in the period of the change. 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, 2025 and 2024. Subsequent changes that are determined to be the result of an adverse change in the resident's ability to pay are recorded as provisions for credit losses.

The Organization has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors:

- Payors (for example, Medicare, Medicaid, managed care or other insurance, resident) have different reimbursement/payment methodologies.
- Length of the resident's service/episode of care.
- Geography of the service location.
- Method of reimbursement (fee for service or capitation).
- Organization's line of business that provided the service (assisted living, independent living, etc.).

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident Services Revenue (Continued)

For the years ended December 31, 2025 and 2024, the Organization recognized revenue of \$6,675,565 and \$6,199,820, respectively, from goods and services that transfer to the customer over time and recognized revenue of \$839,562 and \$814,103, respectively, from goods and services that transfer to the customer at a point in time.

The opening and closing contract balances were as follows:

Resident Accounts Receivable as of January 1, 2024	\$ 306,957
Resident Accounts Receivable as of December 31, 2024	150,713
Resident Accounts Receivable as of December 31, 2025	217,235

Rental Revenue

Revenue from lease payments is recognized under the accrual method. Lease payments are included in income as rents become due. Lease payments received in advance are deferred until earned. At the commencement of an operating lease, no revenue is recognized; subsequently, lease payments received by the Organization are recognized as income on the straight-line basis. The Organization has elected to apply the practical expedient, which does not require contracts to be separated between lease and nonlease contracts. Leasing operations consist principally of operating leases of residential real estate expiring in various months through 2025 in which the Organization is the lessor. Certain leases provide for renewal options. Lease contracts do not include variable lease payments.

Donated Services / In-Kind Contributions

Volunteers contribute significant amounts of time to the Organization's program services, administration, and fundraising and development activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by accounting principles generally accepted in the United States of America. Contributed goods are recorded at fair value at the date of donation. The Organization records donated professional services at the respective fair values of the services received. No significant contributions of such goods or services were received during the years ended December 31, 2025 and 2024.

Advertising

The Organization expenses the costs of advertising as incurred. Advertising expenses for years ended December 31, 2025 and 2024 was approximately \$22,500 and \$30,000, respectively.

Performance Indicator

The consolidated statements of operations includes the excess (deficit) of revenue over expenses, known as the performance indicator. Changes in net assets without donor restriction, which would be excluded from the performance indicator, are contributions of long-lived assets including assets acquired using contributions which by donor restriction were to be used for purposes of acquiring such assets and net asset transfers between related parties.

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

The Organization has evaluated subsequent events through May 29, 2025, the date the consolidated financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY OF CASH

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

	2025	2024
Cash and Cash Equivalents	\$ 3,888,650	\$ 2,824,470
Accounts Receivable	217,235	150,713
Allowance for Credit Loss	(40,714)	(85,857)
Pledges Receivable	152,750	287,404
Other Receivables	70,095	119,708
Investments - Unrestricted	25,882,435	34,937,523
Total Assets Available for General Expenditure	<u>\$ 30,170,451</u>	<u>\$ 38,233,961</u>

The Organization, as part of its liquidity plan, puts its excess cash into its investments. Investments include money market funds, equity securities, bond securities, and mutual funds, which have been invested based upon projected cash needs. The beneficial interests and split-interest agreements are not included in financial assets since it is part of the agreements perpetual restrictions. Therefore, only the amount expected to be distributed in the next year is added to the financial assets. Mineral interests and other long-term assets are intended to be long-term investments, and any distributions are based upon net cash flow and cannot be easily predicted.

JFC's program revenue and donations from health care and rehab, assisted living, independent living, and affordable housing cover their ongoing expenditures as they relate to those particular programs to meet expected cash needs. The foster and youth programs are supported by donations. Any specific purpose expenditures are only spent if funds have been received. General expenditures include supporting services which are expected to be paid in the subsequent year.

JFF's executive committee meets quarterly to review and approve grant requests for JFC and JFP. Due to this timing, JFF strives to maintain financial assets available to meet general expenditures at a level that represents 100% of annual expenses for administrative, general, and fundraising expenses.

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following as of December 31:

	2025	2024
Resident Accounts Receivable	\$ 217,235	\$ 150,713
Less: Allowance for Credit Losses	(40,714)	(85,857)
Accounts Receivable, Net	<u>\$ 176,521</u>	<u>\$ 64,856</u>

Accounts receivable from residents and third-party payors consisted entirely of private pay, insurance, and other at December 31, 2025 and 2024.

NOTE 4 PLEDGES RECEIVABLE

Pledges receivable are due within one year and were \$152,750 and \$287,404 at December 31, 2025 and 2024, respectively. Pledges receivable are reported as current assets on the consolidated balance sheets.

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31:

	2025	2024
Land and Land Improvements	\$ 3,823,790	\$ 3,748,875
Building and Improvements	79,808,089	74,598,509
Furniture and Equipment	7,202,909	5,705,017
Construction in Progress	13,033,694	5,110,894
Total Property and Equipment	103,868,482	89,163,295
Less: Accumulated Depreciation	(43,371,435)	(40,275,924)
Property and Equipment, Net	<u>\$ 60,497,047</u>	<u>\$ 48,887,371</u>

Depreciation expense for the years ended December 31, 2025 and 2024 was \$3,763,665 and \$3,894,907, respectively.

Construction in progress as of December 31, 2025, includes Abram's Development and PNCC Carroll Renovations construction projects.

Abram's Development has an approved construction contract of approximately \$24,200,000, of which approximately \$10,200,000 of costs had been incurred as of December 31, 2025. The remaining contractual construction commitments as of December 31, 2025, totaled approximately \$14,000,000.

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 5 PROPERTY AND EQUIPMENT (CONTINUED)

PNCC Carroll Renovations had an original budgeted construction cost of \$2,500,000 with construction contracts totaling approximately \$2,000,000 as of December 31, 2024. The project was completed in August 2025, and total construction costs incurred were approximately \$2,500,000. As of December 31, 2025, there were no remaining construction commitments related to this project.

NOTE 6 INVESTMENTS

Investments are classified as trading securities and are stated at fair value. Investments are invested in the following as of December 31:

	2025	2024
Cash and Cash Equivalents	\$ 7,512,569	\$ 8,042,251
Equity Securities	4,019,009	13,079,924
Fixed Income	18,502,027	17,869,368
Pooled Investment Funds	671,563	582,452
Total Investments	<u>\$ 30,705,168</u>	<u>\$ 39,573,995</u>

Investment income consisted of the following at December 31:

	2025	2024
Interest and Dividends	\$ 1,131,136	\$ 1,144,817
Oil and Gas Royalties	2,687,597	4,018,125
Change in Value of Mineral Interests	(3,852,643)	4,238,733
Realized Gains	635,643	6,995,534
Unrealized Gains (Losses)	488,285	(3,009,910)
Total Investment Income	<u>1,090,018</u>	<u>13,387,299</u>
Less: Investment Fees	(295,037)	(379,376)
Net Investment Income	<u>\$ 794,981</u>	<u>\$ 13,007,923</u>

Investments had the following restrictions as of December 31:

	2025	2024
Unrestricted Investments	\$ 25,882,435	\$ 34,937,523
Investments with Purpose Donor Restrictions	3,064,342	2,881,081
Investments with Perpetual Donor Restrictions	1,758,391	1,755,391
Total	<u>\$ 30,705,168</u>	<u>\$ 39,573,995</u>

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 7 LONG-TERM DEBT

The following is a reconciliation of the long-term debt as of December 31:

	2025	2024
HUD Term Note (1)	\$ 8,328,730	\$ 8,443,639
HUD Term Note (2)	5,782,616	5,907,169
Total	14,111,346	14,350,808
Less: Current Portion	(247,674)	(239,461)
Less: Debt Issuance Cost, Net	(401,871)	(417,538)
Long-Term Debt, Net	<u>\$ 13,461,801</u>	<u>\$ 13,693,809</u>

- (1) On June 22, 2021, JFSAH, entered into a mortgage agreement with Mason Joseph Company, Inc. for \$8,645,000 with an interest rate of 3.2%. Beginning March 1, 2023, payments, including interest, of \$31,952 until the earlier of the unpaid balance is paid in full or February 1, 2063. The note is secured by real property. In accordance with the executed regulatory agreement and promissory note, JFSAH is required to make monthly insurance, mortgage insurance premium, and replacement reserve deposits. JFSAH incurred debt issuance costs, which are presented net of the associated debt. For the years ended December 31, 2025 and 2024, interest expense on the mortgage totaled \$298,061 and \$279,167, respectively, including \$7,331 and \$7,330 of noncash debt issuance cost amortization. The balance as of December 31, 2025 and 2024, is \$8,328,730 and \$8,443,639, respectively.
- (2) During the year ended December 31, 2018, FCA 1 entered into a \$6,650,000 term note with Lancaster Pollard Mortgage Company, LLC. The note is payable in 420 equal monthly installments of \$27,638, including interest, beginning March 1, 2018. The principal balance bears interest at a rate of 3.54% and the note is scheduled to mature February 1, 2053. In the event of prepayment of any of the outstanding principal balance, FCA 1 is required to pay a prepayment premium equal to a percentage (determined based on the time of the prepayment) of the outstanding note balance. In accordance with the executed regulatory agreement and promissory note, FCA 1 is required to make monthly insurance, mortgage insurance premium, and replacement reserve deposits. FCA 1 incurred debt issuance costs, which are presented net of the associated debt. For the years ended December 31, 2025 and 2024, interest expense on the mortgage totaled \$215,075 and \$219,588, respectively, including \$8,336 and \$8,511 of noncash debt issuance cost amortization. The balance as of December 31, 2025 and 2024, is \$5,782,616 and \$5,907,169, respectively.

The carrying basis and accumulated amortization of debt issuance costs was composed of the following at December 31:

	2025	2024
Debt Issuance Cost	\$ 493,110	\$ 493,110
Less: Accumulated Amortization	(91,239)	(75,572)
Debt Issuance Costs, Net	<u>\$ 401,871</u>	<u>\$ 417,538</u>

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 7 LONG-TERM DEBT (CONTINUED)

Principal repayments on the long-term debt in each of the next five years and thereafter are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2026	\$ 247,674
2027	256,169
2028	264,957
2029	274,047
2030	283,449
Thereafter	12,785,050
Total	<u>\$ 14,111,346</u>

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2025</u>	<u>2024</u>
Subject to Expenditure for Specific Purpose:		
Youth Resident Care	\$ 2,529,106	\$ 2,529,106
Special Purpose	447,465	264,204
Scholarships for Employees	<u>87,771</u>	<u>87,771</u>
Total Subject to Expenditure for Specific Purpose	3,064,342	2,881,081
Subject to Expenditure of Time:		
Beneficial Interest in Perpetual Trusts	3,182,437	2,902,300
Split-Interest Agreements	<u>903,358</u>	<u>847,488</u>
Total Subject to Expenditure of Time	4,085,795	3,749,788
Subject to Perpetual Restriction:		
Aged Resident Care	902,232	902,232
Scholarships for Employees	30,535	30,535
Care of Garden and Landscaping	41,150	38,150
No Specified Purpose	759,474	759,474
FCA Restricted Funds	<u>25,000</u>	<u>25,000</u>
Total Subject to Perpetual Restriction	<u>1,758,391</u>	<u>1,755,391</u>
Total Net Assets with Donor Restrictions	<u>\$ 8,908,528</u>	<u>\$ 8,386,260</u>

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets subject to perpetual restriction consist of endowment funds restricted by donors for investment in perpetuity. Earnings on endowment funds are available for purposes specified by the donors, or in certain cases, for unrestricted use by the Organization. The perpetually restricted net assets balances, classified by restriction on the use of earnings, are identified above at December 31, 2025 and 2024.

For the years ended December 31, 2025 and 2024, net assets of \$227,954 and \$455,906, respectively, were released from restrictions for the satisfaction of purpose restrictions.

As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds the board has designated for specific use, are classified and reported based on the existence or absence of donor-imposed restrictions.

The board of directors of JFF has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) 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, JFF classifies as perpetually restricted assets:

1. The original value of the gift, if known. If the original value cannot be determined, the value in the books and records as of January 1, 2008 is used; and
2. The original value of subsequent gifts to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in perpetually restricted net assets is classified as subject to expenditure for specific purposes until those amounts are appropriated for expenditure by JFF in a manner consistent with the standard of prudence prescribed by SPMIFA.

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

1. The duration and preservation of the fund;
2. The purposes of JFF and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of JFF; and
7. The investment policies of JFF.

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

JFF has adopted investment and spending policies for endowment assets, the objective of which is to preserve and enhance the purchasing power of assets held for the benefit of the Organization while providing a stream of income to provide necessary financial support for those entities as needed.

In order to achieve this objective, JFF selects one or more investment advisors and instructs those advisors as to the proper allocation of the assets under their individual management.

In general, assets are allocated among stocks, exchange traded funds, bonds, and cash or cash equivalents.

JFF has a policy of appropriating for distributions the net interest and dividends of its endowment funds. In establishing this policy, JFF considered the long-term expected return on its endowment. This is consistent with JFF'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.

Endowment net asset compositions by type of fund were as follows as of December 31:

	With Donor Restrictions	Without Donor Restrictions	Total
Balance - December 31, 2023	\$ 1,755,391	\$ 842,261	2,597,652
Investment Income, Net of Fees	29,840	14,525	44,365
Net Realized and Unrealized Gain	152,552	74,254	226,806
Appropriations	(182,392)	(88,779)	(271,171)
Balance - December 31, 2024	1,755,391	842,261	2,597,652
Contributions (Released)	3,000	-	3,000
Investment Income, Net of Fees	74,219	36,126	110,345
Net Realized and Unrealized Gain	70,245	34,191	104,436
Appropriations	(144,464)	(70,317)	(214,781)
Balance - December 31, 2025	<u>\$ 1,758,391</u>	<u>\$ 842,261</u>	<u>\$ 2,600,652</u>

Undesignated – Limited Partnership – Noncontrolling interest

Undesignated – Limited Partnership – Noncontrolling Interest represents the limited partner's share of equity in JFSAH. The limited partner for JFSAH is NEF Assignment Corporation (NEF).

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 9 FAIR VALUE MEASUREMENTS

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The following tables present the fair value hierarchy for the balances of the assets of the Organization measured at fair value on a recurring basis as of December 31:

	2025			
	Level 1	Level 2	Level 3	Total
Investments:				
Cash and Cash Equivalents	\$ 7,512,569	\$ -	\$ -	\$ 7,512,569
Equity Securities	4,019,009	-	-	4,019,009
Debt Securities	18,502,027	-	-	18,502,027
Pooled Investment Funds	-	-	671,563	671,563
Beneficial Interest in Perpetual Trusts	-	-	3,182,437	3,182,437
Split-Interest Agreements	-	-	903,358	903,358
Mineral Interests	-	-	7,641,175	7,641,175
Investment in Risk Retention Group	-	-	618,852	618,852
Total	<u>\$ 30,033,605</u>	<u>\$ -</u>	<u>\$ 13,017,385</u>	<u>\$ 43,050,990</u>

	2024			
	Level 1	Level 2	Level 3	Total
Investments:				
Cash and Cash Equivalents	\$ 8,042,251	\$ -	\$ -	\$ 8,042,251
Equity Securities	13,079,924	-	-	13,079,924
Debt Securities	17,869,368	-	-	17,869,368
Pooled Investment Funds	-	-	582,452	582,452
Beneficial Interest in Perpetual Trusts	-	-	2,902,300	2,902,300
Split-Interest Agreements	-	-	847,488	847,488
Mineral Interests	-	-	11,493,818	11,493,818
Investment in Risk Retention Group	-	-	618,852	618,852
Total	<u>\$ 38,991,543</u>	<u>\$ -</u>	<u>\$ 16,444,910</u>	<u>\$ 55,436,453</u>

The following table presents changes in assets measured at fair value using Level 3 inputs on a recurring basis for the year ended December 31:

	Pooled Investment Funds	Beneficial Interest in Perpetual Trusts	Split Interest Agreements	Mineral Rights	Investment in Risk Retention Group
Balance - December 31, 2023	\$ 523,624	\$ 2,828,882	\$ 839,280	\$ 7,254,051	\$ 618,852
Change in Value	36,698	73,418	8,208	4,239,767	-
Net Investment Earnings (Losses)	22,130	-	-	-	-
Balance - December 31, 2024	582,452	2,902,300	847,488	11,493,818	618,852
Change in Value	64,378	280,137	55,870	(3,852,643)	-
Net Investment Earnings	24,733	-	-	-	-
Balance - December 31, 2025	<u>\$ 671,563</u>	<u>\$ 3,182,437</u>	<u>\$ 903,358</u>	<u>\$ 7,641,175</u>	<u>\$ 618,852</u>

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 9 FAIR VALUE MEASUREMENTS (CONTINUED)

Trading securities are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions, and other factors such as credit loss assumptions. Securities valued using Level 1 inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets. Securities valued using Level 2 inputs include private collateralized mortgage obligations, municipal bonds, and corporate debt securities.

The Organization's beneficial interest in assets held by others and the split-interest agreements are valued using Level 3 inputs. The beneficial interest in assets held by others is valued based on the allocated portion of the fair value of trusts. The split-interest agreements are valued at discounted expected future cash flows. Gains and losses on the beneficial interest in assets held by others and the split-interest agreements are shown on the consolidated statements of changes in net assets in the respective net asset classifications. The significant unobservable input used in the fair value measurement of the beneficial interest in assets held by others is the timing of distributions. The significant unobservable input used in the fair value measurement of the split-interest agreement is the discount rate. Significant changes in this input could result in a significant change in the fair value measurement.

The Organization's investment in mineral rights is valued using Level 3 inputs. The mineral rights are valued based on 36 months of undiscounted income based on the most recent 12-month income history as adjusted to remove unusual fluctuations. Gains and losses on the mineral rights are shown on the consolidated statements of changes in net assets in the respective net asset classifications. The significant unobservable input used in the fair value measurement of mineral rights is the estimated undiscounted income. Significant changes in this input could result in a significant change in the fair value measurement.

The Organization's investment in the risk retention group is value using Level 3 inputs. The risk retention group is valued based on the equity method. Gains and losses on the investment in risk retention group are shown on the consolidated statements of changes in net assets in the respective net asset classifications. The significant unobservable input used in the fair value measurement of the risk retention group is the equity of the company. Significant changes in this input could result in a significant change in the fair value measurement.

Other securities valued using Level 3 inputs include funds held by the Christian Church Foundation in pooled equity investment funds which are recorded at fair value on a recurring basis. Fair value measurement is based on quoted prices, if available. Unrealized gain (loss) and other investment earnings are allocated among the members of the pool on a monthly basis based on percentage of ownership. The Organization values the pooled investment funds using Level 3 inputs as there is no active market for the Organization to sell their interest in the pooled investment funds.

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 10 PENSION PLAN

The Organization has a defined benefit pension plan (the Plan), which is administered through the Pension Fund of the Christian Church. The pension fund is a church plan as defined in IRS Code 414(e) and in Title 1 of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Plan has not elected to be subject to ERISA. By virtue of the Plan's inclusion in the group exemption ruling of the General Assembly of the Christian Church (Disciples of Christ), the pension fund is exempt from federal income taxes under IRS Code 501(c)(3).

The pension fund is ordinarily thought of as the insuring instrumentality of the Christian Church (Disciples of Christ), providing contractual pensions and other benefits upon a fully funded and actuarially sound basis. It also serves as the church's unit extending ministerial relief and assistance in times of need for those without contractual benefits or for whom such benefits are low because of low salaries or lack of church support during previous days Assistance for the Christian Church (Disciples of Christ). The pension fund administers the church wide retirement program on behalf of the Christian Church (Disciples of Christ).

Full-time employees may enroll in the pension plan after 12 months of employment. The Plan provides for retirement benefits, for eligible employees, based upon such accrued pension credits and includes provisions for early retirement, disability, and death benefits. Certain members of the Plan are fully vested immediately while others vest after two years of participation. The cost of this pension plan is 14% of the employee's annual salary. Employees choosing to participate contribute 3% of their annual salary through payroll deductions.

The Organization contributes 11% of the employee's salary for those employees who participate. For the years ended December 31, 2025 and 2024, the Organization's contributions to the Plan totaled \$320,420 and \$340,842, respectively. According to the Pension Fund of the Christian Church, the Plan is fully funded, which means fund assets exceed the benefit obligations, as of December 31, 2025.

NOTE 11 COMMITMENTS AND CONTINGENCIES

Health Care

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for resident services previously billed.

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 11 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Litigation

The Organization is subject to asserted and unasserted claims encountered in the normal course of business. The Organization's management and legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment.

In assessing loss contingencies related to legal proceedings that are pending against the Organization or unasserted claims that may result in such proceedings, the Organization's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein. In the opinion of management, disposition of these matters will not have a material effect on the Organization's financial condition or results of operations.

Government Regulations

The state of Texas reserves the right to perform field audit examinations of the Organization's records. Any adjustments resulting from such examinations could retroactively adjust Medicaid revenue.

The Medicare intermediary has the authority to audit the Organization's records any time within a three-year period after the date the Organization receives a final notice of program reimbursement for each cost reporting period. Any adjustments resulting from these audits could retroactively adjust Medicare revenue.

NOTE 12 PARTNERSHIP AGREEMENT REQUIREMENTS

JFC is the General Partner of JFSAH, a limited partnership. In accordance with the partnership agreement, the General Partner is obligated to provide funds for any operating deficits and maintain compliance with the partnership agreement.

The partnership operations are concentrated in the Dallas, Texas real estate market. In addition, the partnership is subject to rules and regulations of federal, state, and local governmental agencies. Changes may occur with little notice or inadequate funding to pay for the related costs to comply with a change.

The partnership housing tax credit is contingent on JFSAH's ability to maintain compliance with applicable sections of IRC Section 42. Failure to maintain compliance with occupant eligibility and/or unit gross rent, or to correct noncompliance within a specified time period, could result in recapture of previously taken tax credits plus interest.

In addition, such potential noncompliance may require an adjustment to the contributed capital of the Limited Partner.

JFSAH has granted JFC an option to purchase partnership property or purchase the limited partnership interest after the close of the 15-year compliance period for the low-income housing tax credit for the project. JFC has also been granted a right of first refusal to purchase partnership property.



INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
Juliette Fowler Communities, Inc. and Affiliates
Dallas, Texas

We have audited the consolidated financial statements of Juliette Fowler Communities, Inc. and Affiliates as of and for the years ended December 31, 2025 and 2024, and our report thereon dated May 29, 2025, which expressed an unmodified opinion on those consolidated financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating balance sheet, consolidating statement of operations, and consolidating statement of changes in net assets are presented for purposes of additional analysis of the consolidated financial statements rather than to present financial position and results of operations of the individual companies, and is not 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 consolidating 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, which insofar as it relates to Juliette Fowler Communities, Inc. and Affiliates is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Addison, Texas
May 29, 2025

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	Juliette Fowler Senior Affordable Housing, LP	Juliette Fowler Communities, Inc.	Eliminations	Total Juliette Fowler Communities, Inc.	Juliette Fowler Properties, Inc.	Juliette Fowler Foundation	Fowler Christian Apartments I, Inc.	Fowler Christian Apartments II, Inc.	Fowler Christian Apartments III, Inc.	Eliminations	Total Juliette Fowler Communities, Inc. and Affiliates
ASSETS											
CURRENT ASSETS											
Cash and Cash Equivalents	\$ 212,303	\$ 1,739,848	\$ -	\$ 1,952,151	\$ 111,583	\$ 1,794,333	\$ 14,499	\$ 11,216	\$ 4,868	\$ -	\$ 3,888,650
Resident Accounts Receivable	2,336	4,565	-	6,901	-	-	159,777	-	50,557	-	217,235
Allowance for Expected Credit Loss	-	-	-	-	-	-	(40,714)	-	-	-	(40,714)
Related Party Receivables (Payables)	-	2,657,164	(2,764,166)	(107,002)	-	823,171	-	-	-	(716,169)	-
Pledges Receivable	-	-	-	-	-	152,750	-	-	-	-	152,750
Other Receivables	-	62,163	-	62,163	-	-	7,932	-	-	-	70,095
Prepaid Expenses	22,232	151,281	-	173,513	-	-	17,674	2,457	4,416	-	198,060
Total Current Assets	236,871	4,615,021	(2,764,166)	2,087,726	111,583	2,770,254	159,168	13,673	59,841	(716,169)	4,486,076
INVESTMENTS	-	-	-	-	-	30,640,171	64,997	-	-	-	30,705,168
RESTRICTED DEPOSITS	290,101	-	-	290,101	-	-	1,749,261	31,061	79,446	-	2,149,869
PROPERTY AND EQUIPMENT, NET	20,220,657	28,443,164	(1,665,439)	46,998,382	7,453,229	-	2,176,410	834,312	3,034,714	-	60,497,047
OTHER ASSETS											
Beneficial Interest in Perpetual Trusts	-	-	-	-	-	3,182,437	-	-	-	-	3,182,437
Split-Interest Agreements	-	-	-	-	-	903,358	-	-	-	-	903,358
Mineral Interests	-	-	-	-	-	7,641,175	-	-	-	-	7,641,175
Operating Right-of-Use Asset	2,053,535	7,119,866	(2,053,535)	7,119,866	-	-	-	-	-	(7,119,866)	-
Other Assets	27,600	783,974	(757,795)	53,779	-	-	-	-	-	-	53,779
Investment in Risk Retention Group	-	618,852	-	618,852	-	-	-	-	-	-	618,852
Total Other Assets	2,081,135	8,522,692	(2,811,330)	7,792,497	-	11,726,970	-	-	-	(7,119,866)	12,399,601
Total Assets	<u>\$ 22,828,764</u>	<u>\$ 41,580,877</u>	<u>\$ (7,240,935)</u>	<u>\$ 57,168,706</u>	<u>\$ 7,564,812</u>	<u>\$ 45,137,395</u>	<u>\$ 4,149,836</u>	<u>\$ 879,046</u>	<u>\$ 3,174,001</u>	<u>\$ (7,836,035)</u>	<u>\$ 110,237,761</u>

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
CONSOLIDATING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	Juliette Fowler Senior Affordable Housing, LP	Juliette Fowler Communities, Inc.	Eliminations	Total Juliette Fowler Communities, Inc.	Juliette Fowler Properties, Inc.	Juliette Fowler Foundation	Fowler Christian Apartments I, Inc.	Fowler Christian Apartments II, Inc.	Fowler Christian Apartments III, Inc.	Eliminations	Total Juliette Fowler Communities, Inc. and Affiliates
LIABILITIES AND NET ASSETS											
CURRENT LIABILITIES											
Current Maturities of Long-Term Debt	\$ 118,640	\$ -	\$ -	\$ 118,640	\$ -	\$ -	\$ 129,034	\$ -	\$ -	\$ -	\$ 247,674
Accounts Payable	310,063	2,655,474	(278,406)	2,687,131	-	53,370	456,186	98,683	110,435	(716,169)	2,689,636
Short-Term Lease Liability	-	301,013	-	301,013	-	-	-	-	-	(301,013)	-
Accrued Expenses	40,774	348,138	-	388,912	-	-	71,247	-	-	-	460,159
Total Current Liabilities	469,477	3,304,625	(278,406)	3,495,696	-	53,370	656,467	98,683	110,435	(1,017,182)	3,397,469
LONG-TERM LIABILITIES											
Long-Term Debt, Net of Current Maturities	10,423,428	-	(2,485,760)	7,937,668	-	-	5,524,133	-	-	-	13,461,801
Tenant Deposits	153,227	8,650	-	161,877	-	-	40,438	5,166	12,519	-	220,000
Long-Term Lease Liability	-	6,818,853	-	6,818,853	-	-	-	-	-	(6,818,853)	-
Accrued Developer Fee	757,795	-	(757,795)	-	-	-	-	-	-	-	-
Total Long-Term Liabilities	11,334,450	6,827,503	(3,243,555)	14,918,398	-	-	5,564,571	5,166	12,519	(6,818,853)	13,681,801
Total Liabilities	11,803,927	10,132,128	(3,521,961)	18,414,094	-	53,370	6,221,038	103,849	122,954	(7,836,035)	17,079,270
NET ASSETS											
Without Donor Restrictions:											
Undesignated	2,011,961	31,448,749	(3,718,974)	29,741,736	7,564,812	35,358,236	(2,096,202)	775,197	3,051,047	-	74,394,826
Undesignated:											
Limited Partnership - Noncontrolling interest	9,012,876	-	-	9,012,876	-	-	-	-	-	-	9,012,876
Board-Designated	-	-	-	-	-	842,261	-	-	-	-	842,261
Total Without Donor Restrictions	11,024,837	31,448,749	(3,718,974)	38,754,612	7,564,812	36,200,497	(2,096,202)	775,197	3,051,047	-	84,249,963
With Donor Restrictions:											
Purpose Restrictions	-	-	-	-	-	3,064,342	-	-	-	-	3,064,342
Time Restrictions	-	-	-	-	-	4,085,795	-	-	-	-	4,085,795
Perpetual Funds	-	-	-	-	-	1,733,391	25,000	-	-	-	1,758,391
Total With Donor Restrictions	-	-	-	-	-	8,883,528	25,000	-	-	-	8,908,528
Total Net Assets	11,024,837	31,448,749	(3,718,974)	38,754,612	7,564,812	45,084,025	(2,071,202)	775,197	3,051,047	-	93,158,491
Total Liabilities and Net Assets	\$ 22,828,764	\$ 41,580,877	\$ (7,240,935)	\$ 57,168,706	\$ 7,564,812	\$ 45,137,395	\$ 4,149,836	\$ 879,046	\$ 3,174,001	\$ (7,836,035)	\$ 110,237,761

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
CONSOLIDATING STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	Juliette Fowler Senior Affordable Housing, LP	Juliette Fowler Communities, Inc.	Eliminations	Total Juliette Fowler Communities, Inc.	Juliette Fowler Properties, Inc.	Juliette Fowler Foundation	Fowler Christian Apartments I, Inc.	Fowler Christian Apartments II, Inc.	Fowler Christian Apartments III, Inc.	Eliminations	Total Juliette Fowler Communities, Inc. and Affiliates
REVENUES											
Resident Services Revenues	\$ -	\$ 6,675,565	\$ -	\$ 6,675,565	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,675,565
Rental Revenue	1,717,274	-	-	1,717,274	595,328	-	2,965,059	242,063	345,117	(595,328)	5,269,513
Individual and Foundation Donations	-	-	-	-	-	1,329,944	-	-	-	-	1,329,944
Other Income	80,662	666,352	(82,077)	664,937	-	-	72,037	6,484	14,027	(386,540)	370,945
Net Assets Released from Restrictions	-	-	-	-	-	227,954	-	-	-	-	227,954
Total Revenues	1,797,936	7,341,917	(82,077)	9,057,776	595,328	1,557,898	3,037,096	248,547	359,144	(981,868)	13,873,921
EXPENSES											
Assisted Living	-	6,420,065	-	6,420,065	-	-	1,165,527	-	-	(251,241)	7,334,351
Independent Living	-	1,525,511	(82,077)	1,443,434	-	-	-	-	-	(237,496)	1,205,938
Children and Youth Services	-	298,430	-	298,430	-	-	-	-	-	(8,830)	289,600
Affordable Housing	1,250,677	-	(21,616)	1,229,061	-	-	1,879,253	284,573	394,190	(186,540)	3,600,537
General and Administrative	-	546,629	-	546,629	108,243	114,398	-	-	-	(297,761)	471,509
Fundraising	-	560,190	-	560,190	-	-	-	-	-	-	560,190
Interest Expense	397,491	-	(99,430)	298,061	-	-	215,075	-	-	-	513,136
Provisions for Credit Losses	-	44,558	-	44,558	-	-	104,405	-	54	-	149,017
Depreciation Expense	1,095,612	1,526,743	(67,518)	2,554,837	609,458	-	388,972	65,099	145,299	-	3,763,665
Expenditures of Specific Donations	-	47,276	-	47,276	-	-	-	-	-	-	47,276
Total Expenses	2,743,780	10,969,402	(270,641)	13,442,541	717,701	114,398	3,753,232	349,672	539,543	(981,868)	17,935,219
OPERATING INCOME (LOSS)	(945,844)	(3,627,485)	188,564	(4,384,765)	(122,373)	1,443,500	(716,136)	(101,125)	(180,399)	-	(4,061,298)
NONOPERATING INCOME (EXPENSE)											
Net Investment Income	-	99,430	(99,430)	-	-	794,981	-	-	-	-	794,981
Other Expense	-	268,459	-	268,459	(268,645)	-	-	-	-	-	(186)
Total Nonoperating Income (Expense)	-	367,889	(99,430)	268,459	(268,645)	794,981	-	-	-	-	794,795
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	(945,844)	(3,259,596)	89,134	(4,116,306)	(391,018)	2,238,481	(716,136)	(101,125)	(180,399)	-	(3,266,503)
TRANSFER (TO) FROM AFFILIATE	-	15,142,216	-	15,142,216	(480,000)	(15,481,032)	725,847	-	92,969	-	-
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>\$ (945,844)</u>	<u>\$ 11,882,620</u>	<u>\$ 89,134</u>	<u>\$ 11,025,910</u>	<u>\$ (871,018)</u>	<u>\$ (13,242,551)</u>	<u>\$ 9,711</u>	<u>\$ (101,125)</u>	<u>\$ (87,430)</u>	<u>\$ -</u>	<u>\$ (3,266,503)</u>

JULIETTE FOWLER COMMUNITIES, INC. AND AFFILIATES
CONSOLIDATING STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	Juliette Fowler Senior Affordable Housing, LP	Juliette Fowler Communities, Inc.	Eliminations	Total Juliette Fowler Communities, Inc.	Juliette Fowler Properties, Inc.	Juliette Fowler Foundation	Fowler Christian Apartments I, Inc.	Fowler Christian Apartments II, Inc.	Fowler Christian Apartments III, Inc.	Eliminations	Total Juliette Fowler Communities, Inc. and Affiliates
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	\$ (945,844)	\$ 11,882,620	\$ 89,134	\$ 11,025,910	\$ (871,018)	\$ (13,242,551)	\$ 9,711	\$ (101,125)	\$ (87,430)	\$ -	\$ (3,266,503)
NET ASSETS WITH DONOR RESTRICTIONS - PURPOSE											
Individual and Foundation Donations	-	-	-	-	-	414,214	-	-	-	-	414,214
Net Assets Released from Restrictions	-	-	-	-	-	(227,954)	-	-	-	-	(227,954)
Change in Net Assets With Donor Restrictions - Purpose	-	-	-	-	-	186,260	-	-	-	-	186,260
NET ASSETS WITH DONOR RESTRICTIONS - TIME											
Change in Beneficial Interest in Perpetual Trusts and Split Interest Agreements	-	-	-	-	-	336,007	-	-	-	-	336,007
CHANGE IN NET ASSETS	<u>\$ (945,844)</u>	<u>\$ 11,882,620</u>	<u>\$ 89,134</u>	<u>\$ 11,025,910</u>	<u>\$ (871,018)</u>	<u>\$ (12,720,284)</u>	<u>\$ 9,711</u>	<u>\$ (101,125)</u>	<u>\$ (87,430)</u>	<u>\$ -</u>	<u>\$ (2,744,236)</u>
NET ASSETS - BEGINNING OF YEAR	\$ 10,616,965	\$ 19,566,129	\$ (3,808,108)	\$ 26,374,986	\$ 8,435,830	\$ 57,804,309	\$ (2,080,913)	\$ 876,322	\$ 3,138,477	\$ -	\$ 94,549,011
Change in Net Assets - Controlling Interest	(95)	11,882,620	89,134	11,971,659	(871,018)	(12,720,284)	9,711	(101,125)	(87,430)	-	(1,798,487)
Change in Net Assets - Noncontrolling Interest	(945,749)	-	-	(945,749)	-	-	-	-	-	-	(945,749)
Contributions - Noncontrolling Interest	1,353,716	-	-	1,353,716	-	-	-	-	-	-	1,353,716
NET ASSETS - END OF YEAR	<u>\$ 11,024,837</u>	<u>\$ 31,448,749</u>	<u>\$ (3,718,974)</u>	<u>\$ 38,754,612</u>	<u>\$ 7,564,812</u>	<u>\$ 45,084,025</u>	<u>\$ (2,071,202)</u>	<u>\$ 775,197</u>	<u>\$ 3,051,047</u>	<u>\$ -</u>	<u>\$ 93,158,491</u>



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.