

Ohio Health Care Association and Affiliates

Combined Financial Statements

December 31, 2024

with Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Ohio Health Care Association and Affiliates

Opinion

We have audited the accompanying combined financial statements of Ohio Health Care Association and Affiliates (a not-for-profit corporation), which comprise the combined statement of financial position as of December 31, 2024, and the related combined statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Ohio Health Care Association and Affiliates as of December 31, 2024, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of Ohio Health Care Association and Affiliates and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 the combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ohio Health Care Association and Affiliates ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Combined 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 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statement, 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 combined 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 Ohio Health Care Association 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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ohio Health Care Association 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining schedule of financial position and combining schedule of activities are presented for purposes of additional analysis and are not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
October 6, 2025

Ohio Health Care Association and Affiliates
Combined Statement of Financial Position
December 31, 2024

Assets

Current assets:

Cash and cash equivalents	\$ 2,239,894
Accounts receivable, trade, net of allowance for credit losses of \$77,079	399,939
Investments	11,662,710
Prepaid expenses	<u>116,718</u>
	<u>14,419,261</u>

Property and equipment:

Leasehold improvements	11,295
Furniture and fixtures	<u>93,090</u>

104,385

Less accumulated depreciation	<u>90,008</u>
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14,377

Right of use, operating leases

290,075

Deposits

5,390

295,465

\$ 14,729,103

Liabilities and Net Assets

Current liabilities:

Accrued expenses	\$ 50,151
Deferred revenue	320,138
Operating lease liability, current portion	<u>68,473</u>
	<u>438,762</u>

Operating lease liability, less current portion

228,205

Net assets:

Net assets without donor restrictions	8,934,157
Net assets with donor restrictions	<u>5,127,979</u>

14,062,136

\$ 14,729,103

See accompanying notes to the combined financial statements.

Ohio Health Care Association and Affiliates
Combined Statement of Activities
Year Ended December 31, 2024

Changes in net assets without donor restrictions:

Revenues and support:	
Membership dues	\$ 3,295,194
Membership services	880,316
Sponsorship and donations	524,519
Seminar registration	842,273
Royalties	197,669
Advocacy dues	977,739
Political Action Committee	15,400
Miscellaneous	<u>68,799</u>
	<u>6,801,909</u>
 Net assets released from restriction	 <u>203,719</u>
 Program expenses	 5,986,188
Management and general expenses	991,167
Fundraising expenses	<u>124,412</u>
	<u>7,101,767</u>
 Loss from operations	 <u>(96,139)</u>
 Other income:	
Investment return, net of fees of \$51,580	<u>836,655</u>
 Change in net assets without donor restrictions	 <u>740,516</u>

See accompanying notes to the combined financial statements.

Ohio Health Care Association and Affiliates
Combined Statement of Activities (Continued)
Year Ended December 31, 2024

Changes in net assets with donor restrictions:

Investment return, net of fees of \$36,644	549,856
Contributions	300,000
Net assets released from restriction	<u>(203,719)</u>
Change in net assets with donor restrictions	<u>646,137</u>
Change in net assets	1,386,653
Net assets, beginning of the year	<u>12,675,483</u>
Net assets, end of the year	\$ <u><u>14,062,136</u></u>

See accompanying notes to the combined financial statements.

Ohio Health Care Association and Affiliates
Combined Statement of Functional Expenses
Year Ended December 31, 2024

	Program	Management and General	Fundraising	Total
Salary, wages, payroll taxes, and benefits	\$ 1,737,553	456,930	32,184	2,226,667
Travel and entertainment	174,966	643	1,012	176,621
Professional services	33,403	245,057	61	278,521
Equipment	95,773	1,606	153	97,532
Postage	23,591	3,900	-	27,491
Printing	33,471	726	866	35,063
Supplies	3,433	227	22	3,682
Copiers	34,242	9,339	1,219	44,800
Information technology	132,408	11,099	1,057	144,564
Food and beverage	333,120	1,893	-	335,013
Meeting rooms	285,398	795	-	286,193
Speakers	137,432	-	-	137,432
Banking	86,505	11,370	480	98,355
Credit losses	68,916	-	-	68,916
Dues and subscriptions	1,403,106	7,982	1,705	1,412,793
Gifts and awards	629,231	4,313	-	633,544
Resource materials	28,094	-	-	28,094
Continuing education	6,164	-	-	6,164
Licenses	2,844	-	-	2,844
Other	173,175	30,621	1,836	205,632
Scholarships	267,972	-	-	267,972
Events	-	-	83,110	83,110
Advertising	-	120,000	-	120,000
Maintenance	27,164	2,678	707	30,549
Insurance	268,227	81,988	-	350,215
	<u>\$ 5,986,188</u>	<u>991,167</u>	<u>124,412</u>	<u>7,101,767</u>

See accompanying notes to the combined financial statements.

Ohio Health Care Association and Affiliates
Combined Statement of Cash Flows
Year Ended December 31, 2024

Cash flows from operating activities:	
Change in net assets	\$ 1,386,653
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation	5,394
Unrealized gain on investments	(1,154,989)
Credit loss expense	68,196
Non-cash lease expense	1,357
Contributions restricted for long-term purposes	(300,000)
Effects of changes in operating assets and liabilities:	
Accounts receivable	(68,128)
Prepaid expenses	60,058
Accounts payable	(12,024)
Accrued expenses	2,387
Deferred revenue	<u>1,967</u>
Net cash flows from operating activities	<u>(9,129)</u>
Cash flows from investing activities:	
Proceeds from sale of investments	2,647,683
Purchase of investments	<u>(2,964,848)</u>
Net cash flows from investing activities	<u>(317,165)</u>
Cash flows from financing activities:	
Contributions for permanent endowment	<u>300,000</u>
Change in cash and cash equivalents	(26,294)
Cash and cash equivalents, beginning of year	<u>2,266,188</u>
Cash and cash equivalents, end of year	\$ <u><u>2,239,894</u></u>

See accompanying notes to the combined financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The following accounting principles and practices of Ohio Health Care Association and Affiliates (collectively the "Association") are set forth to facilitate the understanding of data presented in the combined financial statements:

Nature of operations

The Ohio Health Care Association is a professional trade association that works to promote the long-term care industry in Ohio through advocacy efforts, information, education, and other value-added services.

The Ohio Health Care Association Education Foundation (the Foundation) is a charitable organization that works to advance the profession of long-term care through scholarships designed to improve the professional skills of our workforce.

55 Green Meadows is an organization established to promote the social improvements of the nursing home industry in Ohio.

Principles of combination

The combined financial statements include the financial transactions of the Ohio Health Care Association, the Ohio Health Care Association Educational Foundation, and 55 Green Meadows. All material inter-association transactions have been eliminated in combination.

Basis of presentation

The combined financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Association is required to report information regarding its financial position and activities according to the following net asset clarifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the association.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor stipulates the funds be maintained in perpetuity.

Adoption of new accounting standard

The Association adopted FASB ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, on January 1, 2023. Topic 326 modifies the measurement of expected credit losses on certain financial instruments. The Association adopted this new guidance utilizing the modified retrospective transition method as of January 1, 2024. The adoption of this standard did not have a material impact on the Association's combined financial statements but did change how the allowance for credit losses is determined.

Cash and cash equivalents

For purposes of the statement of cash flows, the Association considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Accounts receivable and allowance for credit losses

Accounts receivable are uncollateralized customer obligations due under normal trade terms. The Association does not assess interest on past-due accounts. An allowance for credit losses is an estimate based upon historical account write-off trends, facts about the current financial condition of the debtor, forecasts of future operating results based upon current trends and macroeconomic factors. Credit quality is monitored through the timing of payments compared to payment terms and known facts regarding the financial condition of debtors. Accounts receivable balances are charged off against the allowance for credit losses after recovery efforts have ceased.

The Association had the following activity for its allowance for credit losses for accounts receivable for the year ended December 31, 2024:

Beginning balance	\$	69,310
Provision for expected credit losses		68,916
Write-offs		<u>(122,734)</u>
	\$	<u>15,492</u>

Investments

Investments in money market, equity securities, and fixed income bonds with readily determinable fair values are reported at their fair value based on quoted market prices in the combined statement of financial position. Investment return, net of expenses, is included in the combined statement of activities as changes in net assets with and without donor restrictions.

Property and equipment

Property and equipment are recorded at cost or, if donated, at the approximate fair value at the date of donation. Property and equipment are depreciated using the straight-line method over their estimated useful lives, which range from five to seven and half years. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the combined statement of activities.

Revenue recognition

Significant revenue sources of the Association are membership dues, advocacy dues, the sale of materials (membership services) and seminar registrations. Membership services and seminar registrations revenues are based on the satisfaction of performance obligations at a point in time, which is the completion of the event. Membership and advocacy dues are based on the satisfaction of performance obligations over time which is one year. Membership dues and registrations received in advance are deferred to the applicable period in which the related performance obligation is performed.

Contract assets and liabilities consist of \$459,317 in members' dues receivable and accounts receivable, and \$318,169 in deferred revenue as of December 31, 2023. Prior year contract liabilities recognized in the year ending December 31, 2024 were \$318,169.

Contributions

Contributions are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or the purpose for the restriction is accomplished) in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statement of activities as net assets released from restriction. As of December 31, 2024, net assets with donor restrictions are restricted for scholarship expenses of the Foundation.

Advertising cost

The Association expenses advertising cost as incurred

Leases

The Company considers an arrangement a lease if, at inception, the arrangement transfers the right to control the use of an identified asset for a period of time in exchange for consideration. Under leasing standards, control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in right of use, operating leases, operating lease liability, current portion, and operating lease liability, less current portion in the Associations combined statement of financial position.

The lease term reflects the noncancellable period of the lease together with periods covered by an option to extend or terminate the lease when management is reasonably certain that it will exercise such option. The Association uses the risk-free rate for a period of time similar to the lease term, determined at the lease commencement date, in determining the present value of lease payments. The risk-free rate is used as the information necessary to determine the rate implicit in the lease and the Association's incremental borrowing rate is not readily available. The Association has lease agreements with lease and non-lease components, which are generally accounted for as a single lease. Lease expense for operating leases is recognized on a straight-line basis over the lease term. Short-term leases are less than one year without purchase or renewal options that are reasonably certain to be exercised and are recognized on a straight-line basis over the lease term. The right-of-use asset is evaluated for impairment in accordance with ASC 360.

Measure of operations

The Association includes in its measure of operations all revenue and expenses that are integral to its programs and supporting activities. The measure of operations includes support for operating activities from the endowment according to the Association's spending policy described in Note 7. The measure of operations excludes net investment return.

Functional allocation of expenses

The costs of providing the various programs and activities have been summarized on the functional basis in the combined statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and related expenses are charged to program services based on an estimate of time spent by personnel on the related programs. All other expenses are allocated to programs based on personnel salary costs.

Income taxes

The Internal Revenue Service has ruled that the Association, the Foundation, and 55 Green Meadows are tax-exempt organizations as defined under Section 501(c)(6), 501(c)(3), and 501(c)(4) of the Internal Revenue Code, respectively, with the exception of unrelated business income, which is comprised of advertisement income. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Use of estimates

The preparation of the 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, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Risks and uncertainties

Investment securities are exposed to various risk, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in risks and values of investment securities will occur in the near term and, that such changes could materially affect the amounts report in the combined statement of financial position.

Subsequent events

The Association evaluates events and transactions occurring subsequent to the date of the combined financial statements for matters requiring recognition or disclosure in the combined financial statements. The accompanying combined financial statements consider events through October 6, 2025, the date on which the combined financial statements were available to be issued.

2. FAIR VALUE MEASUREMENTS:

U.S. GAAP defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1: Unadjusted quoted market prices for identical assets and liabilities in an active market that the Association has the ability to access.

Level 2: Inputs other than the quoted prices in active markets that are observable either directly or indirectly.

Level 3: Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

The following is a description of the valuation methodologies used for assets measured at fair value at December 31, 2024:

Money markets: The fair value is based on the net asset value (NAV) of shares held by the Association at year-end, which is based on observable market quotations for identical assets and is priced on a daily basis.

Equities: The fair value is based on the NAV of shares held by the Association at year end, which is based on observable market quotations for identical assets and are priced on a daily basis.

Fixed income: Valued using pricing models maximizing the use of observable inputs for similar securities.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table presents the Association's fair value hierarchy for those assets measured at fair value on a reoccurring basis at December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money markets	\$ <u>12,537</u>	<u>-</u>	<u>-</u>	<u>12,537</u>
Equities:				
Equities blend	4,186,109	-	-	4,186,109
Mutual funds	4,883,923	-	-	4,883,923
Preferred stock	<u>461,046</u>	<u>-</u>	<u>-</u>	<u>461,046</u>
	<u>9,531,078</u>	<u>-</u>	<u>-</u>	<u>9,531,078</u>
Fixed income:				
Government bonds / notes	-	784,372	-	784,372
Corporate bonds	<u>-</u>	<u>1,334,723</u>	<u>-</u>	<u>1,334,723</u>
	<u>-</u>	<u>2,119,095</u>	<u>-</u>	<u>2,119,095</u>
	\$ <u>9,543,615</u>	<u>2,119,095</u>	<u>-</u>	<u>11,662,710</u>

3. DEFERRED REVENUE:

Deferred revenue at December 31, 2024 consists of the following:

Sponsorship and donations	\$ 45,000
Membership dues	62,715
Convention exhibitors	2,500
Royalties	35,000
Membership services	117,640
Miscellaneous	<u>57,283</u>
	<u>\$ 320,138</u>

Advanced payment of membership dues, convention registration, ad sales, and other program fees are reflected as deferred revenue until the event occurs.

4. LEASES:

The Association rents office equipment under two noncancelable leases expiring through August 2028. The Organization also leases office space under a noncancelable operating lease expiring in December 2029. Variable lease costs, such as the Association's proportionate share of actual costs of utilities, common area maintenance, property taxes, and insurance that are not included in the lease liability are recognized in the period in which they are incurred.

As of December 31, 2024, the Association has not entered into any additional leases expected to commence in 2025. For the year ended December 31, 2024, the Association had operating lease expense of \$75,876. The weighted-average remaining lease term for operating leases is 4.38 years and the weighted-average discount rate for operating leases is 2.76%.

The following is an analysis of maturities of lease liabilities as of December 31:

2025	\$ 75,707
2026	76,930
2027	64,074
2028	52,604
2029	<u>45,877</u>
	315,192
Less imputed interest	<u>(18,514)</u>
Total lease liabilities	296,678
Less current portion	<u>68,473</u>
	<u>\$ 228,205</u>

Non-cash lease expense on the statement of cash flows includes the change in carrying value of the lease right-of use assets of \$66,878, offset by a change in the lease liability of \$65,521 for the year ended December 31, 2024. Cash paid for operating lease activity was \$74,519 for the year ended December 31, 2024.

5. PROFIT SHARING PLAN:

The Association has a 401(k) profit sharing plan that covers substantially all full-time employees. Annual matching contributions are equal to 3.00% of participant's gross wages plus a discretionary 2.50% profit sharing contribution. The total profit sharing expense was \$109,613 in 2024.

6. RELATED PARTY:

The Association is related to the Ohio Health Care Association PAC (PAC), which is maintained to assist with any legislative issues regarding long-term health care in the state of Ohio. During 2024, the Association paid expenses totaling \$65,243 which related to the PAC. The transactions of the PAC are not reflected in the combined financial statements.

7. ENDOWMENT FUNDS:

The Association follows the State Prudent Management of Institutional Funds Act (SPMIFA) and its own governing documents. SPMIFA requires the historical dollar amount of a donor-restricted endowment fund to be preserved. In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable under SPMIFA. The Association's donors have placed restrictions on the use of the investment income or net appreciation resulting from the donor-restricted endowment funds. Such funds are restricted for scholarships.

The Board of Directors, on the advice of legal counsel, has determined that the majority of the Association's contributions are subject to the terms of its governing documents. Under the terms of the Association's governing documents, the Board of Directors has the ability to distribute so much of the original principal of any trust or separate gift, devise, bequest, or fund as the Board in its sole discretion shall determine. As a result of the ability to distribute the original principal, all contributions not classified as donor restricted are classified as net assets without donor restrictions for financial statement purposes.

Endowment Investment and Spending Policies. The Association has adopted investment and spending policies, approved by the Board of Directors, 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 these endowment assets over the long-term. The Association's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term return objective is to return enough to cover all named scholarships, net of investment fees. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the Association 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 Association targets a diversified asset allocation that places an emphasis on money market, corporate bonds, and mutual funds investments to achieve its long-term return objectives within prudent risk parameters.

The current spending policy is to distribute an amount equal to named scholarships. The Association plans to adjust investment and spending policies when the cumulative endowment fund earnings fall below the cumulative named scholarship requirements. This is consistent with the Foundation's objective to maintain the purchasing power of endowment assets as well as to provide additional real growth through investment return.

Endowment net asset composition by type of fund as of December 31, 2024 is as follows:

	<u>With donor restrictions</u>		
	<u>Temporary</u>	<u>Held in perpetuity</u>	<u>Total</u>
Donor-restricted endowment funds	\$ <u>1,161,062</u>	<u>3,966,917</u>	<u>5,127,979</u>

Changes in endowment net assets as of December 31, 2024 are as follows:

	<u>With donor restrictions</u>		
	<u>Temporary</u>	<u>Held in perpetuity</u>	<u>Total</u>
Endowments net assets, beginning of year	\$ 814,925	3,666,917	4,481,842
Contributions	-	300,000	300,000
Investment return, net	549,856	-	549,856
Amounts appropriated for expenditures	<u>(203,719)</u>	<u>-</u>	<u>(203,719)</u>
Endowments net assets, end of year	\$ <u>1,161,062</u>	<u>3,966,917</u>	<u>5,127,979</u>

8. CONCENTRATION OF CREDIT RISK:

The Association maintains its cash deposits with financial institutions located in Central Ohio. At times, these accounts may exceed federally insured limits. During the year ended December 31, 2024, the Association did not experience any losses resulting from these excess balances.

9. COMMITMENTS:

The Association has entered into contracts of various lengths for conventions through 2024 with several hotels and a convention center. The contracts guarantee a minimum number of guest rooms' and use of space in conjunction with the annual conference. The contracts are cancelable, subject to cancellation fees based on the timing of the cancellation. The following cancellation fees plus penalties may be assessed if contracts are cancelled:

<u>Conference</u>	<u>Minimum</u>	<u>Maximum</u>
2025	\$ 410,481	457,392
2026	<u>127,796</u>	<u>179,034</u>
	\$ <u>538,277</u>	<u>636,426</u>

10. LIQUIDITY DISCLOSURES :

The combined entities are substantially supported by dues and earned revenue. The Association also receives contributions with donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Association must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditures within one year. As part of the Association'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.

The following table presents the financial assets available to meet cash needs for general expenditures within one year at December 31, 2024:

Financial assets:

Cash and cash equivalents	\$ 2,239,894
Accounts receivable	399,939
Investments	<u>11,662,710</u>

Financial assets available at year-end	14,302,543
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Less those unavailable for general expenditures within one year due to:

Donor restrictions	<u>5,127,979</u>
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Financial assets available to meet cash needs for general expenditures within one year	\$ <u>9,174,564</u>
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Ohio Health Care Association and Affiliates
Combining Statement of Financial Position
Year Ended December 31, 2024

	Ohio Health Care Association	OHCA Educational Foundation	55 Green Meadows	Eliminations	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 1,503,449	691,027	45,418	-	2,239,894
Investments	6,889,169	4,773,541	-	-	11,662,710
Accounts receivable, net of allowance of \$15,492	330,494	69,445	-	-	399,939
Intercompany receivables	775,955	-	-	(775,955)	-
Prepaid expenses	<u>33,709</u>	<u>83,009</u>	<u>-</u>	<u>-</u>	<u>116,718</u>
	<u>9,532,776</u>	<u>5,617,022</u>	<u>45,418</u>	<u>(775,955)</u>	<u>14,419,261</u>
Property and equipment:					
Leasehold improvements	11,295	-	-	-	11,295
Furniture and fixtures	<u>93,090</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,090</u>
	104,385	-	-	-	104,385
Less accumulated depreciation	<u>90,008</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,008</u>
	<u>14,377</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,377</u>
Right of use, operating leases	290,075	-	-	-	290,075
Deposits	<u>5,390</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,390</u>
	<u>295,465</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>295,465</u>
	<u>\$ 9,842,618</u>	<u>5,617,022</u>	<u>45,418</u>	<u>(775,955)</u>	<u>14,729,103</u>
Liabilities and Net Assets					
Current liabilities:					
Intercompany payables	\$ -	775,955	-	(775,955)	-
Accrued expenses	50,151	-	-	-	50,151
Deferred revenue	217,855	102,283	-	-	320,138
Operating lease liability, current portion	<u>68,473</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,473</u>
	<u>336,479</u>	<u>878,238</u>	<u>-</u>	<u>(775,955)</u>	<u>438,762</u>
Operating lease liability, less current portion	<u>228,205</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>228,205</u>
Net assets:					
Net assets without donor restrictions	9,277,934	(389,195)	45,418	-	8,934,157
Net assets with donor restrictions	<u>-</u>	<u>5,127,979</u>	<u>-</u>	<u>-</u>	<u>5,127,979</u>
	<u>9,277,934</u>	<u>4,738,784</u>	<u>45,418</u>	<u>-</u>	<u>14,062,136</u>
	<u>\$ 9,842,618</u>	<u>5,617,022</u>	<u>45,418</u>	<u>(775,955)</u>	<u>14,729,103</u>

Ohio Health Care Association and Affiliates
Combining Schedule of Activities
Year Ended December 31, 2024

	Ohio Health Care Association	OHCA Educational Foundation	55 Green Meadows	Eliminations	Total
Changes in net assets without restrictions:					
Revenues and support:					
Membership dues	\$ 3,295,194	-	-	-	3,295,194
Membership services	525,213	355,103	-	-	880,316
Sponsorship and donations	1,973	522,546	-	-	524,519
Seminar registration	-	842,273	-	-	842,273
Royalties	195,929	1,740	-	-	197,669
Advocacy	977,739	-	937,803	(937,803)	977,739
Political action committee	15,400	-	-	-	15,400
Miscellaneous	68,799	-	-	-	68,799
	<u>5,080,247</u>	<u>1,721,662</u>	<u>937,803</u>	<u>(937,803)</u>	<u>6,801,909</u>
Net assets released from restriction	<u>-</u>	<u>203,719</u>	<u>-</u>	<u>-</u>	<u>203,719</u>
Program expenses	4,582,434	1,736,055	605,502	(937,803)	5,986,188
Management and general expenses	591,260	79,966	319,941	-	991,167
Fundraising expenses	69,525	54,887	-	-	124,412
	<u>5,243,219</u>	<u>1,870,908</u>	<u>925,443</u>	<u>(937,803)</u>	<u>7,101,767</u>
Loss from operations	(162,972)	54,473	12,360	-	(96,139)
Other income:					
Investment return, net of fees of \$51,580	836,655	-	-	-	836,655
Change in net assets without restrictions	<u>673,683</u>	<u>54,473</u>	<u>12,360</u>	<u>-</u>	<u>740,516</u>
Changes in net assets with donor restrictions:					
Investment return, net of fees of \$36,644	-	549,856	-	-	549,856
Contributions	-	300,000	-	-	300,000
Net assets released from restriction	<u>-</u>	<u>(203,719)</u>	<u>-</u>	<u>-</u>	<u>(203,719)</u>
Change in net assets with donor restrictions	<u>-</u>	<u>646,137</u>	<u>-</u>	<u>-</u>	<u>646,137</u>
Change in net assets	673,683	700,610	12,360	-	1,386,653
Net assets, beginning of the year	<u>8,604,251</u>	<u>4,038,174</u>	<u>33,058</u>	<u>-</u>	<u>12,675,483</u>
Net assets, end of the year	\$ <u>9,277,934</u>	<u>4,738,784</u>	<u>45,418</u>	<u>-</u>	<u>14,062,136</u>

