



National Lutheran
Communities & Services

2024 Annual Report

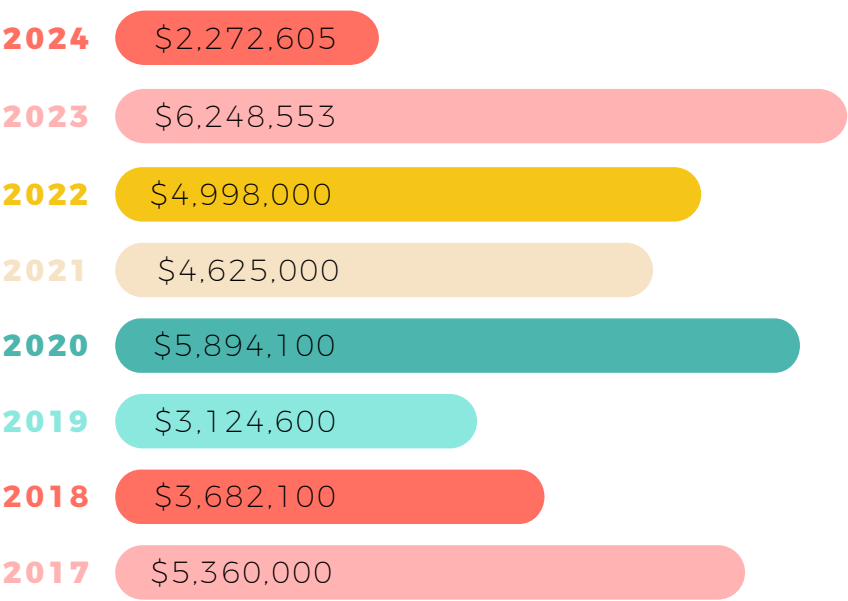
Financial Performance and Stewardship

www.nationallutheran.org

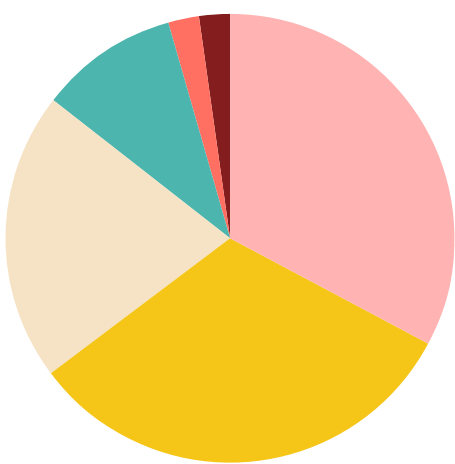
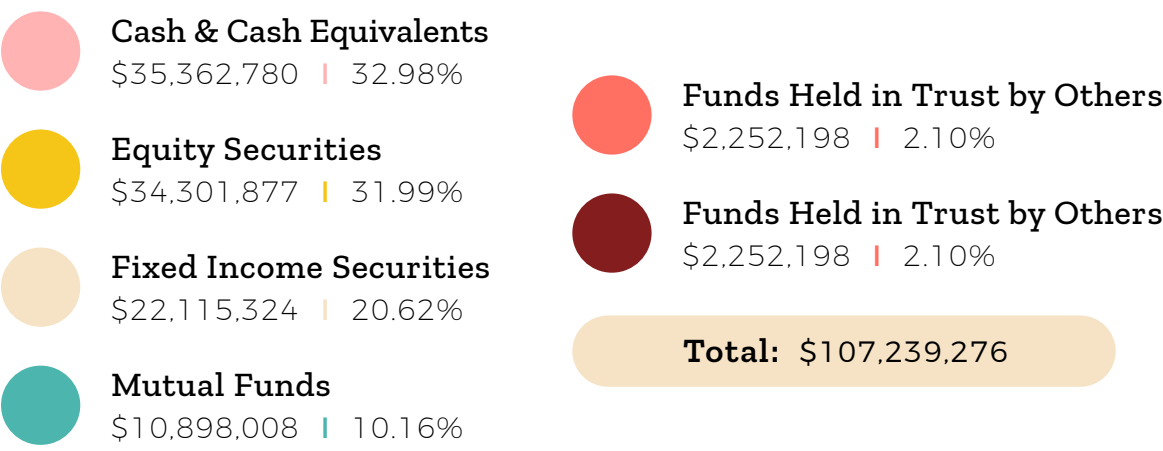
Total Benevolent Care

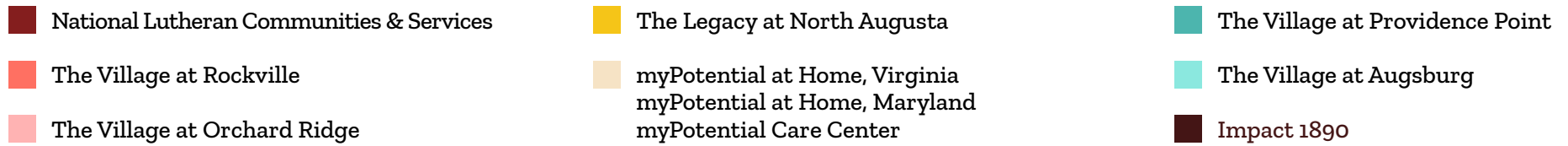
National Lutheran Communities & Services (NLCS) extends charity care and other support to residents, who meet certain criteria under its benevolent care policy and are unable to pay for services, at all levels of care as needed and when appropriate without charge or at amounts less than its established rates. Because NLCS does not pursue collection of amounts determined to be benevolent care, they are not reported as resident service revenue.

NLCS maintains records to identify and monitor the level of benevolent care it provides. The estimated cost of providing benevolent care is based upon the direct and indirect costs identified with the specific benevolent care provided. The cost of benevolent care provided to assisted living residents amounted to \$569,607 and \$1,272,794 for the years ended December 31, 2024 and 2023, respectively. The cost of benevolent care provided to independent living residents amounted to \$0 and \$86,503 for the years ended December 31, 2024 and 2023, respectively. The amount by which costs exceeded revenues for the Medicaid program amounted to \$1,702,998 and \$4,889,256 for the years ended December 31, 2024 and 2023, respectively. NLCS received contributions of approximately \$576,000 and \$1,128,000 for the years ended December 31, 2024 and 2023, respectively, to offset or subsidize benevolent care services provided.

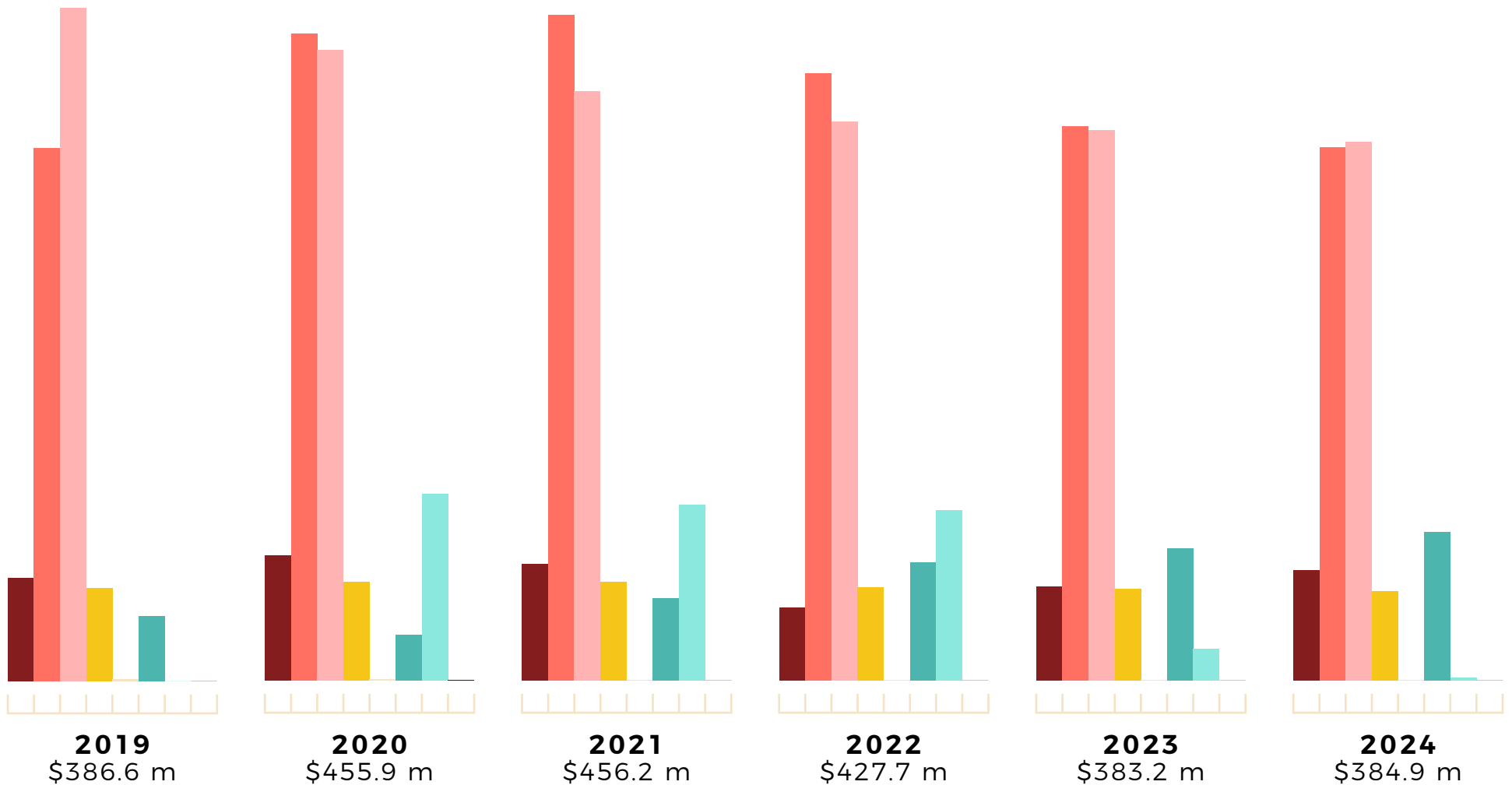


Total Investments and Assets Whose Use Is Limited





Total Assets in Millions



National Lutheran Communities & Services

Consolidated Balance Sheet

YEARS ENDED
DECEMBER 31,
2024 AND 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$4,636,786	\$10,463,039
Accounts receivable, net	2,722,171	3,802,870
Note receivable	0	1,000,000
Prepaid expenses and other assets	1,818,456	1,552,252
Current portion of pledges receivable	73,724	49,275
Current portion of assets whose use is limited	6,992,957	7,233,196
TOTAL CURRENT ASSETS	16,244,094	24,100,632
Assets whose use is limited, net	29,900,843	32,264,906
Investments	68,093,278	52,432,497
Property and equipment, net	266,923,399	270,176,902
Funds held in trust by others	2,252,198	2,903,031
Goodwill	0	0
Right-of-use assets	1,385,998	1,275,036
Pledges receivable, net	136,799	37,651
TOTAL ASSETS	\$384,936,609	\$383,190,655
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable, trade	\$2,620,494	\$3,169,509
Accrued interest	4,617,957	4,463,196
Accrued expenses	7,609,716	8,618,912
Deferred revenue	0	2,231,078
Line of credit	0	1,435,920
Current portion of long-term debt	2,375,000	2,600,000
Current portion of lease liabilities	614,213	550,341
Refundable advances	0	0
TOTAL CURRENT LIABILITIES	17,837,380	23,068,956
Resident deposits	14,072,786	11,561,359
Deferred revenues from entrance fees	63,382,858	60,866,152
Refundable entrance fees	106,842,576	103,062,923
Long-term debt, net	151,952,395	153,801,954
Lease liability	771,785	724,695
Annuities payable, net	77,277	61,903
TOTAL LIABILITIES	354,937,057	353,147,942
NET ASSETS		
Without donor restrictions	20,753,290	21,548,396
With donor restrictions	9,246,262	8,494,317
TOTAL NET ASSETS	29,999,552	30,042,713
TOTAL LIABILITIES AND NET ASSETS	\$384,936,609	\$383,190,655

National Lutheran Communities & Services

Consolidated Statement of Operations

YEARS ENDED
DECEMBER 31,
2024 AND 2023

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	2024	2023
REVENUE		
Net resident service revenue, including amortization of entrance fees 2024 \$9,575,042; 2023 \$9,133,657	\$76,751,022	\$85,037,694
Grant funding	0	8,996
(Loss) on sale or disposal of property and equipment	(21,128)	2,434,620
Change in estimated real estate tax accrual	0	171,000
Net assets released from restrictions, operations	452,780	654,793
TOTAL OPERATING REVENUE	77,182,674	88,307,103
OPERATING EXPENSES		
Salaries and wages	31,535,255	39,540,596
Employee benefits and payroll taxes	5,264,540	7,703,889
Professional fees	8,547,792	12,611,932
Ancillary and medical	3,733,619	4,845,537
Supplies	1,535,153	2,018,767
Food services	3,016,785	3,441,953
Utilities	3,416,409	4,772,806
Depreciation	13,860,344	17,161,054
Interest	9,426,357	10,736,591
Insurance	1,364,119	2,043,899
Real estate taxes	1,140,578	1,720,706
Repairs and maintenance	1,394,462	1,798,327
Advertising and marketing	1,028,808	1,303,066
Licenses, dues and subscriptions	2,355,027	2,210,276
Other operating expenses	1,984,463	2,179,934
Bad debt expense	219,637	421,483
TOTAL OPERATING EXPENSES	89,823,348	114,510,816
(DEFICIENCY) OF OPERATING REVENUE OVER EXPENSES	(12,640,674)	(26,203,713)
NONOPERATING REVENUE (EXPENSES)		
Contributions	387,436	999,625
Other income	3,678,841	860,558
Other (expense)	(77,432)	(1,036,652)
Interest and dividends, net fees	2,889,893	3,246,884
Realized gains	2,569,985	1,546,339
Unrealized gains (losses)	2,385,804	2,773,779
Loss on extinguishment of debt	0	(395,451)
TOTAL NONOPERATING REVENUE (EXPENSES)	11,834,527	7,995,082
(DEFICIENCY) OF OPERATING REVENUE OVER EXPENSES	(806,147)	(18,208,631)
OTHER CHANGES		
Unrealized gains	11,041	120,889
TOTAL OTHER CHANGES	11,041	120,889
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	\$ (795,106)	\$ (18,087,742)

National Lutheran Communities & Services

Consolidated Statement of Changes in Net Assets

YEARS ENDED
DECEMBER 31,
2024 AND 2023

	2024	2023
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
(Deficiency) of operating and nonoperating revenue over expenses	\$(806,147)	\$(18,208,631)
Unrealized gains	0	120,889
Loss on discontinued operations	11,041	0
Change in net assets without donor restrictions	(795,106)	(18,087,742)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	1,201,806	1,229,015
Funds held in trust income	13,820	13,432
Change in value of funds held in trust by others	140	197,693
Net assets released from restriction, operations	(452,780)	(654,793)
Net assets released from restriction, capital purchases	(11,041)	0
Change in net assets with donor restrictions	751,945	785,347
Change in net assets	(43,161)	(17,302,395)
NET ASSETS		
BEGINNING	30,042,713	47,345,108
ENDING	\$29,999,552	\$30,042,713