THE CARITAS CORPORATION
AND AFFILIATES
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Caritas Corporation and Affiliates
Irvine, California

Opinion

We have audited the accompanying consolidated financial statements of The Caritas Corporation (a California nonprofit public benefit corporation) and Affiliates, which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Caritas Corporation and Affiliates as of December 31, 2023 and 2022, and the 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Caritas Corporation 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.

Correction of an Error

As discussed in Note 15 to the financial statements, a certain error resulting in an overstatement of amounts previously reported as unamortized debt issuance costs, interest expense, and net assets as of and for the year ended December 31, 2022, was discovered by management of the Organization during the current year. Accordingly, the amount of accrued interest, interest expense, and net assets have been restated as of December 31, 2022 in the financial statements now presented to correct the error. Our conclusion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Caritas Corporation 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 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 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, including omissions, 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 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 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 The Caritas Corporation 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 The Caritas Corporation 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 consolidated financial statements as a whole. The supplementary information identified in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with 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 consolidated financial statements as a whole.

Thomas, Judy & Tucker, P.A.

Raleigh, North Carolina
June 17, 2024

The Caritas Corporation and Affiliates
Consolidated Statements of Financial Position
December 31, 2023 and 2022

	2023	Restated 2022
ASSETS		
Current assets		
Cash and cash equivalents	$ 4,179,935	$ 3,440,644
Certificates of deposit	1,204,606	500,000
Restricted investments available for current debt service	7,942,187	7,579,022
Rents receivable, net of allowance for credit losses	110,934	184,435
Prepaid expenses and other current assets	927,612	849,177
Grant receivable	97,449	-
Notes receivable, current portion	19,992	22,980
Total current assets	14,482,715	12,576,258
Property and equipment, net	234,363,636	210,814,291
Other assets		
Deposits	21,847	23,929
Notes receivable, net of current portion and allowance for credit losses	122,653	150,529
Assets held for sale	151,363	93,201
Certificates of deposit, net of current portion	-	669,512
Restricted investments, net of current portion available for debt service	18,185,221	19,248,738
Right-of-use asset - operating lease	401,284	722,103
Total other assets	18,882,368	20,908,012
Total assets	$ 267,728,719	$ 244,298,561
LIABILITIES		
Current liabilities		
Accounts payable	$ 620,169	$ 481,928
Accrued interest	4,420,420	3,983,538
Accrued expenses	471,396	484,351
Deferred revenue	47,493	44,175
Refundable security deposits	889,456	799,335
Notes payable, current portion	4,274,096	4,179,248
Lease liability - operating lease, current portion	96,539	140,534
Total current liabilities	10,819,569	10,113,109
Long-term liabilities		
Notes payable, net of current portion	268,354,472	247,656,883
Lease liability - operating lease, net of current portion	324,672	594,510
Total long-term liabilities	268,679,144	248,251,393
Total liabilities	279,498,713	258,364,502
NET DEFICIT		
Net deficit without donor restrictions	(13,067,443)	(15,265,941)
Net assets with donor restrictions	1,297,449	1,200,000
Total net deficit	(11,769,994)	(14,065,941)
Total liabilities and net deficit	$ 267,728,719	$ 244,298,561

The Caritas Corporation and Affiliates
Consolidated Statement of Activities
For the Year Ended December 31, 2023

	2023		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
CHANGES IN NET ASSETS			
Support and revenues			
Net rental income	$ 30,657,363	$ -	$ 30,657,363
Other ancillary income	8,916,708	-	8,916,708
Investment return, net	886,831	-	886,831
Grants	1,220	103,895	105,115
Grants released from restrictions	6,446	(6,446)	-
Contributions	5,185	-	5,185
Total support and revenues	40,473,753	97,449	40,571,202
Expenses			
Program expenses			
Park maintenance and utilities	11,988,374	-	11,988,374
Administrative	6,527,806	-	6,527,806
Taxes and insurance	1,398,635	-	1,398,635
Depreciation	4,407,695	-	4,407,695
Interest	11,322,576	-	11,322,576
Ancillary program expenses	128,480	-	128,480
Total program expenses	35,773,566	-	35,773,566
General and administration expenses			
Salaries and related expenses	1,366,638	-	1,366,638
Rent	113,151	-	113,151
Professional fees	569,365	-	569,365
Taxes and insurance	56,286	-	56,286
Interest	3,928	-	3,928
Office and miscellaneous expenses	392,321	-	392,321
Total general and administration expenses	2,501,689	-	2,501,689
Total expenses	38,275,255	-	38,275,255
Change in total net deficit	2,198,498	97,449	2,295,947
Net assets (deficit), beginning of year (as restated)	(15,265,941)	1,200,000	(14,065,941)
Net assets (deficit), end of year	$ (13,067,443)	$ 1,297,449	$ (11,769,994)

The Caritas Corporation and Affiliates
Consolidated Statement of Activities
For the Year Ended December 31, 2022

	2022 (Restated)		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
CHANGES IN NET ASSETS			
Support and revenues			
Net rental income	$ 28,981,532	$ -	$ 28,981,532
Other ancillary income	7,784,515	-	7,784,515
Investment return, net	938,199	-	938,199
Grants	1,443,685	-	1,443,685
Contributions	147,576	-	147,576
Total support and revenues	39,295,507	-	39,295,507
Expenses			
Program expenses			
Park maintenance and utilities	11,229,510	-	11,229,510
Administrative	6,640,756	-	6,640,756
Taxes and insurance	1,427,881	-	1,427,881
Depreciation	4,076,770	-	4,076,770
Interest	12,552,337	-	12,552,337
Write off of intangible assets due to refinanced debt	893,187	-	893,187
Ancillary program expenses	81,527	-	81,527
Total program expenses	36,901,968	-	36,901,968
General and administration expenses			
Salaries and related expenses	1,282,760	-	1,282,760
Rent	151,102	-	151,102
Professional fees	462,817	-	462,817
Taxes and insurance	38,738		38,738
Office and miscellaneous expenses	267,305	-	267,305
Total general and administration expenses	2,202,722	-	2,202,722
Total expenses	39,104,690	-	39,104,690
Change in total net deficit	190,817	-	190,817
Net assets (deficit), beginning of year (as originally reported)	(15,456,758)	1,200,000	(14,256,758)
Net assets (deficit), end of year (as restated)	$ (15,265,941)	$ 1,200,000	$ (14,065,941)

The Caritas Corporation and Affiliates
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	2023	(Restated) 2022
Cash flows from operating activities:		
Change in net assets	$ 2,295,947	$ 190,817
Adjustments to reconcile change in net assets (deficit) to net cash provided by operating activities:		
Depreciation	4,407,695	4,076,770
Write off of intangible assets due to refinanced debt	-	893,187
Amortization of debt issuance costs	200,951	255,293
Amortization of bond premium	(190,164)	(211,634)
Realized and unrealized loss on investments	6,567	6,567
Loss (gain) on disposals	(9,148)	312,792
Unrealized gain on assets held for sale	(8,205)	(66,011)
Reduction in right-of-use asset - operating lease	320,819	146,269
Changes in operating assets and liabilities:		
Rents receivable	73,501	81,137
Interest receivable	-	227,412
Grants receivable	(97,449)	-
Prepaid expenses and other current assets	(75,086)	(357,882)
Deposits	2,082	-
Accounts payable	138,241	160,509
Accrued interest	436,882	(248,968)
Accrued expenses	(12,955)	(960)
Deferred revenue	3,318	5,723
Refundable security deposits	90,121	86,115
Lease liability - operating lease	(313,833)	(133,328)
Net cash provided by operating activities	7,269,284	5,423,808
Cash flows from investing activities:		
Purchases of property and equipment	(4,960,407)	(5,843,806)
Purchases of restricted investments	(26,078,682)	(25,545,968)
Sales of restricted investments	28,477,599	71,417,267
Investment in certificate of deposit	(35,094)	(258,216)
Assets held for sale	(103,972)	(141,833)
Proceeds from assets held for sale	83,008	212,179
Notes receivables - new issuance	(5,421)	(13,129)
Principal collections on notes receivable	36,285	42,118
Net cash (used) provided by investing activities	(2,586,684)	39,868,612
Cash flows from financing activities:		
Notes payable - new borrowing	13,122	19,476
Notes payable - repayments	(3,956,431)	(44,581,430)
Net cash used by financing activities	(3,943,309)	(44,561,954)
Net increase in cash	739,291	730,466
Cash and cash equivalents, beginning of year	3,440,644	2,710,178
Cash and equivalents, end of year	$ 4,179,935	$ 3,440,644

See accompanying notes to consolidated financial statements.

The Caritas Corporation and Affiliates
Consolidated Statements of Cash Flows (continued)
For the Years Ended December 31, 2023 and 2022

	2023	(Restated) 2022
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	$ 10,878,836	$ 12,749,354
Operating cash outflows from operating lease	$ 106,157	$ 144,231
Non-cash investing and financing activities:		
Obtain right-of-use asset in exchange for operating lease liability	$ -	$ 868,372

Non-cash investing and financing activities during 2023 included $25,487,866 for the purchase and financing of a mobile home park in Chatsworth, California as follows:

Land, land improvements and building	$ 23,011,478
Furntiure and equipment	5,000
Deposit to debt service reserve fund	1,679,037
Cost of issuance	457,594
Underwriter discount	305,313
Other acquisition costs	29,444
	$ 25,487,866

Note 1 - Organization and summary of significant accounting policies

Organization and nature of activities

The Caritas Corporation and its affiliates, Caritas Affordable Housing, Inc.; Caritas Acquisitions I, LLC; Caritas Rancho Del Arroyo, LLC; Caritas Towne & Country, LLC; Caritas Acquisitions III, LLC; Caritas Acquisitions V, LLC; Caritas Acquisitions VI, LLC; Caritas Acquisitions VII, LLC; Caritas Acquisitions VIII, LLC; Caritas Acquisitions IX, LLC; Caritas Shady Lane, LLC; Caritas Silver Lantern, LLC; and The Caritas Foundation (together the "Corporation") have been organized to lessen the burdens of government by working with local governmental entities to provide and maintain affordable housing projects, including mobile home parks and an apartment building, primarily in California. The Corporation expanded its operations to Oregon during 2020. The affiliates are under the common control of the Board of Directors of The Caritas Corporation.

The Caritas Corporation, Caritas Affordable Housing, Inc. and The Caritas Foundation are California nonprofit public benefit corporations. Caritas Acquisitions I, LLC; Caritas Rancho Del Arroyo, LLC; Caritas Towne & Country, LLC; Caritas Acquisitions III, LLC; Caritas Acquisitions V, LLC; Caritas Acquisitions VI, LLC; Caritas Acquisitions VII, LLC; Caritas Acquisitions VIII, LLC; Caritas Acquisitions IX, LLC, Caritas Shady Lane, LLC; and Caritas Silver Lantern, LLC are single member LLC's and the sole member of each LLC is The Caritas Corporation.

The Corporation is supported primarily through monthly rental payments from residents through month-to-month lease agreements.

Tax status

The Caritas Corporation, Caritas Affordable Housing, Inc. and The Caritas Foundation are nonprofit organizations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal and state income taxes. Caritas Acquisitions I, LLC; Caritas Rancho del Arroyo, LLC; Caritas Town & Country, LLC; Caritas Acquisitions III, LLC; Caritas Acquisitions V, LLC; Caritas Acquisitions VI, LLC; Caritas Acquisitions VIII, LLC; Caritas Acquisitions IX, LLC, Caritas Shady Lane, LLC; and Caritas Silver Lantern, LLC are disregarded single member LLC's for federal income tax purposes and are also exempt from federal income tax. The LLC's are exempt from state franchise or income tax under California Revenue and Taxation Code Section 23701(h).

Caritas Acquisitions VII, LLC is a disregarded single member LLC for federal income tax purposes and is exempt from federal income tax. The LLC was formed to acquire mobile home parks located in the state of Oregon. Under Oregon law, the entity is exempt from state income tax if it has received an exemption from federal income tax.

Generally Accepted Accounting Principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Corporation in its federal and state tax returns are more likely than not to be sustained upon examination.

Principles of consolidation

The Caritas Corporation publishes consolidated financial statements, which are its primary financial statements. These financial statements include the accounts of Caritas Affordable Housing, Inc.; Caritas Acquisitions I, LLC; Caritas Rancho Del Arroyo, LLC; Caritas Towne & Country, LLC; Caritas Acquisitions III, LLC; Caritas Acquisitions V, LLC; Caritas Acquisitions VI, LLC; Caritas Acquisitions VII, LLC; Caritas Acquisitions VIII, LLC; Caritas Acquisitions IX, LLC, Caritas Shady Lane, LLC; Caritas Silver Lantern, LLC; and The Caritas Foundation, commonly controlled affiliates. All significant intercompany accounts and transactions have been eliminated in the consolidation.

Note 1 - Organization and summary of significant accounting policies (continued)

Basis of presentation

The consolidated financial statements of the Corporation have been prepared on the accrual basis of accounting. The Corporation reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restriction – Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets With Donor Restriction – Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Corporation has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent the donor restrictions were met in the year the contribution was received.

Contributed goods and services

Contributions of donated non-cash assets are recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets, or services that require specialized skills, are provided by individuals possessing those skills, and would typically be purchased if not provided through donation, are recorded at fair value in the period received.

Use of estimates

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

Cash and cash equivalents

The Corporation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Cash consists of cash on hand and cash in demand deposit accounts.

The Corporation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Corporation has not experienced any losses in such accounts. Management believes it is not exposed to any significant risk on cash accounts.

Certificate of deposit

The Corporation has certificates of deposit which totaled $1,204,606 and $1,169,512 as of December 31, 2023 and 2022, respectively. As of December 31, 2023, interest on the certificates of deposit accrue at rates between 1.35% to 5.70% with maturity dates that range between March 2024 to October 2024. As of December 31, 2022, interest on the certificates of deposit accrue at rates between 1.35% to 3.65% with maturity dates that range between March 2023 to March 2024.

Note 1 - Organization and summary of significant accounting policies (continued)

Investments

The Corporation's investments are stated at fair value in the consolidated statements of financial position, with all gains and losses included in the consolidated statements of activities.

Fair value measurements

Fair value is defined as the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The U.S. GAAP fair value framework uses a three-tiered approach and fair value measurements are classified and disclosed in one of the following three categories:

Level 1 – unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities;

Level 2 – quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which significant inputs and significant value drivers are observable in active markets; and

Level 3 – prices or valuation techniques where little or no market data is available that requires inputs that are both significant to the fair value measurement and unobservable.

Rents receivable

Rents receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for credit loss expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to rents receivable. Management determines the allowance for credit losses by evaluating receivables on a continuous basis to be applicable to the entire portfolio on a collective basis. At the current time, there is no current risk that will affect the entire portfolio. Allowance for credit losses of rents receivable as of December 31, 2023 and 2022 was $1,500.

Depreciation and amortization

Property and equipment are being carried at cost. Depreciation and amortization are calculated using the straight-line method over the following estimated useful lives:

Asset type	Years
Buildings	26-40
Land improvements	5-39
Furniture and fixtures	5-10
Equipment	5-7
Automobiles	5-7

Expenditures for major renewals and betterments in excess of $1,000 that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Note 1 - Organization and summary of significant accounting policies (continued)

Accounting for impairment of long-lived assets

The Corporation reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of the property and equipment may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to future net cash flows, undiscounted and without interest, expected to be generated by the asset. If assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset. During the years ended December 31, 2023 and 2022, there were no events or changes in circumstances indicating that the carrying amount of the property and equipment may not be recoverable.

Functional expenses

The costs of providing program and other activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among program and supporting services benefited. Such allocations are determined by management on an equitable basis. For the years ended December 31, 2023 and 2022, all costs were specifically identified with either program or support.

Adoption of new accounting standard

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)* ("ASU 2016-02"). ASU 2016-02 and all subsequently issued clarifying ASU's require entities to recognize right-of-use ("ROU") lease assets and lease liabilities on the statement of financial position and disclose key information about leasing arrangements. The pronouncement is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022.

The Corporation adopted ASU 2016-02 effective January 1, 2022, the first day of the Corporation's fiscal year using the modified retrospective approach. The adoption resulted in no change to beginning net assets (deficit) as of January 1, 2022 and comparative prior period information is reported in accordance with previous lease accounting guidance FASB Accounting Standards Codification ("ASC") *Topic 840 — Leases*.

As part of the adoption of the ASU 2016-02, the Corporation elected the transition package of practical expedients to not reassess the following: (i) lease classification of existing or expired leases; (ii) whether expired or existing contracts contain leases under the new definition of a lease; and (iii) previously capitalized initial direct costs for existing leases. As a result of implementing ASU No. 2016-02, the Corporation recognized right-of-use (ROU) assets of $868,372 and lease liabilities totaling $868,372 in its consolidated statement of financial position as of January 1, 2022. The adoption did not result in a significant effect on amounts reported in the consolidated statement of activities for the year ended December 31, 2022.

The FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). ASU 2016-13 and all subsequently issued clarifying ASU's revise the accounting requirements related to the measurement of credit losses and requires entities to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Assets must be presented in the consolidated financial statements at the net amount expected to be collected. The pronouncement is effective for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years.

On January 1, 2023, the Corporation adopted ASU 2016-13 and all related amendments using the modified retrospective method. The adoption did not result in a significant effect on amounts reported in the consolidated statement of financial position as of January 1, 2023 or consolidated statement of activities for the year ended December 31, 2023. The comparative information has not been restated and continues to be reported under the accounting standards in effect in those reporting periods.

Note 1 - Organization and summary of significant accounting policies (continued)

Leases

The Corporation determines if an arrangement is a lease, or a contract which contains a lease, at inception and classifies the lease as operating or finance. Leases are included in ROU assets and lease liabilities in the consolidated statements of financial position. The Corporation recognizes an ROU lease asset for the right to use the underlying assets for the lease term and a lease liability for the obligation to make lease payments. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent.

The Corporation made an accounting policy election to not recognize ROU assets and lease liabilities for short-term leases that have terms of 12 months or less at the commencement date and do not include a purchase option that the Corporation is more than reasonably certain to exercise. Short-term leases are reported as lease expense on a straight-line basis over the lease term. The Corporation also elected an accounting policy to use a risk-free rate for a period comparable with that of the lease term for all leases and to account for lease and non-lease components separately. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Corporation will exercise that option.

Subsequent events

Management evaluates events occurring subsequent to the date of the consolidated financial statements in determining the accounting for and disclosure of transactions and events that affect the consolidated financial statements. Management believes there are no subsequent events for recording and disclosure in the financial statements for the year ended December 31, 2023. Subsequent events have been evaluated through June 17, 2024, which is the date the consolidated financial statements were available to be issued.

Note 2 - Notes receivable

Notes receivable for the sale of mobile homes to individuals at December 31, 2023 and 2022 consist of the following:

	2023	2022
Notes receivable from individuals payable in monthly installments ranging from $122 to $513, including interest at rates varying from 0% up to 10% per annum, maturing at varying dates, secured by mobile homes.	$ 155,422	$ 173,509
Less allowance for credit losses on notes receivable	(12,778)	-
Less current portion	(19,992)	(22,980)
Notes receivable, net of current portion	$ 122,653	$ 150,529

Maturities of these notes receivable are as follows:

Years Ending December 31,	Amount
2024	$ 19,992
2025	15,875
2026	13,445
2027	13,397
2028	14,390
Thereafter	78,323
	$ 155,422

Note 3 - Property and equipment

Property and equipment consist of the following:

	2023	2022
Land	$ 153,497,449	$ 135,958,804
Buildings	47,770,852	39,551,443
Land improvements	74,847,893	67,838,163
Furniture and fixtures	498,852	474,651
Equipment	2,576,824	2,506,641
Automobiles	72,010	78,590
Software	11,142	11,142
Construction in progress	1,427,118	6,348,592
	280,702,140	252,768,026
Accumulated depreciation	(46,338,504)	(41,953,735)
Property and equipment, net	$ 234,363,636	$ 210,814,291

Depreciation expense for the years ended December 31, 2023 and 2022 was $4,407,695 and $4,076,770, respectively.

Certain provisions of loan and regulatory agreements restrict the use and disposition of land and other assets during the term of the agreement. Property and equipment are pledged as collateral for notes payable, which totaled $234,363,636 as of December 31, 2023. See Note 6 for details.

Note 4 - Restricted investments

Restricted investments represent net operating cash flows from mobile home park operations and a portion of the proceeds from notes payable, as described in Note 6, which are held by financial institution trustees (the “Trustees”) and controlled solely by the municipal financing authorities (the “Agencies”) to whom the notes are payable. The loan proceeds originated from bond issues arranged by the Agencies. The purposes of the funds are generally as follows:

Debt Service Funds – To pay senior bond principal and interest as it becomes due.

Debt Service Reserve Funds – To pay bond principal and interest as it becomes due if there are not sufficient funds in the Debt Service Fund.

Repair and Replacement Funds – A reserve for major repairs or replacements at the mobile home parks.

Administration Funds – For the payment of ordinary fees and expenses of fiduciaries as defined in the applicable bond agreement.

Surplus Funds – Amounts on deposit in the surplus funds are available for payment of debt service to remedy any shortfalls. If all debt service requirements are met, the Corporation has the ability to request funds from the Surplus Funds for expenses incurred related to new mobile home park acquisitions, repairs and improvements to the mobile home parks, administrative expenses related to the management of the mobile home parks or the repayment of outstanding indebtedness related to the mobile home parks.

Impound Funds – To pay property taxes and costs of maintaining insurance on the mobile home parks.

Note 4 - Restricted investments (continued)

Operating Reserve Fund – Expenditures from this fund shall be used only (i) to make transfers to the Debt Service Fund, (ii) to pay extraordinary capital expenses or extraordinary operating expenses, and (iii) to reimburse the Agencies any costs and expenses incurred directly from any lawsuit filed against the Agencies not to exceed $50,000.

Cost of Issuance Fund – To pay costs related to the authorization, issuance, sale and delivery of the bonds, including but not limited to costs of preparation and reproduction of documents, printing expenses, filing and recording fees, initial fees and charges of the Bond Trustee, legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees, fees and charges for preparation, execution and safekeeping of the bonds and any other cost, charge or fee in connection with the original issuance of the bonds.

Subordinate Debt Fund – To pay subordinate bond principal and interest as it becomes due.

Project Fund – Expenditures from this fund shall be used to pay (i) the initial acquisition of the collective facilities, improvements and land; and (ii) any additional project to finance or refinance the acquisition, construction or installation of additional facilities or assets, including capitalized interest to fund reserves, and/or to pay costs of issuance.

Fund balances may only be withdrawn upon written approval from officers of the Agencies and consist of the following at December 31, 2023 and 2022:

	2023	2022
Debt Service Funds	$ 4,768,544	$ 4,516,232
Debt Service Reserve Funds	16,100,486	15,232,795
Repair and Replacement Funds	1,410,435	696,279
Administration Funds	83,772	78,893
Surplus Funds	2,525,463	3,013,716
Impound Funds	411,222	319,963
Operating Reserve Fund	261,855	130,156
Cost of Issuance Fund	90,645	-
Subordinate Debt Fund	250,053	-
Project Fund	224,933	2,839,726
	26,127,408	26,827,760
Current portion	(7,942,187)	(7,579,022)
Net of current portion	$ 18,185,221	$ 19,248,738

Note 5 - Fair value measurements

The Corporation’s assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy in accordance with Generally Accepted Accounting Principles (see Note 1).

Note 5 - Fair value measurements (continued)

The following tables set forth by level, within the fair value hierarchy, the assets at fair value as of December 31, 2023 and 2022:

	Fair Value Measurements Using:		
	Fair Value	Observable Inputs (Level 1)	Unobservable Inputs (Level 3)
December 31, 2023			
Money market funds	$ 13,009,104	$ 13,009,104	$ -
Guaranteed investment contracts	13,118,304	-	13,118,304
Total investments at fair value	$ 26,127,408	$ 13,009,104	$ 13,118,304
December 31, 2022			
Money market funds	$ 14,057,551	$ 14,057,551	$ -
Guaranteed investment contracts	12,770,209	-	12,770,209
Total investments at fair value	$ 26,827,760	$ 14,057,551	$ 12,770,209

The following table reconciles the beginning and ending balances of fair value measurements using significant unobservable inputs (Level 3) for the years ended December 31, 2023 and 2022:

	2023	2022
Balance, beginning of year	$ 12,770,209	$ 13,606,154
Total gains or losses (realized and unrealized)	218,465	211,005
Purchases	5,549,923	3,608,709
Sales	(5,420,293)	(4,655,659)
Balance, end of year	$ 13,118,304	$ 12,770,209

The amount of total gains or losses for the year included in changes in net assets attributable to the changes in unrealized gains or losses relating to Level 3 investments still held at December 31, 2023 and 2022 were $218,465 and $211,005, respectively.

Gains and losses (realized and unrealized) included in changes in net assets for the years ended December 31, 2023 and 2022 are reported in investment return, net in the consolidated statements of activities. The cost basis for investments totaled $28,896,572 and $26,827,759 as of December 31, 2023 and 2022, respectively.

The Corporation's policy is to recognize transfers into and out of Level 3 as of the date of the event or change in circumstances that caused the transfer. For the years ended December 31, 2023 and 2022, there were no significant transfers into or out of Level 3.

Note 6 - Notes payable

Notes payable consist of the following:

	2023	2022
Note payable to PNC Bank, National Association, payable in monthly installments of $32,146 beginning January 2016 including interest at 4.56% per annum, final payment due December 31, 2025, secured by deed of trust on real property with assignment of leases and rents, security agreement and fixture filing.	$ 5,389,410	$ 5,522,645
Note payable to PNC Bank, National Association, payable in monthly installments of $19,052 beginning January 2016 including interest at 4.53% per annum, final payment due January 1, 2026, secured by deed of trust on real property with assignment of leases and rents, security agreement and fixture filing.	3,202,855	3,282,393
Notes payable to California Municipal Finance Authority, payable in various installments beginning August 2022 including interest at rates varying from 0.827% to 4.0% per annum, final payments due August 2056, secured by a deed of trust on real property with an assignment of leases and rents, security agreement and fixture filing.	64,600,745	65,774,275
Note payable to the California Mobile Home Park Financing Authority, payable in various annual installments beginning August 2014, including interest at rates varying from 4.75% to 5.25% per annum, final payment due August 2049. The note is secured by a deed of trust on real property with an assignment of leases and rents, security agreement and fixture filing.	71,123,807	72,485,632
Note payable to the California Mobile Home Park Financing Authority, payable in various annual installments beginning August 2025, including interest at rates varying from 5.25% to 5.875% per annum, final payment due August 2049. The note is secured by a deed of trust on real property with an assignment of leases and rents, security agreement and fixture filing.	11,280,000	11,280,000
Note payable to City of Santa Monica. See note 7.	191,178	178,056
Note payable to the California Municipal Finance Authority, payable in various annual installments beginning August 2018, including interest at rates varying from 3.00% to 5.00% per annum, final payment due August 2052. A portion of the proceeds of the note were used to pay defeased debt in 2020. The note is secured by a deed of trust on real property with an assignment of leases and rents, security agreement and fixture filing.	59,638,615	60,683,423

Note 6 - Notes payable (continued)

	2023	2022
Note payable to the California Municipal Finance Authority, payable in various annual installments beginning August 2018, including interest at 4.00% per annum, final payment due August 2023. The note is secured by a deed of trust on real property with an assignment of leases and rents, security agreement and fixture filing.	$ -	$ 350,000
Note payable to the U.S. Small Business Administration, payable in monthly installments of $641 beginning June 2021, including interest at a rate of 2.75% per annum. The unsecured note matures in June 2051.	144,567	148,227
Note payable to the National Finance Authority, payable in interest only installments beginning February 2021 and various principal and interest annual installments beginning August 2026, including interest at rates varying from 3.75% to 4.50% per annum, final payment due August 2055. The note is secured by a deed of trust on real property with an assignment of leases and rents, security agreement and fixture filing.	37,280,000	37,280,000
Note payable to the National Finance Authority, payable in interest only installments beginning February 2021 and various principal and interest annual installments beginning August 2026, including interest 4.50% per annum, final payment due August 2027. The note is secured by a deed of trust on real property with an assignment of leases and rents, security agreement and fixture filing.	340,000	340,000
Notes payable to California Municipal Finance Authority, payable in interest only installments beginning February 2024 and various principal and interest annual installments beginning August 2031, including interest at 5.0% per annum, final payment due August 2058. The note is secured by a deed of trust on real property with an assignment of leases and rents, security agreement and fixture filing.	25,487,866	-
Total notes payable	278,679,043	257,324,651
Less unamortized debt issuance costs	(6,050,475)	(5,488,520)
Less current portion	(4,274,096)	(4,179,248)
Notes payable, net of current portion	$ 268,354,472	$ 247,656,883

Note 6 - Notes payable (continued)

Maturities of notes payable are as follows:

Years ending December 31,		Amount
2024	$	4,274,096
2025		12,761,088
2026		4,828,959
2027		5,053,959
2028		5,163,959
Thereafter		246,596,982
	$	278,679,043

Mandatory sinking fund deposits for payment of notes payable are as follows:

Years ending December 31,		Amount
2024	$	175,000
2025		1,765,000
2026		2,120,000
2027		2,270,000
2028		2,290,000
Thereafter		213,440,000
	$	222,060,000

The note agreements contain certain restrictions and covenants. The Corporation is not aware of any non-compliance with covenants of other notes payable outstanding as of December 31, 2023 and 2022.

Note 7 - Program loan agreement

On June 11, 2018 the Corporation entered into a loan agreement with the City of Santa Monica as a part of the donation of the mobile home park. The purpose of the loan is to provide gap financing to operate and maintain Mountain View Mobile Home Park in connection with the Citywide Housing Trust Fund to preserve and increase affordable housing opportunities for lower income households. The borrowing base of the loan is $500,000 and as of December 31, 2023 the amount advanced and the balance due was $191,178, see Note 6. Interest is calculated and accrued at 4.55% per annum based on the outstanding principal balance. Annual payments are due 120 days after the beginning of each calendar year based on one-half of Residual Receipts as defined in the loan agreement. Annual payments are first applied to accrued interest and then to principal. The loan is secured by a Deed of Trust in real property and all principal and accrued interest are due June 2098. The loan may also convert to a grant within seven years of the effective date of the loan subject to certain conditions.

In order for the loan to convert to a grant without City of Santa Monica approval, the occupancy must be up to 94 spaces at the average rate of 2 or more additional occupancies per year from the effective date of the loan. In order for the loan to convert to a grant with City of Santa Monica approval within 10 years of the effective date of the loan the City of Santa Monica confirms the occupancy has increased to 94 spaces; the Organization has satisfied all of the obligations under the loan agreement and the borrower is not in default of any of the financing documents. A space is considered occupied on the first day the resident pays rent.

Note 7 - Program loan agreement (continued)

The total number of spaces in Mountain View Mobile Home Park (the “Park”) are 105.

Occupancy of the Park was as follows:

Date	Spaces Occupied
Date Acquired (June 11, 2018)	79
December 31, 2018	80
December 31, 2019	78
December 31, 2020	78
December 31, 2021	77
December 31, 2022	78
December 31, 2023	83

In addition, as of December 31, 2023 there were two spaces with homes on them available for rent.

Note 8 - Lease commitment

The Corporation entered into an operating lease with a related party effective February 2018 for the lease of its corporate offices and furniture. On January 1, 2023, the operating lease was amended to reduce the rentable square footage, remove furniture rental, and reduce the amount of monthly lease payments. The escalating monthly payments range from $8,504 to $10,606 and the lease matures October 2027. Lease and non-lease components of the lease agreements are accounted for separately. At December 31, 2023, the operating lease ROU asset and corresponding liability totaled $401,284 and $421,211, respectively. At December 31, 2022, the operating lease ROU asset and corresponding liability total $722,103 and $735,044, respectively. Total operating lease costs for the years ended December 31, 2023 and 2022 were $113,143 and $157,172, respectively. The weighted average lease term and discount rate as of December 31, 2023 were as follows:

	2023		2022	
Weighted average remaining lease term:	3.83	years	4.75	years
Weighted average discount rate:	3.90	%	1.37	%

Future maturities of lease liabilities are as follows:

Years Ending December 31,		
2024	$	110,900
2025		115,922
2026		121,225
2027		105,596
Total lease payments		453,643
Less: present value discount		(32,432)
Present value of lease liabilities	$	421,211

Note 9 - Concentrations of credit risk

Financial instruments that potentially subject the Corporation to concentrations of credit risk consist principally of rents, notes receivable and uninsured cash and cash equivalents. Concentrations of credit are limited with respect to these rents receivable due to the large number of tenants comprising the Corporation's residents and their dispersion across different geographic locations. At December 31, 2023 and 2022, the Corporation's uninsured cash balance totaled $5,028,626 and $5,189,697, respectively.

Note 10 - Related-party transactions

An entity which is controlled by an officer and Chairman of the Board of the Corporation provided accounting and asset management services of $848,621 and $851,214 for the years ended December 31, 2023 and 2022, respectively. See the table below for a detail of the services provided for the years ended December 31, 2023 and 2022. Accounts payable and accrued expenses at December 31, 2023 and 2022 include $55,222 and $74,001, respectively, due to this related party. The services were incurred in accordance with an Asset Management Agreement with an effective date of January 1, 2010. The Asset Management Agreement provides for an asset management fee based on actual time incurred at current billing rates by individuals performing the services not to exceed a maximum cap equal to one-half percent (1/2%) of the value of the real estate assets under management (using a capitalization rate method of valuation). Audit assistance, tax and other services identified in the Asset Management Agreement are also provided, as approved by the Corporation. These other services are not included in the asset management fee and are to be billed separately based on actual time incurred. For the years ended December 31, 2023 and 2022 the total asset management fee based on actual time incurred was less than the maximum cap as indicated in the table below. For the years ended December 31, 2023 and 2022, the total asset management fee fell below the maximum cap by $1,453,701 and $1,253,170 respectively.

	2023	2022
Maximum cap on asset management fee (1/2% of real estate value)	$ 2,029,701	$ 1,829,170
Asset management fee based on actual time incurred	576,000	576,000
Amount below maximum cap	$ 1,453,701	$ 1,253,170
Asset management fee based on actual time incurred	$ 576,000	$ 576,000
Audit and tax fees incurred	187,260	222,620
Due Diligence and refinancing consulting services	85,361	52,594
Total fees incurred	$ 848,621	$ 851,214

The Corporation reimburses an entity that is owned by an officer of the Corporation and Chairman of the Board of the Corporation for processing payroll and providing the related health benefits, 401(k) plan benefits, workers compensation insurance and human resources oversight. There is no fee charged to the Corporation for this service and all actual costs incurred for the Corporation are charged to and paid by the Corporation. For the years ended December 31, 2023 and 2022, $74,736 and $121,072 was paid to this related party, respectively.

An entity that is a subsidiary of the entity providing asset management services to the Corporation, provided technology consulting services and furnished computer hardware in the amounts of $131,094 and $94,398 for the years ended December 31, 2023 and 2022, respectively. The services provided were classified as computer equipment/services in both years. Accounts payable at December 31, 2023 and 2022 include $11,145 and $8,340, respectively, due to this related party.

The Corporation moved its banking relationship to Partners Bank of California in February of 2008. One of the officers and Chairman of the Board of the Corporation is a shareholder of the bank. Fees paid to the bank for the years ended December 31, 2023 and 2022 were $2,485 and $2,205, respectively. During the

Note 10 - Related-party transactions (continued)

year ended December 31, 2019 Partners Bank of California made a loan to the Corporation to make improvements at Sterling Shores Mobile Home Park, see Note 6. The loan was paid in full in 2022.

The Corporation paid rent to an entity controlled by an officer and Chairman of the Board of the Corporation. In 2018 the Corporation moved its office location into a new suite of offices along with the entity controlled by an officer and Chairman of the Board of the Corporation, see Note 8. The Corporation obtained expanded office and conference space and a full complement of new office furniture for both executives and

the Corporation's employees. The Corporation paid its respective cost of the lease of this new location based solely upon its allocation of floor space taken on by the Corporation. The rental payments for the years ended December 31, 2023 and 2022 were $116,580 and $127,693, respectively.

One of the Organization's board members is a shareholder of the property management company. For the years ended December 31, 2023 and 2022, fees paid for property management services were $1,485,675 and $1,260,482, respectively. In addition, the Organization's site employees are on the payroll of the property management company as they have been in years' past. For the years ended December 31, 2023 and 2022, payroll and related costs reimbursed to the property management company were $2,988,352 and $2,732,177, respectively.

A member of the Board of the Corporation provides consulting services including advisory services over land purchase transactions and oversight of the design, entitlement, and permitting process for a monthly fee of $10,000. For the years ended December 31, 2023 and 2022, $120,000 was paid in each year.

A member of the Board of the Corporation provides legal services. The cost of legal services provided for the years ended December 31, 2023 and 2022 were $45,551 and $44,664, respectively.

Note 11 - Compensated absences

Employees of the Corporation are entitled to paid vacation and paid sick days, depending on job classification, length of service and other factors. It is impracticable to estimate the amount of compensation for future absences and accordingly, no liability has been recorded in the accompanying financial statements. The Corporation's policy is to recognize the costs of compensated absences when actually paid to employees.

Note 12 - Net assets (deficit)

Without donor restrictions:

On October 16, 2003 the Corporation refinanced long-term debt relative to the acquisition of five mobile home park projects owned by the Corporation. The Corporation incurred a loss of approximately $5.2 million relative to extinguishing the existing debt. On June 10, 2014 the Corporation refinanced long-term debt relative to the acquisition of five mobile home park projects owned by the Corporation. The Corporation incurred a loss of approximately $4.3 million relative to extinguishing the existing debt due to write off of debt issuance costs. The losses were classified as a write off of intangible assets due to refinanced debt in the consolidated statement of activities for the years ended December 31, 2014 and December 31, 2003, respectively and is the primary factor contributing to the deficit in net assets as of December 31, 2023.

Note 12 - Net assets (deficit) (continued)

With donor restrictions:

Net assets with donor restrictions are restricted for the following purposes or periods:

	2023	2022
Subject to expenditure for specific purpose:		
Valley Village Mobile Home Park	$ 1,200,000	$ 1,200,000
Shady Lane Mobile Home Park	97,449	-
	$ 1,297,449	$ 1,200,000

Note 13 - Fair value of financial instruments

For cash and cash equivalents, certificates of deposit, restricted investments, rents receivable, interest receivable, prepaid expenses, notes receivable, accounts payable and other current liabilities, the carrying amount approximates the fair value because of the immediate or short-term nature of those instruments.

The fair value of the notes payable to the Agencies at December 31, 2023 was estimated to be $270,453,978. The fair value is based on trading prices of the underlying bonds as of December 31, 2023 and trading prices of similar instruments.

The carrying values and fair values of the Corporation's financial instruments are as follows at December 31, 2023:

	Carrying Amount	Fair Value
Financial assets:		
Cash and cash equivalents	$ 4,179,935	$ 4,179,935
Certificates of deposit	1,204,606	1,204,606
Restricted investments	26,127,408	26,127,408
Rents receivable (net of allowance for credit losses)	110,934	110,934
Grants receivable	97,449	97,449
Prepaid expenses and other current assets	927,612	927,612
Notes receivable (net of allowance for credit losses)	142,645	155,423
Financial liabilities:		
Current liabilities excluding notes payable	6,545,473	6,545,473
Notes payable	278,679,043	270,453,978

The information is intended to include fair value of financial instruments and does not include fair value of property and equipment because it is impractical to do so.

Note 14 - Liquidity and availability of financial assets

The following reflects the Corporation's financial assets as of December 31, 2023 and 2022, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Amounts not available include amounts restricted by the Trustees and Agencies that could be drawn upon with written approval from officers of the Agencies as well as amounts restricted by a donor that will not be available for expenditure in the following year.

	2023	2022
Cash and cash equivalents	$ 4,179,935	$ 3,440,644
Certificates of deposit	1,204,606	500,000
Restricted investments available for current debt service	7,942,187	7,579,022
Rents receivable, collected in less than one year	110,934	184,435
Grant receivable, collected in less than one year	97,449	-
Notes receivable, current portion	19,992	22,980
Total financial assets, excluding noncurrent receivables	13,555,103	11,727,081
Contractual or donor-imposed restrictions:		
Grant for specific purpose	(97,449)	-
Restricted investments held by the Trustees and controlled solely by the Agencies	(7,942,187)	(7,579,022)
Donor restricted by the City of Rohnert Park for rehabilitation of Valley Village Mobile Home Park	(1,200,000)	(1,200,000)
Financial assets available to meet cash needs for general expenditures within one year	$ 4,315,467	$ 2,948,059

Note 15 – Restatement and prior period adjustment

The financial statements as of and for the year ended December 31, 2022 have been restated to adjust accrued interest and interest expense to account for notes payable that were issued in a prior year.

The effects of the adjustments were as follows:

	As Previously Reported	Adjustment	As Restated
Accrued interest	$ 3,315,032	$ 668,506	$ 3,983,538
Interest expense	11,883,831	668,506	12,552,337
Net assets (deficit), December 31, 2022	(13,397,435)	(668,506)	(14,065,941)

SUPPLEMENTARY INFORMATION

THE CARITAS CORPORATION AND AFFILIATES
SCHEDULE I
STATEMENT OF ACTIVITIES BY FINANCING POOL AND AFFILIATES
FOR THE YEAR ENDED DECEMBER 31, 2023

	CMFA 2014 Mobile Home Park Financing Pool	CMFA 2017 / 2021 / 2023 Mobile Home Park Financing Pool	National Finance Authority 2020 Mobile Home Park Financing Pool	Fresno/Oceano PNC Bank Mobile Home Park Financing Pool	Caritas Corporation	Caritas Foundation	Santa Monica	Shady Lane	Eliminations	Total
Support and revenues										
Net rental income	$ 11,573,999	$ 14,025,372	$ 2,597,163	$ 1,938,193	$ -	$ -	$ 390,326	$ 132,310	$ -	$ 30,657,363
Other ancillary income	2,827,009	5,076,090	213,274	566,388	1,444,744	-	61,305	67,642	(1,339,744)	8,916,708
Investment return, net	348,513	414,310	64,140	78	59,790	-	-	-	-	886,831
Grants	-	500	-	-	-	720	-	103,895	-	105,115
Contributions	-	-	320,000	-	-	190,046	231,000	5,139	(741,000)	5,185
Total support and revenues	14,749,521	19,516,272	3,194,577	2,504,659	1,504,534	190,766	682,631	308,986	(2,080,744)	40,571,202
Expenses										
Program expenses										
Park maintenance and utilities	4,217,176	5,930,322	575,737	781,533	-	160	273,092	210,354	-	11,988,374
Administrative	2,542,615	3,699,839	599,897	536,852	-	67,320	239,350	34,177	(1,192,244)	6,527,806
Taxes and insurance	344,669	659,012	206,961	112,078	-	-	49,864	26,051	-	1,398,635
Depreciation	1,609,003	2,155,587	252,683	337,890	-	-	27,019	25,513	-	4,407,695
Interest	4,162,205	5,052,446	1,653,098	441,918	-	-	12,909	-	-	11,322,576
Ancillary program expenses	-	-	-	-	-	128,480	-	-	-	128,480
Total program expenses	12,875,668	17,497,206	3,288,376	2,210,271	-	195,960	602,234	296,095	(1,192,244)	35,773,566
General and administration expenses										
Salaries and related expenses	-	-	-	-	1,366,638	-	-	-	-	1,366,638
Rent	-	-	-	-	113,151	-	-	-	-	113,151
Professional fees	-	-	-	-	569,365	-	-	-	-	569,365
Taxes and insurance	-	-	-	-	56,286	-	-	-	-	56,286
Interest	-	-	-	-	3,928	-	-	-	-	3,928
Office and miscellaneous expenses	-	-	-	-	902,321	-	-	-	(510,000)	392,321
Total general and administration	-	-	-	-	3,011,689	-	-	-	(510,000)	2,501,689
Total expenses	12,875,668	17,497,206	3,288,376	2,210,271	3,011,689	195,960	602,234	296,095	(1,702,244)	38,275,255
Change in net assets (deficit)	$ 1,873,853	$ 2,019,066	$ (93,799)	$ 294,388	$ (1,507,155)	$ (5,194)	$ 80,397	$ 12,891	$ (378,500)	$ 2,295,947

THE CARITAS CORPORATION AND AFFILIATES
SCHEDULE II
STATEMENT OF ACTIVITIES - CMFA 2014 MOBILE HOME PARK FINANCING POOL
FOR THE YEAR ENDED DECEMBER 31, 2023

	CMFA 2014 Mobile Home Park Financing Pool										
	Friendly Village	Hacienda	Rancho Brea	Vista Manor	Estrella De Oro	Valley Village	Desert Sands	Aztec	Sterling Shores	Caritas Affordable Housing	Total
Support and revenues											
Net rental income	$ 2,584,421	$ 1,396,283	$ 1,169,177	$ 1,107,747	$ 846,940	$ 2,267,098	$ 673,168	$ 964,985	$ 564,180	$ -	$ 11,573,999
Other ancillary income	380,017	328,514	128,395	218,242	145,309	773,919	339,396	470,770	42,447	-	2,827,009
Investment return, net	5,016		-	207	-	-	-	8,205	-	335,085	348,513
Total support and revenues	2,969,454	1,724,797	1,297,572	1,326,196	992,249	3,041,017	1,012,564	1,443,960	606,627	335,085	14,749,521
Expenses											
Program expenses											
Park maintenance and utilities	767,136	638,343	225,798	360,466	270,632	1,009,614	396,462	418,243	130,482	-	4,217,176
Administrative	448,159	354,656	165,062	203,744	156,656	322,457	185,515	238,436	118,400	349,530	2,542,615
Taxes and insurance	34,755	27,639	19,833	23,236	15,817	77,845	27,291	48,338	69,915	-	344,669
Depreciation	200,642	123,687	134,582	237,587	121,829	314,966	116,656	227,498	131,556	-	1,609,003
Interest	228	264	110	142	191	821	-	-	582	4,159,867	4,162,205
Ancillary program expenses	-	-	-	-	-	-	-	-	-	-	-
Total program expenses	1,450,920	1,144,589	545,385	825,175	565,125	1,725,703	725,924	932,515	450,935	4,509,397	12,875,668
General and administration expenses											
Salaries and related expenses	-	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	-	-	-	-	-
Taxes and insurance	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Office and miscellaneous expenses	-	-	-	-	-	-	-	-	-	-	-
Total general and administration	-	-	-	-	-	-	-	-	-	-	-
Total expenses	1,450,920	1,144,589	545,385	825,175	565,125	1,725,703	725,924	932,515	450,935	4,509,397	12,875,668
Change in net assets (deficit)	$ 1,518,534	$ 580,208	$ 752,187	$ 501,021	$ 427,124	$ 1,315,314	$ 286,640	$ 511,445	$ 155,692	$ (4,174,312)	$ 1,873,853

THE CARITAS CORPORATION AND AFFILIATES
SCHEDULE III
STATEMENT OF ACTIVITIES - CMFA 2017/2021/2023 MOBILE HOME PARK FINANCING POOL
FOR THE YEAR ENDED DECEMBER 31, 2023

	CMFA 2017/2021/2023 Mobile Home Park Financing Pool													
	El Dorado Palms	Bahia Village	Mountain View	Emerald Isle	Castle City	Casa Grande	Brierwood	Valle Verde	Silver Lantern	Riverdale	Chatsworth	Napa	Caritas Acquisitions I	Total
Support and revenues														
Net rental income	$ 1,238,844	$ 2,219,205	$ 1,764,855	$ 1,221,872	$ 1,557,068	$ 1,340,192	$ 1,623,033	$ 1,058,363	$ 360,872	$ 1,019,617	$ 582,936	$ 38,515	$ -	$ 14,025,372
Other ancillary income	755,327	357,374	978,021	227,194	581,739	227,378	1,071,379	516,067	24,563	314,615	21,382	1,051	-	5,076,090
Investment return, net	-	-	-	1,878	-	-	-	-	-	4,863	-	-	407,569	414,310
Grants	-	-	-	-	500	-	-	-	-	-	-	-	-	500
Total support and revenues	1,994,171	2,576,579	2,742,876	1,450,944	2,139,307	1,567,570	2,694,412	1,574,430	385,435	1,339,095	604,318	39,566	407,569	19,516,272
Expenses														
Program expenses														
Park maintenance and utilities	840,190	294,238	888,278	313,316	857,350	297,340	1,053,011	624,490	43,206	585,444	89,173	44,286	-	5,930,322
Administrative	239,306	355,066	417,638	186,624	291,236	177,584	351,998	179,967	20,581	236,216	92,031	31,717	1,119,875	3,699,839
Taxes and insurance	65,579	26,144	42,294	16,191	98,908	80,861	30,202	32,479	19,453	169,726	32,511	44,664	-	659,012
Depreciation	113,106	191,690	201,051	115,987	548,942	299,804	248,719	133,178	73,906	80,462	115,162	33,580	-	2,155,587
Interest	328	105	105	106	-	139	46	-	64	413	-	-	5,051,140	5,052,446
Ancillary program expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total program expenses	1,258,509	867,243	1,549,366	632,224	1,796,436	855,728	1,683,976	970,114	157,210	1,072,261	328,877	154,247	6,171,015	17,497,206
General and administration expenses														
Salaries and related expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes and insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office and miscellaneous expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total general and administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	1,258,509	867,243	1,549,366	632,224	1,796,436	855,728	1,683,976	970,114	157,210	1,072,261	328,877	154,247	6,171,015	17,497,206
Change in net assets (deficit)	$ 735,662	$ 1,709,336	$ 1,193,510	$ 818,720	$ 342,871	$ 711,842	$ 1,010,436	$ 604,316	$ 228,225	$ 266,834	$ 275,441	$ (114,681)	$ (5,763,446)	$ 2,019,066

THE CARITAS CORPORATION AND AFFILIATES
SCHEDULE IV
STATEMENT OF ACTIVITIES - NATIONAL FINANCE AUTHORITY 2020 MOBILE HOME PARK FINANCING POOL
FOR THE YEAR ENDED DECEMBER 31, 2023

	National Finance Authority 2020 Mobile Home Park Financing Pool								
	Belle Passi	Chateau Village	Holly Tree	Hubbard Estates	Lazy Acres	Lone Acres	Sherwood Manor	Caritas Acquisitions VII	Total
Support and revenues									
Net rental income	$ 160,840	$ 687,828	$ 493,737	$ 307,445	$ 266,454	$ 104,009	$ 576,850	$ -	$ 2,597,163
Other ancillary income	425	6,158	65,412	45,876	1,972	-	93,431	-	213,274
Investment return, net	-	-	-	-	-	-	-	64,140	64,140
Contributions	-	-	-	-	-	-	-	320,000	320,000
Total support and revenues	161,265	693,986	559,149	353,321	268,426	104,009	670,281	384,140	3,194,577
Expenses									
Program expenses									
Park maintenance and utilities	38,652	139,646	89,914	85,663	68,686	33,428	119,748	-	575,737
Administrative	30,442	126,368	109,429	57,426	38,016	26,788	101,008	110,420	599,897
Taxes and insurance	16,179	46,821	50,305	25,121	15,994	14,713	37,828	-	206,961
Depreciation	14,728	74,253	11,348	30,877	21,100	47,009	53,368	-	252,683
Interest	-	-	-	-	-	-	-	1,653,098	1,653,098
Total program expenses	100,001	387,088	260,996	199,087	143,796	121,938	311,952	1,763,518	3,288,376
General and administration expenses									
Salaries and related expenses	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	-	-	-
Taxes and insurance	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Office and miscellaneous expenses	-	-	-	-	-	-	-	-	-
Total general and administration	-	-	-	-	-	-	-	-	-
Total expenses	100,001	387,088	260,996	199,087	143,796	121,938	311,952	1,763,518	3,288,376
Change in net assets (deficit)	$ 61,264	$ 306,898	$ 298,153	$ 154,234	$ 124,630	$ (17,929)	$ 358,329	$ (1,379,378)	$ (93,799)