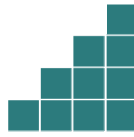


Apartment Life, Inc.
Financial Statements
Year Ended December 31, 2025

Apartment Life, Inc.

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Independent Auditor's Report

To the Board of Directors
of Apartment Life, Inc.

Opinion

We have audited the accompanying financial statements of Apartment Life, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Apartment Life, Inc. as of December 31, 2025, and the changes in net assets and its 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 Financial Statements section of our report. We are required to be independent of Apartment Life, Inc. 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 Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

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- 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 Apartment Life, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Apartment Life, Inc.'s 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.

Meredith CPAs, LLC

Irving, Texas
June 5, 2026

Apartment Life, Inc.
Statement of Financial Position
December 31, 2025

Assets

Current Assets

Cash and cash equivalents	\$ 7,295,875
Accounts receivable, net of allowance for credit loss of \$28,333	673,002
Employee advances	26,849
Prepaid expenses	<u>369,530</u>

Total Current Assets 8,365,256

Investments

3,726,941

Deposits

22,438

\$ 12,114,635

Liabilities and Net Assets

Current Liabilities

Accounts payable	\$ 203,457
Accrued payroll expenses	1,571,496
Advance deposits	1,265,619
Deferred revenue	<u>77,033</u>

Total Current Liabilities 3,117,605

Net Assets

Net assets without donor restrictions	8,976,387
Net assets with donor restrictions	<u>20,643</u>
	8,997,030

\$ 12,114,635

See accompanying notes to financial statements.

Apartment Life, Inc.
Statement of Activities
Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Program fees, net	\$ 7,165,218	\$ -	\$ 7,165,218
AL team fees, net	4,633,226	-	4,633,226
Contributions	6,555,159	29,040	6,584,199
Donated apartments for use by AL teams	13,389,811	-	13,389,811
Event funding	2,617,375	-	2,617,375
Interest income	196,571	-	196,571
Investment income	430,839	-	430,839
Realized loss on investment	(50,000)	-	(50,000)
Other income	186,172	-	186,172
Net assets released from restrictions	17,797	(17,797)	-
	<u>35,142,168</u>	<u>11,243</u>	<u>35,153,411</u>
Expenses			
Program services	29,243,855	-	29,243,855
General and administrative	1,472,989	-	1,472,989
Fundraising	880,883	-	880,883
	<u>31,597,727</u>	<u>-</u>	<u>31,597,727</u>
Change in net assets			
Increase (Decrease) in Net Assets	<u>3,544,441</u>	<u>11,243</u>	<u>3,555,684</u>
Net Assets at Beginning of Year	5,431,946	9,400	5,441,346
Net Assets at End of Year	<u><u>\$ 8,976,387</u></u>	<u><u>\$ 20,643</u></u>	<u><u>\$ 8,997,030</u></u>

See accompanying notes to financial statements.

Apartment Life, Inc.
Statement of Functional Expenses
Year Ended December 31, 2025

	Program Services	Management and General	Fund - raising	Total
Salaries and wages	\$ 5,665,338	\$ 482,000	\$ 294,749	\$ 6,442,087
Employee benefits	4,609,090	502,432	310,128	5,421,650
Payroll taxes	698,802	67,037	40,786	806,625
	<u>10,973,230</u>	<u>1,051,469</u>	<u>645,663</u>	<u>12,670,362</u>
Apartment costs	13,389,811	-	-	13,389,811
Event funding costs	2,617,897	-	-	2,617,897
Client development	215,945	-	-	215,945
Other	546,459	32,335	218,119	796,913
Professional services	254,815	140,883	2,871	398,569
Information technology	418,280	90,791	-	509,071
Team support	234,972	-	-	234,972
Staff care and development	199,589	88,688	-	288,277
Advertising	19,093	19,093	-	38,186
Retirement benefit expense	174,661	26,594	14,230	215,485
Travel and conference	195,229	21,767	-	216,996
Office expense	3,874	1,369	-	5,243
	<u>\$29,243,855</u>	<u>\$ 1,472,989</u>	<u>\$ 880,883</u>	<u>\$31,597,727</u>

See accompanying notes to financial statements.

Apartment Life, Inc.
Statement of Cash Flows
Year Ended December 31, 2025

Cash Flows from Operating Activities	
Change in net assets	\$ 3,555,684
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:	
Unrealized (gains) loss on investments	(329,302)
Loss on investment	50,000
Write-off of related party notes receivable	10,788
(Increase) decrease in assets:	
Accounts receivable	68,811
Employee advances	(3,799)
Prepaid expenses	84,909
Deposits	14,848
Increase (decrease) in liabilities:	
Accounts payable	138,877
Accrued payroll expenses	267,533
Advance deposits	(30,603)
Deferred revenue	(88,021)
Net Cash Provided (Used) by Operating Activities	<u>3,739,725</u>
Cash Flows from Investing Activities	
Purchase of investments	(1,248,761)
Repayment of notes receivable, related party	66,632
Issuance of notes receivable, related party	(1,138)
Net Cash Provided (Used) by Investing Activities	<u>(1,183,267)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>2,556,458</u>
Cash and Cash Equivalents, Beginning of Year	4,760,515
Cash and Cash Equivalents, End of Year	<u><u>\$ 7,316,973</u></u>

Supplemental Disclosure

Summary of cash and cash equivalents	
Cash and cash equivalents	\$ 7,295,875
Cash included in investments	21,098
	<u><u>\$ 7,316,973</u></u>

See accompanying notes to financial statements.

Apartment Life, Inc.
Notes to Financial Statements
December 31, 2025

Note 1 - Organization and Summary of Significant Accounting Policies

Nature of the Organization

Apartment Life, Inc. ("AL", "Organization"), is a Texas non-profit organization incorporated in March 2000. AL is engaged in charitable and religious activities designed to improve the quality of life for apartment dwellers by strengthening communities, serving residents, and modeling the Christian life. AL operates in 45 states.

AL's purpose is to organize and run the AL program, which is a community building and resident retention program that provides business value to apartment owners and management companies while making a lasting difference in the lives of apartment residents. The AL program is carried out by AL Coordinators, consisting of either a married couple, team of two, or single coordinator which lives offsite or onsite in apartment communities and works with the management team to build the community and serve residents. This is accomplished by doing things that flow naturally out of the Christian lifestyle such as welcoming new residents, planning social events, and caring in times of need.

Basis of Presentation

Based on the existence or absence of donor-imposed restrictions, resources are classified into two categories: without donor restrictions and with donor restrictions. Net assets without donor restrictions are free of donor-imposed restrictions. All revenues, gains, and losses that are not restricted by the donor are included in this classification. All expenses are reported as decreases in net assets without donor restrictions. Net assets with donor restrictions are subject to donor-imposed restrictions that will be met either by actions of AL or the passage of time. When a restriction expires (that is when a stipulated time restriction ends or purpose of restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents includes all checking and saving accounts, and highly liquid money market mutual funds. These funds are available for general operating purposes and not otherwise restricted.

Investments

Investments in marketable equity securities with readily determinable fair values are stated at fair value based on quoted prices in active markets (Level 1 measurements). For equity securities without a readily determinable fair value, the investment is recorded at cost, less any impairment, plus or minus adjustments related to observable transactions for the same or similar securities (Level 2 measurements). Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Investment income and gains are reported as increases in unrestricted net assets in the reporting period in which the income and gains are recognized.

Economic conditions can vary significantly throughout the year, impacting the carrying value of investments. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, current estimates of fair value may differ significantly from the statements presented.

Intangibles

AL capitalizes the costs of intangibles. Intangibles costs are amortized on a straight-line basis over the estimated useful life of five years.

Apartment Life, Inc.
Notes to Financial Statements
December 31, 2025

Note 1 - Organization and Summary of Significant Accounting Policies, Continued

Property and Equipment

Property and equipment are carried at acquisition cost or the estimated fair value of donated assets. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets. For office furniture, fixtures, computer equipment, and office equipment estimated useful lives range between 3-5 years. Major additions and betterments are capitalized, while replacements and maintenance and repairs which do not improve or extend the life of the related assets are expensed.

Notes Receivable

Loans are stated at unpaid principal balances. Interest on the notes receivable is recognized over the term of the note and is calculated using the effective interest method on the principal amounts outstanding.

Revenue and Support

Under Accounting Standards Codification (ASC) Topic 606, revenue from contracts with customers is recognized when control of the promised goods or services is transferred in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services (i.e., the transaction price).

Apartment Life team fees represent administration fees paid for the AL teams services. AL team fees are recognized over the contract period as performance obligations are met and are due each month. Program fees are paid by apartment complexes for AL's services and are recognized over contract period as performance obligations are met and are due each month.

Other remaining revenue streams not related to teams and program fees including contributions, investment income, and other revenue are not within the scope of Topic 606 Revenue Recognition. The adoption of this standard did not materially affect changes in net assets, financial position, or cash flows.

Contributions are recognized as revenues when received. Contributions are available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as restricted support and increase net assets with donor restrictions. Contributions received with donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

Deferred Revenue

AL periodically receives payments from customers in excess of amounts due on outstanding receivables. These excess payments are recorded as customer credit balances within deferred revenue and totaled \$77,033 and \$165,054 as of December 31, 2025 and 2024, respectively. Such balances are applied to future customer invoices or refunded upon customer request.

Functional Allocation of Expenses

Expenses have been summarized on a functional basis and allocated in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited, based on analysis of personnel time and resources utilized for the related activities.

Advertising Expenses

Advertising costs are expensed as incurred. Advertising expense totaled \$38,186 for the year ended December 31, 2025.

Apartment Life, Inc.
Notes to Financial Statements
December 31, 2025

Note 1 - Organization and Summary of Significant Accounting Policies, Continued

Income Taxes

AL is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is not classified as a private foundation and is exempt for state income tax purposes. Currently, AL engages in no activities that would be taxed as unrelated business income.

With respect to uncertain tax positions, the management of AL believes its positions comply with applicable laws and they periodically evaluate exposures associated with tax filing positions. Consequently, no liability is recognized in the statement of financial position for uncertain tax positions. If incurred, penalties and interest assessed by income taxing authorities are included in penalties or interest expense. With few exceptions, AL is no longer subject to U.S. federal and state examinations by taxing authorities for years before 2021.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Accordingly, actual results could differ from those estimates.

Accrued Absences

Compensated absences for sick pay and personal time have not been accrued since they cannot be reasonably estimated. AL's policy is to recognize these costs when actually paid.

Liquidity and Availability of Financial Assets

AL regularly monitors liquidity required to meet its operating needs and other contractual commitments. AL structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due. AL has \$3,444,126 of financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures, consisting of cash and cash equivalents of \$7,295,875 and accounts receivable of \$673,002, less restricted by donor of \$20,643, less management-designated funds of \$3,551, and less board-designated funds of \$4,500,557. See Note 8.

Note 2 - Accounts Receivable

Accounts receivable consists primarily of trade receivables due from AL teams and properties, and is stated at the amount of consideration of which the AL has an unconditional right to receive. Accounts receivable is reported at invoiced amounts, net of an allowance for credit losses. The Organization establishes an allowance for credit losses based on management's assessment of the collectability of specific accounts and by making a general provision for other potentially uncollectible amounts, with credit loss expense being presented within the statement of functional expense. Management estimates the allowance balance using relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. The allowance for credit loss was \$28,333 as of December 31, 2025 and 2024, and there was no credit loss expense for the year ended December 31, 2025. The accounts receivable balance, net of the allowance for credit loss, was \$673,002 as of December 31, 2025 compared to \$741,813 as of December 31, 2024. AL generally requires that the invoices are paid prior to services being rendered. As such, AL generally does not require collateral from its customers.

Apartment Life, Inc.
Notes to Financial Statements
December 31, 2025

Note 3 - Investments

Investments consist of the following at December 31, 2025:

	Current Portion	Noncurrent Portion	Total
Mutual Funds	\$ -	\$ 3,457,310	\$ 3,457,310
Cash	-	21,098	21,098
Marble Feeder IV, LP	-	248,533	248,533
	<u>\$ -</u>	<u>\$ 3,726,941</u>	<u>\$ 3,726,941</u>

Unrealized gains and losses result from periodic market value adjustments in various investment instruments. AL recognized a net unrealized investment gain of \$329,302 as of December 31, 2025 related to investment in mutual funds. AL recognized a net realized gain of \$101,537 as of December 31, 2025 related to investment in mutual funds.

Noncurrent investments represent board-designated endowment funds set aside for long-term purposes for use of future national office expenditures. Noncurrent investments include a board-approved equity security interest in Marble Feeder IV, LP, consisting of preferred equity investments and select common equity investments in multi-family developments across the U.S. for accredited investors in accordance with Rule 506(b). Apartment Life has contributed \$248,533 towards the total subscription amount of \$250,000 as of December 31, 2025, and has a remaining unpaid commitment of \$1,467, as of December 31, 2025.

Note 4 - Fair Value Measurements

Assets utilizing fair value measurements consists of the following at December 31, 2025:

	Level 1	Level 2	Total
Mutual Funds	\$ 3,457,310	\$ -	\$ 3,457,310
Cash	21,098	-	21,098
Marble Feeder IV, LP	-	248,533	248,533
	<u>\$ 3,478,408</u>	<u>\$ 248,533</u>	<u>\$ 3,726,941</u>

The Marble Feeder IV, LP is a private investment fund for accredited investors under Rule 506(b). This equity security is not publicly traded and does not have a readily determinable market value. The Organization adjusts the carrying value of the equity security up or down for observable price changes in orderly transactions for identical or similar investments of the same issuer and for impairment, if any. There were no adjustments for the year ended December 31, 2025 or cumulative.

As of December 31, 2024, noncurrent investments included a board-approved equity security interest in Way Maker ValueAdd Real Estate Fund, LP, a private placement pool of investment funds for accredited investors under Regulation D, Rule 506(b) of the Securities Act of 1933 ("Rule 506(b)"). This equity security is not publicly traded and does not have a readily determinable market value. The Organization adjusts the carrying value of the equity security up or down for observable price changes in orderly transactions for identical or similar investments of the same issuer and for impairment, if any. The cost of the equity security interest was \$50,000. There was a \$50,000 realized loss for the year ended December 31, 2025.

Apartment Life, Inc.
Notes to Financial Statements
December 31, 2025

Note 5 - Property and Equipment

Property and equipment consists of the following at December 31, 2025:

Office furniture and fixtures	\$ 4,331
Computer and office equipment	76,604
Less: accumulated depreciation	(80,935)
	\$ -

Depreciation expense totaled \$0 for the year ended December 31, 2025.

Note 6 - Intangibles

Intangibles consist of the following at December 31, 2025:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Apartment service contracts	\$ 39,285	\$ (39,285)	\$ -
Website development costs	19,750	(19,750)	-
	\$ 59,035	\$ (59,035)	\$ -

Amortization expense related to intangibles was \$0 for the year ended December 31, 2025, and future amortization expense is \$0.

Note 7 - Advance Deposits

Advance deposits consist of AL team advance deposits and advance deposits related to apartment events. The Organization requires new teams to pay a deposit of \$500 upon application for placement. This deposit is refunded to the team only if they fulfill their two-year commitment. After the two-year commitment is met and once their program ends, their move-out fees from the property are deducted from their deposit to the Organization. Advance event deposits primarily consist of advanced funds received in preparation for future events. Advance AL team deposits, advance event, and other deposits were \$336,181, \$736,588, and \$192,850, respectively, as of December 31, 2025.

Note 8 - Net Assets

Net Assets without Donor Restrictions

Net assets without donor restrictions includes the following designated funds at December 31, 2025:

Endowment, board-designated funds for future national office expenditures	\$ 4,500,557
Management-designated funds for Helping Hands	3,551
	\$ 4,504,108

Net Assets with Donor Restrictions

Net assets with donor restrictions consists of the following at December 31, 2025:

Good Neighbors Initiative	\$ 20,643
	\$ 20,643

Apartment Life, Inc.
Notes to Financial Statements
December 31, 2025

Note 9 - Endowment Fund

The endowment fund represents board-designated funds for use of future national office expenditures. AL has adopted investment and spending policies, approved by the Board of Trustees, for endowment assets that seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. AL has a policy of appropriating approximately two-thirds of annual net income toward the endowment fund until a goal of \$10 million is reached. Endowment assets are invested in a well diversified asset mix, which includes cash, mutual funds and Marble Feeder IV, LP. Distributions will start when the goal is achieved and will be limited to the return on the fund and will be used for future national office expenditures.

Changes in endowment net assets as of December 31, 2025 are as follows:

Endowment net assets, beginning of year	\$ 3,591,049
Contributions	414,000
Transfers	-
Investment return (loss), net	495,508
Endowment net assets, end of year	<u>\$ 4,500,557</u>

Note 10 - Commitments and Contingencies

The Organization is subject to various claims and liabilities in the ordinary course of business. The Organization maintains various forms of insurance that the Organization's management believes are adequate to reduce the exposure to such risks to an acceptable level.

Note 11 - Donated Apartment Units

The apartment units which the Organization's AL teams occupy are donated by management of the apartment complexes. The value of the donated apartment units are recorded at estimated fair market value. Total value of the donated apartment units was \$13,389,811 for the year ended December 31, 2025. This is recorded as both revenue and expense on the statement of activities.

Note 12 - Concentrations

The Organization maintains cash balances with national banks, which, at times, exceed federally insured limits. Uninsured balances totaled \$333,378 at December 31, 2025. In addition, revenues from the Central, East, Southeast, and West divisions make up approximately 15%, 18%, 18% and 24% of revenue, respectively, at December 31, 2025.

Apartment Life, Inc.
Notes to Financial Statements
December 31, 2025

Note 13 - Related Parties

AL received cash contributions of \$294,759 from AL executives and board of directors. The Organization also has an Affiliation Agreement and an International Grant Agreement with Apartment Neighbours, a Nonprofit Corporation operating under the laws of Canada, in which AL provides training and guidance to Apartment Neighbours. AL received \$4,313 revenue from the affiliate, in which AL's CEO is a board member.

The Organization also has a Limited Partnership Agreement with Marble Feeder IV, LP, a private investment fund, in which AL's board member is a co-founder and managing principal. Investments in this fund totaled \$248,533 as of December 31, 2025. For Marble Feeder IV, LP, AL has contributed \$248,533 towards the total subscription amount of \$250,000, and has an outstanding commitment of \$1,467 as of December 31, 2025. See Note 3.

The Organization has a Limited Partnership Agreement with Way Maker ValueAdd Real Estate Fund, LP, a private placement pool of investment funds, in which AL's former chairman of the board is a general partner. The cost of the equity security interest was \$50,000. There was a \$50,000 realized loss for the year ended December 31, 2025.

Note 14 - Retirement Plan

The Organization has a 403(b) retirement plan. Employees are eligible upon hire. The Organization makes matching contributions equal to 100% on the first 4% and 50% on the next 2% of the active participant's compensation. Participants vest in the matching contribution upon completion of one year of service. The plan permits in-service and hardship withdrawals and loans. The Organization's expense for the 403(b) retirement plan totaled \$215,485 for the year ended December 31, 2025.

Note 15 - Management's Review

Management has evaluated subsequent events through June 5, 2026, the date on which the financial statements were available to be issued.