

191—24.10(523D) Financial statements, studies, and forecasts.

24.10(1) Financial statements shall be prepared in accordance with generally accepted accounting principles and practices (GAAP).

24.10(2) The financial statements shall be presented in a format that allows financial analysis of the contracting party undertaking to provide the continuing care. The contracting party may consist of an individual facility or numerous operating units. In some cases, where the financial condition and financial obligations of affiliated legal entities are relevant to the financial condition of the contracting party, preparation on a consolidated basis may be necessary. The financial statements shall provide sufficient financial disclosure to the continuing care resident to enable the resident to make an informed decision.

24.10(3) Studies or forecasts must disclose the basic assumptions used.

24.10(4) The following audited financial statements must be filed with the annual disclosure statement:

- a.* An income statement or a statement of revenues and expenses;
- b.* A statement of changes in equity or change in fund balances;
- c.* A balance sheet; and
- d.* A statement of cash flows.