HumanGood East
f/k/a Philadelphia Presbytery Homes and Services for the Aging and Subsidiaries
d/b/a Presby's Inspired Life
(a Member of HumanGood Cornerstone)

Consolidated Financial Statements and
Supplementary Information

December 31, 2019 and 2018

bakertilly

Independent Auditors' Report

To the Board of Directors of
HumanGood East f/k/a Philadelphia Presbytery Homes and Services
for the Aging and Subsidiaries

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of HumanGood East f/k/a Philadelphia Presbytery Homes and Services for the Aging and Subsidiaries (the Corporation), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements. We have also audited the basic financial statements of HumanGood Pennsylvania f/k/a Philadelphia Presbytery Homes, Inc., which comprise the balance sheets as of December 31, 2019 and 2018, and the related statements of operations and changes in net assets and cash flows for the years then ended (the basic financial statements) (discretely presented on pages 35 to 41, and the related notes to those basic financial statements).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of certain subsidiaries of the Corporation listed in Note 1, which statements in aggregate reflect total assets of $38,971,685 and $40,979,282 as of December 31, 2019 and 2018, respectively, and total unrestricted revenues of $4,877,121 and $4,229,942 for the years then ended, respectively. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these affiliates in the consolidated financial statements, is based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Baker Tilly Virchow Krause, LLP trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. © 2018 Baker Tilly Virchow Krause, LLP

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of HumanGood East f/k/a Philadelphia Presbytery Homes and Services for the Aging and Subsidiaries as of December 31, 2019 and 2018, and the results of their operations, changes in net assets, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Also, in our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of HumanGood Pennsylvania f/k/a Philadelphia Presbytery Homes, Inc. as of December 31, 2019 and 2018, and the results of its operations, changes in net assets, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters, Accounting Changes

As discussed in Note 2 to the financial statements, the Corporation changed the classification of its capital advance from net assets to a liability as a result of the adoption of Accounting Standards Update No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.* Also, as discussed in Note 2 to the financial statements, the Corporation changed the presentation of its statement of cash flows as a result of the adoption of Accounting Standards Update No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. Our opinion is not modified with respect to these matters.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 35 through 41 is presented for purposes of additional analysis rather than to present the financial position, results of operations and changes in net assets and cash flows of the individual entities 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, based on our audits and the reports of the other auditors, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Baker Tilly Virchow Krause, LLP

Philadelphia, Pennsylvania
April 28, 2020

HumanGood East
f/k/a Philadelphia Presbytery Homes and Services for the Aging and Subsidiaries
d/b/a Presby's Inspired Life (a Member of HumanGood Cornerstone)

Consolidated Balance Sheets
December 31, 2019 and 2018

Assets	2019	2018 (As Adjusted)
Current Assets		
Cash and cash equivalents	$ 17,061,501	$ 14,313,972
Accounts receivable, residents, net of allowance for doubtful accounts of $531,000 in 2019 and $494,000 in 2018	2,222,192	4,553,477
Entrance fees and other receivables	2,176,593	2,683,615
Other current assets	1,256,807	1,249,313
Total current assets	22,717,093	22,800,377
Investments	121,315,622	93,113,226
Statutory Minimum Liquid Reserve	4,946,000	4,663,000
Assets Whose Use is Limited	22,395,777	21,227,911
Investments Restricted by Donor	9,387,241	7,910,109
Beneficial Interest in Split Interest Agreements and Perpetual Trusts	8,419,174	7,474,660
Property and Equipment, Net	229,984,682	235,538,107
Other Assets, Net	2,647,816	2,435,155
Total assets	$ 421,813,405	$ 395,162,545

Liabilities and Net Assets	2019	2018 (As Adjusted)
Current Liabilities		
Current maturities of long-term debt	$ 2,295,799	$ 2,251,372
Accounts payable:		
Trade	2,099,246	3,432,582
Construction	3,095,442	2,505,315
Refunds payable	140,726	40,284
Accrued expenses	5,919,412	5,727,693
Total current liabilities	13,550,625	13,957,246
Construction Loan Payable	8,369,891	17,436,878
Long-Term Debt	199,331,784	201,816,311
Refundable Entrance Fees and Deposits	65,082,483	59,032,816
Deferred Revenue From Entrance Fees	28,601,204	29,555,344
Other Liabilities	1,618,443	1,407,923
Total liabilities	316,554,430	323,206,518
Net Assets		
Without donor restrictions before noncontrolling ownership in limited partnerships	59,236,671	47,371,042
Noncontrolling ownership interest in limited partnerships	19,785,377	1,312,603
Total net asset without donor restrictions	79,022,048	48,683,645
Net assets with donor restrictions	26,236,927	23,272,382
Total net assets	105,258,975	71,956,027
Total liabilities and net assets	$ 421,813,405	$ 395,162,545

See notes to consolidated financial statements

HumanGood East
f/k/a Philadelphia Presbytery Homes and Services for the Aging and Subsidiaries
d/b/a Presby's Inspired Life (a Member of HumanGood Cornerstone)

Consolidated Statements of Operations and Changes in Net Assets
Years Ended December 31, 2019 and 2018

	2019	2018 (As Adjusted)
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident service revenue, net, including amortization of entrance fees of $6,093,153 in 2019 and $6,535,389 in 2018	$ 54,215,264	$ 63,955,031
Affordable housing rental income	15,840,126	14,466,062
Contributions and bequests	256,693	388,763
Investment income	7,073,563	5,888,080
Management fees and other	1,278,193	1,159,444
Net assets released from restrictions	1,383,144	1,261,245
Total revenues, gains and other support	80,046,983	87,118,625
Expenses:		
Salaries and employee benefits	33,716,655	37,771,884
Contracted services	20,119,362	22,035,329
Other operating expenses	11,026,587	11,833,434
Interest	5,785,882	5,640,379
Depreciation and amortization	15,433,455	15,215,704
Total expenses	86,081,941	92,496,730
Operating loss	(6,034,958)	(5,378,105)
Nonoperating gains (losses):		
Developer fee expense, net	(82,981)	(229,298)
Gain on sale of Broomall, net	4,249,959	-
Affiliation expense	(850,910)	-
Other nonoperating expense, net	(201,721)	(219,270)
Net change in unrealized gains and losses on investments	12,390,430	(13,590,778)
Revenues, gains and other support in excess of (less than) expenses	9,469,819	(19,417,451)
Net assets released from restrictions used for property and equipment	233,413	205,545
Capital related contributions	20,635,171	2,442,091
Change in net assets without donor restrictions	30,338,403	(16,769,815)
Net Assets With Donor Restrictions		
Contributions	806,180	558,393
Investment return	2,830,408	(834,878)
Valuation gain (loss), split interest agreements	8,330	(6,993)
Net assets released from restrictions	(1,616,557)	(1,466,790)
Valuation gains (loss), beneficial interest in perpetual trusts	936,184	(1,275,516)
Change in net assets with donor restrictions	2,964,545	(3,025,784)
Change in net assets	33,302,948	(19,795,599)
Net Assets, Beginning, as Originally Presented	71,956,027	159,989,525
Restatement as a Result of Adoption of Accounting Standard	-	(68,237,899)
Net Assets, Beginning, as Adjusted	71,956,027	91,751,626
Net Assets, Ending	$ 105,258,975	$ 71,956,027

See notes to consolidated financial statements

HumanGood East
f/k/a Philadelphia Presbytery Homes and Services for the Aging and Subsidiaries
d/b/a Presby's Inspired Life (a Member of HumanGood Cornerstone)

Consolidated Statements of Cash Flows
Years Ended December 31, 2019 and 2018

	2019	2018 (As Adjusted)
Cash Flows From Operating Activities		
Change in net assets	$ 33,302,948	$ (19,795,599)
Adjustments to reconcile change in net assets provided by operating activities:		
Provision for bad debts	337,083	252,676
Depreciation and amortization	15,433,455	15,215,704
Amortization of debt issuance costs	278,822	115,416
Accretion of bond premium	(186,132)	(186,132)
Amortization of entrance fees	(6,093,153)	(6,535,389)
Net realized and unrealized loss (gain) on investments	(16,099,207)	14,856,568
Proceeds from non-refundable entrance fees, net	5,139,013	4,026,184
Gain on sale of Broomall	(4,249,959)	-
Valuation (gain) loss, split-interest agreements and beneficial interest in perpetual trusts	(944,514)	1,282,509
Contributions restricted for long-term purposes	(149,552)	(250,041)
Capital related contributions	(20,635,171)	(2,442,091)
Contract acquisition costs incurred	(146,673)	(119,418)
Changes in assets and liabilities:		
Accounts receivable and other receivables	2,378,841	(1,860,306)
Other current assets and other assets	(224,711)	(124,997)
Accounts payable, trade	(1,333,336)	1,044,535
Accrued expenses	191,719	25,021
Residents' deposits	(41,577)	44,457
Other liabilities	210,520	(132,438)
Net cash provided by operating activities	7,168,416	5,416,659
Cash Flows From Investing Activities		
Purchases of property and equipment	(16,144,095)	(32,023,839)
Proceeds from sale of Broomall	13,783,052	-
Net (purchases) sales of investments	(13,863,321)	406,950
Net cash used in investing activities	(16,224,364)	(31,616,889)
Cash Flows From Financing Activities		
Compliance monitoring fees incurred	(10,698)	(174,800)
Proceeds from refundable entrance fees and deposits, net	5,783,533	1,733,813
Proceeds from initial sales deposits	530,536	2,436,733
Payment of accounts payable, construction	(2,505,315)	(2,385,615)
Proceeds of construction loan payable	9,614,518	16,772,674
Repayments of construction loan	(18,681,505)	-
Proceeds of long-term debt	391,087	6,855,376
Repayments of long-term debt	(2,285,345)	(2,038,277)
Payment of debt issuance costs	(730,389)	(425,510)
Proceeds from contributions restricted for long-term purposes	229,750	330,239
Capital related contributions	20,635,171	2,442,091
Net cash provided by financing activities	12,971,343	25,546,724
Net increase (decrease) in cash, cash equivalents, and restricted cash and cash equivalents	3,915,395	(653,506)
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	35,541,883	36,195,389
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	$ 39,457,278	$ 35,541,883
Supplemental Disclosure of Cash Flow Information		
Interest paid, net of amount capitalized	$ 5,410,430	$ 5,510,883
Supplemental Disclosure of Noncash Investing and Financing Activities		
Obligations incurred for the acquisition of property and equipment:		
Accounts payable, construction	$ 3,095,442	$ 2,505,315
Capital leases	91,857	-
Total	$ 3,187,299	$ 2,505,315
Reconciliation of Cash and Restricted Cash to Balance Sheets		
Cash and cash equivalents	$ 17,061,501	$ 14,313,972
Assets whose use is limited	22,395,777	21,227,911
Total cash and restricted cash	$ 39,457,278	$ 35,541,883

See notes to consolidated financial statements

1. Organization

HumanGood East

HumanGood East, formerly known as, Philadelphia Presbytery Homes and Services for the Aging (HGE) d/b/a Presby's Inspired Life, is a not-for-profit corporation engaged in establishing, maintaining, supporting and operating communities for the care of older adults.

Effective June 30, 2019, HGE affiliated with HumanGood. HumanGood Cornerstone, a subsidiary of HumanGood, became the sole member of Philadelphia Presbytery Homes and Services for the Aging.

The following is a listing of HGE's subsidiaries:

- HumanGood Pennsylvania f/k/a Philadelphia Presbytery Homes, Inc. (HGPA), which includes Broomall Presbyterian Village (Broomall) which was sold during 2019 (Note 19), Rosemont Presbyterian Village (Rosemont), Rydal Park and Spring Mill Presbyterian Village (Spring Mill)
- The Presbyterian Home at 58th Street (58th Street)
- Bala Presbyterian Home Foundation (Bala)
- Makemie at Whiteland (Makemie)
- Philadelphia Presbytery Homes WC Trust, Inc.
- Affordable Housing Communities comprised of the following entities:
    - Philadelphia Presbytery Apartments of Morrisville, Inc. (Morrisville)
    - Germantown Interfaith Housing, Inc. (Germantown)
    - Avenue of the Arts - PSC Apartments, Inc. (Reed St)
    - South Philadelphia Presbytery Apartments, Inc. (Jackson Place)
    - Philadelphia Presbytery Apartments, Inc. (PPA)
    - Mantua Presbyterian Apartments, Inc. (Mantua)
    - Old City Presbyterian Apartments, Inc. (Old City)
    - Tioga Presbyterian Apartments, Inc. (Tioga)
    - Southwest Philadelphia Presbytery Apartments, Inc. (Mary Field)
    - Greenway Presbyterian Apartments, Inc. (Greenway)
    - Philadelphia Apartments at 58th Street, Inc. (Ann Thomas)
    - Grace Court, Inc. (Grace Court)
    - Bensalem Senior Apartments, LP (BSA)
    - PresbyHousing, Inc.
    - Riverside Senior Apartments, LP (RSA)
    - Presby Riverside Housing, Inc. (PRH)
    - Wynnefield Place, LP (Wynnefield)
    - Wynnefield Senior Housing, LLC (WSH)
    - Paschall Senior Housing, Inc. (Paschall)
    - PresbyServices, Inc. d/b/a Presby Affordable Housing
    - Presby's Inspired Life Apartments, LLC (PILA)
    - Cantrell Place, LP (Cantrell)
    - Cantrell Housing, Inc. (CHI)
    - Witherspoon Senior Apartments, LP (Witherspoon)
    - Witherspoon Housing, Inc. (WHI)

The following subsidiaries have been audited by other auditors:

- Old City
- Tioga
- Greenway
- Grace Court
- BSA
- Cantrell

HGE and all of its subsidiaries are not-for-profit corporations, except for BSA, RSA, Wynnefield, Cantrell, and Witherspoon, which are for-profit limited partnership entities providing affordable housing to seniors, and PresbyHousing, Inc., PRH, WSH, CHI, and WHI, which are the general partners of the preceding entities.

HGPA also provides management services for 19 unrelated entities that provide affordable housing for seniors; 10 are not-for-profit corporations and 9 are for-profit limited partnership entities.

Parent Organization

HumanGood Cornerstone (a Member of HumanGood), a California nonprofit public benefit tax-exempt corporation, is the sole member and exercises its direction and control through the appointment of the Boards of Directors of HumanGood East, HumanGood Idaho, HumanGood Arizona (dba Terraces of Phoenix), HumanGood Washington (dba Judson Park), HumanGood Nevada (dba Las Ventanas), HumanGood Properties and in conjunction with finalizing transfer agreements in 2019, HumanGood Cornerstone is the sole member and exercises its direction and control through the appointment of the Board of Directors of HumanGood Affordable Housing and Beacon Development Group. HumanGood Arizona and HumanGood Washington together constitute an obligated group (HumanGood National Obligated Group).

HumanGood is a California nonprofit public benefit tax-exempt corporation providing housing, health care and supportive services for the elderly through its life plan and affordable housing communities. HumanGood is the sole member of HumanGood Cornerstone, HumanGood Fresno (dba Terraces at San Joaquin Gardens), HumanGood SoCal (SoCal) and HumanGood NorCal (NorCal). NorCal is the sole member of HumanGood Foundation West and SoCal is the sole member of HumanGood Foundation South. HumanGood Fresno, HumanGood SoCal and HumanGood NorCal together constitute an obligated group (HumanGood California Obligated Group or COG).

HumanGood and HumanGood Cornerstone's Boards are composed of the same seven directors.

Principles of Consolidation

The consolidated financial statements include the accounts of HGE and all of HGE's subsidiaries (collectively, the Corporation) listed in the Organization section of this note. All intercompany balances and transactions have been eliminated in consolidation.

Consolidated Financial Statement Disclosures

The disclosures included in the notes to the consolidated financial statements consider both the Corporation's consolidated financial statements as well as HGPA's basic financial statements.

2. Summary of Significant Accounting Policies

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash, cash equivalents and restricted cash and cash equivalents include assets whose use is limited purchased with an initial maturity of three months or less.

Accounts Receivable

The Corporation assesses collectability on all resident accounts prior to providing services.
An allowance for uncollectible accounts is recognized to reduce accounts receivable to its net realizable value for impairment of revenues for changes in resident credit worthiness. The allowance is estimated by management based on factors such as aging of the accounts receivable, and anticipated collection of the consideration. Accounts are written off through bad debt expense when the Corporation has exhausted all collection efforts and accounts are deemed impaired.

Investments and Investment Risk

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value. Investment income or loss (including realized and unrealized gains and losses on investments, interest, dividends and capital gain distributions) is included in revenues, gains, and other support less than expenses unless the income or loss is restricted by donor or law. Interest income is measured as earned on the accrual basis. Dividends are measured based on the ex-dividend date. Purchases and sales of securities and realized gains and losses are recorded on a trade-date basis.

The Corporation's investments are comprised of a variety of financial instruments and are managed by investment advisors. The fair value reported is subject to various risks including changes in the equity markets, the interest rate environment and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported could change materially in the near term.

Assets Whose Use is Limited

Assets whose use is limited includes assets held under bond indenture agreements, assets held under U.S. Department of Housing and Urban Development (HUD) agreements, first generation entrance fee and waiting list deposits, and designated assets set aside by the board of directors for future capital improvements.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Impairment of Property and Equipment

Property and equipment are evaluated for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. If expected cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of the assets. No impairment losses were recognized in 2019 or 2018.

Interest Capitalization

The Corporation capitalizes interest expense as a component of the cost of property and equipment constructed for its own use. HGPA capitalized $405,744 of interest in 2019, including $300,410 of interest to Bala which eliminates in consolidation. The Corporation capitalized $421,809 of interest in 2018, of which $194,642 was related to HGPA of interest to Bala, which eliminates in consolidation.

Other Assets

Other assets are primarily comprised of contract acquisition costs, contributions for membership in Caring Communities, a Reciprocal Risk Retention Group (CCrRRG), Ziegler Link-Age capital contribution, net, Section 457(b) plan assets, tax credit compliance fees, health insurance program capital contribution and the noncurrent portion of pledges receivable.

Beneficial Interest in Split-Interest Agreements and Perpetual Trusts

The Corporation has been designated the beneficiary under several split-interest agreements and perpetual trusts.

Under the split-interest agreements, the Corporation primarily recorded the assets and recognized restricted contributions at the fair value of the estimated present value of the remainder interest in the split-interest agreements. The Corporation revalues its interest in the split-interest agreements annually and reports gains or losses in the net assets with donor restrictions class.

A perpetual trust is held by a third party and is an arrangement in which the donor establishes and funds a trust to exist in perpetuity that is administered by an individual or organization other than the beneficiary. The Corporation has the irrevocable right to receive the income earned on the trust's assets but will never receive the assets themselves. The Corporation recognizes contribution revenue at the time an irrevocable trust is created, at the fair value of the trust's assets (a proxy for present value of discounted cash flows). The contribution revenue is classified with donor restrictions. The Corporation revalues its interest in the perpetual trusts annually and reports gains or losses in net assets with donor restrictions class.

Debt Issuance Costs

Debt issuance costs incurred in connection with the issuance of long-term debt are amortized using the effective-interest method, over the period of the related debt. Amortization expense, which is included as a component of interest expense, was $278,822 in 2019 and $115,416 in 2018 (including amortization specific to HGPA of $48,805 in 2019 and $48,805 in 2018). Accumulated amortization was $1,072,879 and $794,057 at December 31, 2019 and 2018, respectively (including accumulated amortization specific to HGPA of $109,812 and $61,007 at December 31, 2019 and 2018, respectively).

Resident Deposits

Resident deposits represent entrance fee deposits paid to reserve a residence at Rydal Park and Rosemont. These deposits become part of the entrance fee when the resident moves in, or are fully refundable at the residents' discretion. Resident deposits also represent security deposits paid in advance to cover possible costs when residents vacate their apartments. These deposits are taken into income only if earned upon the termination of a rental agreement.

Deferred Revenue From Entrance Fees

The Rydal Park and Rosemont communities charge entrance fees to residents to obtain a nontransferable right to lifetime occupancy at one of the retirement communities. Residents enter into different types of continuing care contracts depending on their move-in date and the community they reside in. Under the terms of the various contracts, entrance fees may be nonrefundable or, for certain Rydal Park residents, entrance fees may be refundable. Under the nonrefundable contracts, entrance fees are generally refundable on a decreasing basis for 32 to 50 months, depending on the contract selected, after which no refund is due or payable. The refundable contracts have a guaranteed refund component, which is 50 percent or 90 percent of the entrance fee paid; the balance of the entrance fee paid under the 90 percent refundable contracts is generally nonrefundable while the balance of the entrance fee paid under the 50 percent contract is generally refundable on a decreasing basis for 25 months. Entrance fee refunds are generally paid upon the surrendering of the unit and the reoccupancy of the unit by another resident.

Nonrefundable entrance fees are recorded as deferred revenue upon receipt and amortized to income using the straight-line method over the annually adjusted estimated remaining life expectancy of the resident. The refundable amounts for Rydal Park residents are reported as refundable fees and deposits and are not amortized to income.

Refunds to residents are generally paid when the residential living unit vacated has been reoccupied by a new resident and the entrance fee has been paid in full by the new resident. The gross amount of contractual refund obligations at December 31, 2019 was approximately $66,400,000.

Obligation to Provide Future Services

In accordance with the Rydal Park Residence and Care Agreement between the community and its residents that have entered into a life care agreement, HGPA is obligated to provide future health care services for life to the residents of Rydal Park at a fixed fee arrangement, subject to normal escalations. Management engages an actuary to periodically calculate the obligation to provide future health care services for life to the current residents in excess of related anticipated revenue. If the present value of the net cost of future services and the use of facilities exceeds deferred revenue from residents' entrance fees, a liability is recorded (obligation to provide future services and use of facilities) with the corresponding charge to income. Based upon the last calculation performed (as of December 31, 2019), the present value of the net cost of future services and the use of facilities, based on a discount rate of 5 percent, did not exceed the balance of deferred revenue from entrance fees. Based upon this calculation, and the analysis of management, no liability for the obligation to provide future services has been recorded at December 31, 2019 and 2018.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - net assets available for use in general operations and not subject to donor restrictions. All revenue not restricted by donors and donor restricted contributions whose restrictions are met in the same period in which they are received are accounted for in net assets without donor restrictions.

Net Assets With Donor Restrictions - net assets subject to donor imposed restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. All revenues restricted by donors as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in net assets with donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Resident Service Revenue, Net

Resident service revenues are reported under Accounting Standards Codification (ASC) Topic 606 contracts with customers at the amount that reflects the consideration the Corporation expects to receive in exchange for the services provided. These amounts are due from residents or third-party payors and include variable consideration for retroactive adjustments, if any, under reimbursement programs. Performance obligations are determined based on the nature of the services provided. Resident services and patient revenues are recognized as performance obligations are satisfied.

Resident services are primarily comprised of the following revenue streams:

Health Center: Health center revenues are primarily derived from providing nursing services to residents at a stated daily fee, net of any explicit and implicit price concessions. The Corporation has determined that health center services are considered one performance obligation, which is satisfied over time as services are provided. Therefore, health center revenues are recognized on a daily basis as services are rendered.

Personal Care: Personal care revenues are primarily derived from providing housing and personal care services to residents at a stated daily fee. The Corporation has determined that the services included in the daily fee have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation, which is satisfied over time as services are provided. Therefore, personal care revenues are recognized on a daily basis as services are rendered.

Residential Living: Residential living revenues are primarily derived from providing housing and services to residents. The Corporation has determined that the services included in the monthly fee have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation, which is satisfied over time as services are provided. Therefore, residential living monthly fees are recognized on a month-to-month basis.

The guaranteed refund component of entrance fees is not amortized to income and is classified as refundable entrance fees and deposits in the accompanying consolidated balance sheets.

Revenue from nonrefundable entrance fees received are recognized through amortization of the nonrefundable entrance fee using the straight-line method over annually adjusted estimated remaining life expectancies of the residents which approximates the period of time the goods and services under the agreements are expected to be transferred to residents. The unamortized portion is classified as deferred revenue from entrance fees in the consolidated balance sheets. Amortization of nonrefundable entrance fees (including termination income) is included as resident service revenue, net in the consolidated statements of operations and changes in net assets and was $6,093,153 in 2019 and $6,535,389 in 2018.

The Corporation receives revenue for services under third-party payor programs, including Medicare, Medicaid and other third-party payors. Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are included in the determination of the estimated transaction price for providing services. The Corporation estimates the transaction price based on the terms of the contract and correspondence with the third-party payor and historical payment trends, and retroactive adjustments are recognized in future periods as final settlements are determined.

Affordable Housing Rental Income

Affordable housing rental income includes subsidy receipts from HUD and rental charges from affordable housing units under leases with residents with durations of less than one year and do not represent contracts with customers under ASC 606. Subsidy receipts are considered part of the lease and are not considered a contribution under ASC 958. The revenue is recognized monthly using rates established by HUD under ASC 842.

Financial Assistance

The Corporation, as part of its ministry to older adults, endeavors to provide financial assistance to eligible persons who meet certain criteria without charge or at amounts less than its established rates. Preference shall be given to meet the needs of current residents in accordance with the contractual agreement, which states, "HGPA will not terminate this Agreement solely because of Resident's inability to meet Resident's financial obligations to HGPA." HGPA maintains records to identify and monitor the level of financial assistance it provides. As resources are available, HGPA will agree to subsidize individual persons for studio units and couples for one-bedroom units and in health care with semi-private accommodations.

The following is a summary of the estimated value of HGPA's financial assistance during the years ended December 31:

	2019	2018
Medical assistance cost in excess of contractual reimbursement, subsidy	$ 2,700,000	$ 5,600,000
Financial assistance in support of those in need	1,300,000	1,200,000
Total	$ 4,000,000	$ 6,800,000

The financial assistance amounts above are not materially different than the difference between the cost of providing services to residents that qualified for financial assistance and the amounts these residents were able to pay for services rendered.

Performance Indicator

The consolidated statements of operations and changes in net assets (and HGPA's basic financial statements) includes the determination of revenues, gains, and other support in excess of (less than) expenses. Changes in net assets without donor restrictions, which are excluded from revenues, gains, and other support in excess of (less than) expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions, which by donor restriction were to be used for the purposes of acquiring such assets) and capital contributions.

Income Taxes

The Corporation and all of its affiliates, excluding BSA, PresbyHousing, Inc., RSA, PRH, Wynnefield, WSH, PILA, Cantrell, CHI, Witherspoon and WHI are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxes on their exempt income under Section 501(a) of the Internal Revenue Code and are also exempt from state and local income taxes under similar statutes.

Income taxes are not payable by, or provided for by, BSA, RSA, Wynnefield, Cantrell, and Witherspoon, which are limited partnerships. Taxation related to the partners' share of allocable items is determined separately, outside of BSA, RSA, Wynnefield, Cantrell and Witherspoon. PresbyHousing, Inc., PRH, CHI and WHI are for-profit corporations; there were no items that gave rise to deferred income tax provisions in 2019 and 2018 for these entities. WSH and PILA are limited liability companies that have elected not be treated as a separate entity for federal income tax purposes and under applicable Treasury regulations will be disregarded as separate entities for federal income tax purposes.

The Corporation accounts for uncertainty in income taxes using a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold is met. Management determined there were no tax uncertainties that met the recognition threshold in 2019 and 2018.

New Accounting Pronouncements

In 2019, the Corporation retrospectively adopted Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. The amendments in this update require that a statement of cash flows explain the change during the period in total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. Amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the consolidated statements of cash flows. Net (purchases) sales of investments on the consolidated statement of cash flows for the year ended December 31, 2018 was increased $3,343,017 as a result of this change in accounting principle. Cash and cash equivalents and restricted cash and cash equivalents, beginning, on the consolidated statement of cash flows for the year ended December 31, 2018 was increased $17,884,894. Net (purchases) sales of investments on the HGPA statement of cash flows for the year ended December 31, 2018 was increased $1,136,651 as a result of this change in accounting principles. Cash and cash equivalents and restricted cash and restricted cash equivalents, beginning, on the HGPA statement of cash flows for the year ended December 31, 2018 was increased $7,351,610.

In 2019, the Corporation adopted FASB ASU No. 2018-08, *Not-for-Profit Entities (Topic 958)*: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The new guidance is intended to clarify and improve accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. ASU No. 2018-08 has been applied retrospectively to all periods presented.

As a result of the adoption of ASU No. 2018-08, the Corporation determined that its capital advance previously recognized as net assets without donor restrictions should be recognized as a long-term liability under the provisions of ASU No. 2018-08. Accordingly, the consolidated balance sheet and consolidated statement of operations of the Corporation was restated as follows as of and for the years ended December 31, 2018:

	After Adoption of ASU No. 2018-08	As Originally Presented
Consolidated Balance Sheet		
Long-term debt	$ 201,816,311	$ 133,578,412
Total liabilities	323,206,518	254,968,619
Net assets without donor restrictions, capital advances	-	68,237,899
Total net assets without donor restrictions before noncontrolling ownership in limited partnerships	47,371,042	115,608,941
Total net assets without donor restrictions	48,683,645	116,921,544
Total net assets	71,956,027	140,193,926
Consolidated Statement of Operations		
Net assets, beginning	91,751,626	159,989,525
Net assets, ending	71,956,027	140,193,926

During 2019, the Corporation adopted the FASB ASU No. 2016-02, *Leases (as amended) (Topic 842).* ASC 842 was issued to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Under the provisions of ASC 842, a lessee is required to recognize a right-of-use asset and lease liability, initially measured at the present value of the remaining lease payments, in the balance sheet. The adoption of the standard did not have a material impact on the consolidated financial statements (and HGPA's basic financial statements) and have adjusted the presentation of these consolidated financial statements (and HGPA's basic financial statements) accordingly.

3. Liquidity and Availability of Resources

As of December 31, the Corporation has financial assets available for general expenditure within one year of the balance sheet date, consist of the following:

	2019	2018
Cash and cash equivalents	$ 17,061,501	$ 14,313,972
Accounts receivable, entrance fee receivables and other receivables, net	4,398,785	7,237,092
Investments:		
Without donor-restriction	47,764,826	34,459,118
Community restricted, board-designated	25,984,464	24,875,739
Reserve for replacement, board-designated	39,829,289	25,737,670
Donor-restricted (anticipate release in one year)	1,113,956	562,430
Total	$ 136,152,821	$ 107,186,021

The Corporation has investments, which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the qualitative information above. The Corporation has other assets limited to use for deposits from initial sales contracts, assets held by trustee under trust indenture, assets reserved for future gift annuity payments, and donor-restricted purposes. Additionally, certain other board-designated assets are designed for long-term purposes and an operating reserve. These investments and assets whose use is limited, which are more fully described in Note 5 are not available for general expenditure within the next year and are not reflected in the amounts above. However, the board-designated amounts could be made available, if necessary.

As stated in Note 5, the Corporation designated a portion of its investments "reserved" to comply with the requirements of Pennsylvania Act 82, which are excluded from the total financial assets available for general expenditure within one year of the balance sheet date. Although the Corporation does not intend to utilize the Act 82 Reserves for general expenditures as part of its annual budget and approval process, amounts designated as Act 82 reserves could be made available as necessary. The Act 82 reserves are included with the assets whose use is limited in Note 5, and do not have third party restrictions or limitations on the withdrawal and subsequent liquidation of such funds.

4. Resident Service Revenue, Net

The Corporation disaggregates revenue from contracts with customers by type of service and payor source as this depicts the nature, amount, timing and uncertainty of its revenue and cash flows as affected by economic factors. Resident services revenue consists of the following for the years ended December 31, 2019 and 2018:

	2019			
	Residential Living	Personal Care	Health Center	Total
Private	$ 10,330,605	$ 9,393,928	$ 3,821,708	$ 23,546,241
Medicare A & B	349,186	366,318	4,371,972	5,087,476
Medicaid	-	-	4,479,581	4,479,581
Managed Care	-	-	1,561,797	1,561,797
Life Care	10,005,444	1,926,073	1,515,499	13,447,016
Total resident service, net	$ 20,685,235	$ 11,686,319	$ 15,750,557	48,122,111
Amortization of entrance fees				6,093,153
Total resident service revenue, net including amortization				$ 54,215,264

	2018			
	Residential Living	Personal Care	Health Center	Total
Private	$ 10,308,165	$ 8,644,272	$ 6,231,206	$ 25,183,643
Medicare A & B	421,515	475,348	7,280,013	8,176,876
Medicaid	-	-	8,178,483	8,178,483
Managed Care	-	-	2,091,849	2,091,849
Life Care	10,431,012	1,672,722	1,685,057	13,788,791
Total resident service, net	$ 21,160,692	$ 10,792,342	$ 25,466,608	57,419,642
Amortization of entrance fees				6,535,389
Total resident service revenue, net including amortization				$ 63,955,031

HGPA's resident service revenue, net represents all of the Corporation's resident service revenue, net in 2019 and 2018. HGPA has agreements with third-party payors that provide for payments at amounts different from its established rates. A summary of the principal payment arrangements with major third-party payors follows:

- **Medical Assistance:** Nursing services provided to Medical Assistance program beneficiaries are paid at prospectively determined rates per day. These rates vary according to a resident classification system that is based on clinical, diagnostic and other factors and the reimbursement methodology is subject to various limitations and adjustments. Approximately 8 percent and 13 percent of HGPA's resident service revenue, net in 2019 and 2018 was derived from the Medical Assistance program.

  The Department of Human Services in the Commonwealth of Pennsylvania is in the process of implementing its mandatory Medical Assistance managed care program, Community HealthChoices (CHC), for SN facilities across the Commonwealth of Pennsylvania. CHC eliminates the FFS methodology. The services for which Medical Assistance program beneficiaries are eligible have not changed under CHC.

  CHC became effective for HGPA on January 1, 2019. Under CHC, each Medical Assistance program beneficiary is able to choose a managed care organization (MCO). The rates paid to HGPA by the MCO's are subject to a "floor", which is equal to the average of each facility's prior four quarters (i.e., January 1, 2018 through December 31, 2018) Medical Assistance rates. The rate "floors" are expected to be in effect for 36 months.

  MCOs and nursing facilities may agree to higher or lower negotiated rates under an alternative payment methodology agreement, if such an agreement is pursued by either the MCOs or nursing facilities. HGPA has not pursued such alternative payment methodology agreements.

- **Medicare:** Nursing and ancillary services provided to Medicare Part A beneficiaries are paid at prospectively determined rates per day. These rates vary according to a resident-specific classification system that is based on clinical, diagnostic and other factors and the reimbursement methodology is subject to various limitations and adjustments. Approximately 7 percent and 11 percent in 2019 and 12 percent in 2018 of HGPA's resident service revenue, net was derived from the Medicare Part A program.

  As described above, the Medicare Part A rates are based on clinical, diagnostic and other factors. The determination of these rates is partially based on HGPA's clinical assessment of their residents. HGPA is required to clinically assess its residents at predetermined time periods throughout the year. The documented assessments are subject to review and adjustment by the Medicare program.

HGPA also entered into payment agreements with certain commercial insurance carriers and others. The basis for payment to HGPA under these agreements includes prospectively determined rates per day or discounts from established charges.

5. Investments and Assets Whose Use is Limited

The composition of investments and assets whose use is limited is set forth in the following table:

	2019	2018
Investments:		
Cash and cash equivalents	$ 15,194,102	$ 2,918,215
Mutual funds:		
Equity	76,168,227	73,922,059
Fixed income	26,026,082	20,935,952
Alternative investments	8,873,211	-
Total	126,261,622	97,776,226
Less amounts available to meet HGPA's statutory minimum liquid reserve requirement	4,946,000	4,663,000
Total	$ 121,315,622	$ 93,113,226
Assets whose use is limited:		
Cash and cash equivalents	$ 22,395,777	$ 21,227,911

HGPA's investments (including statutory minimum liquid reserve) totaled $82,999,983 and $61,975,188 at December 31, 2019 and 2018, respectively. HGPA's investments are invested 13 percent in cash and cash equivalents, 55 percent in equity mutual funds, 26 percent in fixed income mutual funds and 6 percent in alternative investments at December 31, 2019; these percentages were 1 percent in cash and cash equivalents, 70 percent in equity mutual funds, and 29 percent in fixed income mutual funds at December 31, 2018.

HGPA's assets whose use is limited totaled $10,677,044 and $8,488,261 at December 31, 2019 and 2018, respectively.

Assets whose use is limited are maintained for the following purposes:

	2019	2018
HUD reserve funds	$ 9,411,880	$ 10,410,979
Bond indenture agreements	9,909,669	8,354,787
Resident funds	3,072,796	2,460,739
Other	1,432	1,406
Total assets whose use is limited	$ 22,395,777	$ 21,227,911

Investments restricted by donor are specific to HGPA and consist of the following:

	2019	2018
Cash and cash equivalents	$ 116,447	$ 162,922
Mutual funds:		
Equity	6,092,782	5,615,937
Fixed income	2,503,423	2,131,250
Alternative investments	674,589	-
Total	$ 9,387,241	$ 7,910,109

Investment return is comprised of the following:

	2019	2018
Without donor restrictions:		
Interest, dividends, and capital gain distributions (including $2,898,573 in 2019 and $2,930,047 in 2018 specific to HGPA)	$ 5,777,211	$ 5,875,681
Net realized gain on sales of investments (including $1,946,782 in 2019 and $528,648 in 2018 specific to HGPA)	1,691,992	405,067
Investment expenses (including $260,686 in 2019 and $258,882 in 2018 specific to HGPA)	(395,640)	(392,668)
Total investment income	7,073,563	5,888,080
Net change in unrealized gains and (losses) on investments (including $7,212,966 in 2019 and $(7,794,272) in 2018 specific to HGPA)	12,390,430	(13,590,778)
Total investment return without donor restrictions	19,463,993	(7,702,698)
With donor restrictions (substantially all of which is specific to HGPA):		
Interest, dividends, and capital gain distributions	595,312	835,979
Net realized gain on sales of investments	329,162	92,456
Net change in unrealized gains and losses on investments	1,905,934	(1,763,313)
Total investment return with donor restrictions	2,830,408	(834,878)
Total investment return	$ 22,294,401	$ (8,537,576)

In compliance with Section 9 of the Commonwealth of Pennsylvania's Continuing Care Provider Registration and Disclosure Act (Act 82), the Board of Directors designated a portion of HGPA's investments "reserved" to meet the requirements of Act 82.

These designated funds amounted to approximately $4,946,000 and $4,663,000 at December 31, 2019 and 2018, respectively. The amounts are based on the allowable calculation methodology. The December 31, 2019 amount was calculated as follows:

Budgeted operating expenses for HGPA for the year ending December 31, 2020	$ 65,868,154	
Less budgeted depreciation and amortization expense	(11,088,005)	
Expenses subject to minimum liquid reserve requirement	54,780,149	
Percentage of residents subject to entrance fee agreements at December 31, 2019	82%	
Subtotal	$ 44,919,722	
Statutory requirement	10%	
Statutory minimum liquid reserve requirement	$ 4,492,000	(a)
Debt service requirements for the year ending December 31, 2020 on long-term debt allocated for HGPA:		
Principal payments	$ 1,583,823	
Interest payments	4,448,421	
Total debt service	6,032,244	
Percentage of residents subject to entrance fee agreements at December 31, 2019	82%	
Statutory minimum liquid reserve requirement	$ 4,946,000	(b)
Greater of (a) or (b) above (rounded)	$ 4,946,000	

6. Fair Value Measurements

The Corporation measures its investments and beneficial interests in split interest agreements and perpetual trusts at fair value on a recurring basis in accordance with accounting principles generally accepted in the United States of America. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework that the authoritative guidance establishes for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

The levels of the fair value hierarchy are as follows:

Level 1 - Fair value is based on unadjusted quoted prices in active markets that are accessible to the Corporation for identical assets or liabilities.

Level 2 - Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the asset or liability through corroboration with observable market data.

Level 3 - Fair value is based on significant unobservable inputs.

The fair value of Corporation's investments, restricted investments and statutory minimum liquid reserve and beneficial interests in split interest agreements and perpetual trusts was measured using the following inputs at December 31, 2019 and 2018:

	2019			
	Total	**Level 1**	**Level 2**	**Level 3**
Reported at Fair Value				
Investments, restricted investments and statutory minimum liquid reserve				
Equity mutual funds:				
International	$ 25,459,316	$ 25,459,316	$ -	$ -
Large and mid-cap	39,563,199	39,563,199	-	-
Emerging markets	12,313,608	12,313,608	-	-
Small cap	3,296,083	3,296,083	-	-
Other	1,628,803	1,628,803	-	-
Fixed income mutual funds:				
Corporate	15,671,866	15,671,866	-	-
U.S. Treasury/Agency	4,047,445	4,047,445	-	-
Other	8,810,194	8,810,194	-	-
Total	110,790,514	110,790,514	-	-
Beneficial interest in split interest agreements and perpetual trusts	8,419,174	-	-	8,419,174
Total	$ 119,209,688	$ 110,790,514	$ -	$ 8,419,174
Reconciliation of investments, restricted investments and statutory minimum liquid reserve to the consolidated balance sheet:				
Cash equivalents	$ 15,310,549			
Investments measured at net asset value (a)	9,547,800			
Investments measured at fair value	110,790,514			
Total investments, restricted investments and statutory minimum liquid reserve	$ 135,648,863			

	2019			
	Total	**Level 1**	**Level 2**	**Level 3**
Reported at Fair Value				
Investments, restricted investments, and statutory minimum liquid reserve				
Equity mutual funds:				
International	$ 26,644,287	$ 26,644,287	$ -	$ -
Large and mid-cap	33,917,242	33,917,242	-	-
Emerging markets	11,183,814	11,183,814	-	-
Commodity	3,833,255	3,833,255	-	-
Small cap	2,764,894	2,764,894	-	-
Other	1,194,504	1,194,504	-	-
Fixed income mutual funds:				
Corporate	11,965,988	11,965,988	-	-
U.S. Treasury/Agency	3,619,082	3,619,082	-	-
Other	7,482,132	7,482,132	-	-
Total	102,605,198	102,605,198	-	-
Beneficial interest in split interest agreements and perpetual trusts	7,474,660	-	-	7,474,660
Total	$ 110,079,858	$ 102,605,198	$ -	$ 7,474,660
Reconciliation of investments, restricted investments and statutory minimum liquid reserve to the consolidated balance sheet:				
Cash equivalents	$ 3,081,137			
Investments measured at fair value	102,605,198			
Total investments, restricted investments and statutory minimum liquid reserve	$ 105,686,335			

(a) In accordance with generally accepted accounting principles, certain investments that were measured at net asset value per share have not been classified in the fair value hierarchy. The fair value is presented to reconcile to total investments in the consolidated balance sheets.

The Corporation measures its beneficial interest in split interest agreements and perpetual trusts at fair value based on the fund's underlying investments using unobservable inputs (Level 3) in accordance with accounting principles generally accepted in the United States of America. Changes in the beneficial interest in split interest agreements and perpetual trusts in 2019 and 2018 were as follows:

	2019	2018
Beginning balance	$ 7,474,660	$ 8,757,169
Investment income	319,755	694,676
Distributions	(319,755)	(694,676)
Valuation gain (loss)	944,514	(1,282,509)
Ending balance	$ 8,419,174	$ 7,474,660

Mutual funds are valued based on quoted market prices in active markets. Beneficial interest in split-interest agreements and perpetual trusts are valued based on the underlying assets of the funds, which represents a proxy for discounted present value of future cash flows.

Investments and investments restricted by donor in the accompanying consolidated balance sheet include $9,547,800 of an alternative investment fund (the Fund) at December 31, 2019 (HGPA investments and investments restricted by donor in the Fund were $6,075,292 at December 31, 2019). The Fund is measured using the net asset value per share as a practical expedient.

The following represents the objectives and redemption restrictions for the Fund:

Hirtle Callaghan Select Equity Fund, LP: The investment objective of the fund is to generate long-term growth in assets by investing primarily in equity and equity-related securities. To realize the objecting, the fund may allocate capital to be managed by third-party investment managers, as well as make directly investments. The fund allocates capital to managers through separate accounts and by subscribing to open and/or closed-end funds sponsored by such managers. While the fund intends that its investments will have a predominately long-bias, the fund will not be limited with respect to the types of investment strategies or structures it may employ or the markets or securities in which it may invest, except as it relates to the use of leverage. A limited partner may withdrawal all or a portion of its capital account as of the last day of each calendar quarter, or at such other times as the General Partner may determine in its sole discretion, provided that the capital account has been in existence for at least 12 month as of the relevant withdrawal date. Withdrawals shall require no less than 90 days’ prior written notice to the General Partner. The General Partner, in its sole discretion, may waive the notice requirement for any withdrawal. Withdrawals by investors with more than one capital account will be on a first-in-first out basis. There were no unfunded commitments related to this fund at December 31, 2019.

7. Property and Equipment

Property and equipment consist of the following:

	2019	2018
Land and improvements	$ 22,851,887	$ 23,054,712
Buildings and improvements	371,851,450	377,177,751
Equipment and furnishings	41,725,227	44,468,787
Investment in leased property	2,045,826	2,045,826
Motor vehicles	147,325	127,800
Total	438,621,715	446,874,876
Less accumulated depreciation	(223,255,342)	(218,292,516)
Subtotal	215,366,373	228,582,360
Construction in progress	14,618,309	6,955,747
Property and equipment	$ 229,984,682	$ 235,538,107

Depreciation expense was $15,351,726 in 2019 and $15,171,870 in 2018 (including $10,242,507 in 2019 and $10,667,045 in 2018 specific to HGPA).

HGPA's property and equipment (net of accumulated depreciation of $143,608,431 and $143,750,853 at December 31, 2019 and 2018, respectively) was $135,573,921 and $138,492,103 at December 31, 2019 and 2018, respectively. HGPA's property and equipment balances are categorized in a proportionately consistent manner with the property and equipment categories above.

During 2019, the Corporation entered into construction contracts totaling approximately $51,106,585 related to the Rydal Waters expansion project at Rydal Park (Rydal Waters project). Costs incurred through December 31, 2019, were $8,766,779. During 2019, the Corporation entered into an irrevocable standby letter of credit with Citizens Bank in the amount of $4,876,559 for the benefit of the Township of Abington related to the completion of the Rydal Waters project. There were no amounts drawn as of December 31, 2019.

Property and equipment above include assets held for sale with a net book value of $8,954,464 at December 31, 2018 (see note 19).

8. Construction Loan Payable

The Corporation had available funds totaling $61,567,000 in construction loans with a commercial bank to partially finance the cost of the Rydal Waters project. The construction on the Rydal Waters project started in 2019 and is expected to be completed in 2022. The outstanding construction loan balance for the Rydal Waters project was $8,369,891 at December 31, 2019. The construction loan is secured under the terms of the HGPA Master Trust Indenture date October 1, 2017 described in Note 9.

Construction of low income rental housing projects (Cantrell Place LP and Witherspoon Senior Apartments LP) started in 2017 and was completed in 2018. The outstanding construction loan payable was $17,436,878 at December 31, 2018. There was no balance at December 31, 2019. The construction loans are secured by real estate of each of the projects.

9. Long-Term Debt

Long-term debt consists of the following:

	2019	2018
HumanGood Pennsylvania		
Montgomery County Industrial Development Authority Revenue Bonds, Philadelphia Presbytery Homes, Inc. Project, Series 2017 Bonds (a)	$ 85,110,000	$ 86,582,500
HumanGood East		
Note payable to Federal Home Loan Bank of Pittsburgh to provide funds to construct Witherspoon. Note secured by mortgage on Witherspoon property. Note bears no interest and is payable upon maturity in 2032. Forgiveness provision at 15 years in October 2032.	650,000	650,000
Note payable to Federal Home Loan Bank of Atlanta to provide funds to construct Witherspoon. Note secured by mortgage on Witherspoon property. Note bears interest compounding annually at 4% and is payable upon maturity in 2048. Forgiveness provision at 15 years in October 2033.	495,025	495,025
Philadelphia Presbytery Apartments of Morrisville, Inc. and Germantown Interfaith Housing, Inc.		
Philadelphia Authority for Industrial Development Senior Living Revenue Bonds, Series 2005A, The PresbyHomes Germantown/Morrisville Project (b)	10,285,000	10,640,000
Affordable Housing Communities		
Mortgage payable to Redevelopment Authority of the City of Philadelphia bearing no interest $7,322,525 and bearing interest $2,012,946 with principal payments deferred until 2040 through 2052.	9,693,612	9,335,471
Affordable Housing Communities and HGE		
Capital Advances payable to HUD. The Corporation entered into capital advance agreements with HUD, whereby HUD advanced the Corporation funds for development of various affordable housing projects. The capital advances are due to the Federal Housing Administration and are collateralized by a deed of trust on the rental property of such projects. The capital advances bear no interest and will not be required to be repaid so long as the housing remains available to eligible very low-income persons or persons with disabilities for a period of 40 years in accordance with Section 202 of the National Housing Act of 1959. The maturity dates of the arrangements range from 2033 to 2065.	68,237,899	68,237,899

	2019	2018
Philadelphia Apartments at 58th Street, Inc.		
Mortgage payable insured by HUD in equal monthly installments of $32,409 including interest at 4.26%, maturing in May 2053, secured by rental property and equipment	$ 6,924,960	$ 7,016,738
Grace Court, Inc.		
Mortgage payable insured by HUD in equal monthly installments of $33,967 including interest at 3.75%, maturing in February 2052, secured by rental property and equipment	7,609,924	7,729,708
Bensalem Senior Apartments, LP		
Mortgage payable to Pennsylvania Housing Finance Agency (PHFA) in equal monthly installments of $2,241 including interest at 7.25%, maturing in 2026, secured by all assets and revenues of BSA	138,043	153,757
Mortgage payable to PHFA PennHomes Program, payable only to the extent of excess revenues over expenses as defined and bearing no interest, payable in full at maturity in 2030	1,170,701	1,182,701
Mortgage payable to County of Bucks Board of Commissioners, bearing no interest and payable upon maturity in 2033, or refinancing or sale of mortgaged property	1,200,000	1,200,000
Riverside Senior Apartments, LP		
Philadelphia Authority for Industrial Development Multifamily Housing Revenue Bonds, Series 2008A, The Riverside Senior Apartments Project (c)	8,235,000	8,335,000
Philadelphia Presbytery Homes		
Finance lease obligations	259,621	253,387
Total	200,009,785	201,812,186
Unamortized premium (discount) (HGPA)	5,351,294	5,537,426
Less current portion	(2,295,799)	(2,251,372)
Less unamortized debt issuance costs	(3,733,496)	(3,281,929)
Long-term debt	$ 199,331,784	$ 201,816,311

a) In October 2017, the Montgomery County Higher Education and Health Authority issued $88,145,000 of Series 2017 Revenue Bonds (the 2017 Bonds) on behalf of HGPA. Proceeds from the 2017 Bonds were primarily used to refund the 2010 Bonds, the 2013 Bonds, finance various capital projects and fund a debt service reserve fund for the 2017 Bonds.

The 2017 Bonds bear interest payable semi-annually at rates ranging from 2 percent to 5 percent. Principal payments on the 2017 Bonds are due in varying annual installments through 2048.

The 2017 Bonds have been issued under a Master Trust Indenture dated October 1, 2017, as supplemented, which secures the obligations of HGPA and includes a security interest on substantially all of the Borrower’s property and equipment.

b) In May 2005, the Philadelphia Authority for Industrial Development issued $12,075,000 of Series 2005A Senior Living Revenue Bonds (the 2005A Bonds) on behalf of Germantown and Morrisville (collectively, the Borrowers). The proceeds from the 2005A Bonds were primarily used to refinance existing HUD Section 202 Direct Loans, finance various capital projects, and fund various reserve accounts for the 2005A Bonds.

The 2005A Bonds bear interest payable semi-annually at rates ranging from 5.125 percent to 5.625 percent. Principal payments on the 2005A Bonds are due in varying semi-annual installments through 2035.

The 2005A Bonds are secured by a pledge of the Borrower's revenues, as defined, and a first mortgage lien on, and security interest in, substantially all of the Borrower's property and equipment.

c) In April 2008, the Philadelphia Authority for Industrial Development issued $9,000,000 of Series 2008A Multifamily Housing Revenue Bonds (the 2008A Bonds) on behalf of RSA. The proceeds from the 2008A Bonds were primarily used to refinance an existing HUD Section 202 Direct Loan and finance various capital projects.

The 2008A Bonds bear interest payable quarterly at a rate of 5.85 percent. Principal payments on the 2008A Bonds are due in varying quarterly installments through 2048.

The 2008A Bonds are secured by a pledge of RSA's revenues, as defined, and a first mortgage lien on, and security interest in, substantially all of RSA's property and equipment.

Scheduled principal repayments required on long-term debt are as follows:

	Corporation	**HGPA**
Years ending December 31:		
2020	$ 2,295,799	$ 1,583,823
2021	2,367,173	1,615,074
2022	2,427,368	1,624,691
2023	2,503,356	1,664,631
2024	2,594,585	1,714,319
Thereafter	187,821,504	77,167,083
	$ 200,009,785	$ 85,369,621

10. Net Assets

The Board of the Corporation has several standing board policies that affect the presentation of board designations on net assets. The board-designated funds are held in the investment portfolio. The purpose restricted assets are those whose use by the Corporation has been limited by donors to a specific purpose and are primarily available for resident support. Funds held by trustee are funds held by a bank in which Corporation has a proportion of the fair market value and from which dividends and interest are paid. Funds restricted in perpetuity have been restricted by donors to be maintained by the Corporation in perpetuity, the investment income from these funds is expendable to support the Corporation.

	2019	2018
Net assets:		
Without donor restrictions:		
Undesignated from operations	$ (6,577,082)	$ (3,242,367)
Noncontrolling ownership interest	19,785,377	1,312,603
Reserve for replacement, board-designated	39,829,289	25,737,670
Designated by board	25,984,464	24,875,739
	79,022,048	48,683,645
With donor restrictions:		
Purpose restricted	16,761,086	14,741,055
Funds held by trustee	8,419,174	7,474,660
Restricted in perpetuity	1,056,667	1,056,667
	26,236,927	23,272,382
Total net assets	$ 105,258,975	$ 71,956,027

11. Accrued Expenses

Accrued expenses, most of which are related to HGPA, consist of the following:

	2019	2018
Accrued vacation	$ 1,516,814	$ 1,636,403
Other	1,961,496	1,370,696
Accrued salaries and wages	1,059,855	1,089,859
Accrued interest	525,273	428,643
Accrued retirement	506,147	672,202
Accrued self-insured health insurance	261,793	270,062
Nursing home assessment	88,034	259,828
Total	$ 5,919,412	$ 5,727,693

12. Retirement Plan

The Corporation sponsors a defined contribution retirement plan. Expenses, net of forfeitures and adjustments, related to the plan were approximately $500,000 in 2019 and $622,000 in 2018.

13. Self-Insurance Programs

The Corporation maintains a plan of self-insurance for workers' compensation claims in accordance with Pennsylvania Department of Labor and Industry regulations. Other liabilities on the consolidated balance sheets include $952,000 and $993,000 at December 31, 2019 and 2018, respectively, for estimated workers' compensation claims. The estimated liabilities were arrived at using information provided by an outside actuary and include a provision for incurred but not reported claims.

The Corporation is self-insured for unemployment compensation benefits in accordance with Commonwealth of Pennsylvania regulations. The Corporation has elected to pay actual claims incurred in lieu of the Commonwealth's premium as permitted for nonprofit organizations. The Corporation believes all costs related to this self-insurance program have been properly accounted for and accrued at December 31, 2019 and 2018.

The Corporation is self-insured for health insurance claims. The Corporation believes all costs related to this self-insurance program have been properly accounted for and accrued at December 31, 2019 and 2018.

14. Medical Malpractice Claims Coverage

HGPA maintains professional liability coverage on a claims-made basis as a member of CCrRRG. Other than for premiums paid under this policy, no provision has been made for estimated losses. Management believes no incidents occurred or will be asserted that will exceed HGPA's insurance coverages or will have a material adverse effect on the consolidated financial statements.

15. Contingencies

Senior Living Services Industry

The senior living services industry is subject to numerous laws, regulations and administrative directives of federal, state and local governments and agencies. Compliance with these laws, regulations, and administrative directives is subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for resident services previously billed. Management is not aware of any material incidents of noncompliance.

HUD Compliance Contingencies

The AFH entities are required to comply with certain HUD requirements in accordance with the respective contracts with HUD. Failure to maintain compliance with HUD could result in recapture of HUD rental subsidy.

Low Income Housing Tax Credit Contingencies

58th Street is the guarantor for certain contingent liabilities for operating deficits, tax credits and construction loans at WSH, Cantrell and Witherspoon. The maximum liability that could result is approximately $6,100,000.

16. Concentrations

The Corporation grants credit without collateral to its residents, most of whom are local residents and some of whom are insured under third-party payor agreements, primarily with Medical Assistance, Medicare and various commercial insurance carriers.

The Corporation maintains cash accounts, which, at times, may exceed federally insured limits. The Corporation has not experienced any losses from maintaining cash accounts in excess of federally insured limits. Management believes that it is not subject to any significant credit risk.

The Corporation's Affordable Housing Communities' operations are concentrated in the multifamily real estate market. In addition, the Affordable Housing Communities operate in a heavily regulated environment. The operations of the Affordable Housing Communities are subject to the administrative directives, rules, and regulations of federal, state, and local regulatory agencies, including, but not limited to, HUD and PHFA. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD and PHFA. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

17. Functional Expenses

The Corporation provides housing, healthcare and other related services to residents within its geographic location. The consolidated financial statements report certain expense categories that are attributable to more than one program service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, including depreciation and amortization, interest, and other occupancy costs, are allocated to a function based on a square footage basis. Expenses relating to providing these services are approximately as follows:

	2019			
	Program Service	Management and General	Fundraising	Total
Salaries, wages and benefits	$ 24,574,469	$ 8,706,349	$ 435,837	$ 33,716,655
Contracted services	16,461,238	3,580,661	77,463	20,119,362
Other operating expenses	9,951,174	1,052,550	22,863	11,026,587
Depreciation and amortization	15,276,909	156,546	-	15,433,455
Interest	5,447,033	338,849	-	5,785,882
Total	$ 71,710,823	$ 13,834,955	$ 536,163	$ 86,081,941

	2018			
	Program Service	**Management and General**	**Fundraising**	**Total**
Salaries, wages and benefits	$ 29,034,622	$ 8,334,631	$ 402,631	$ 37,771,884
Contracted services	18,225,250	3,700,510	109,569	22,035,329
Other operating expenses	10,807,257	1,021,164	5,013	11,833,434
Depreciation and amortization	15,055,746	159,958	-	15,215,704
Interest	5,312,650	327,729	-	5,640,379
Total	$ 78,435,525	$ 13,543,992	$ 517,213	$ 92,496,730

HGPA's total expenses were $68,103,882 in 2019 and $76,200,056 in 2018 and are categorized in a proportionately consistent manner with the functional expense categories above.

18. Related-Party Transactions

HumanGood Pennsylvania

The balance sheets of HGPA as of December 31, 2019 and 2018 and the related statements of operations and changes in net assets and cash flows for the years then ended (the basic financial statements) (discretely presented in the accompanying consolidating schedules on pages 35 through 41 and in the accompanying statements of cash flows on page 41) have been audited. The following amounts represent the material related-party transactions between HGPA and the other Corporation subsidiaries as of and for the years ended December 31, 2019 and 2018.

Due from affiliates includes $1,655,934 and $1,696,987 at December 31, 2019 and 2018, respectively, which represent management fees receivable and other operating advances to the Affordable Housing Communities, which are expected to be settled during the normal course of business. There are no fixed repayment terms.

Notes and other receivable, affiliate, of $2,728,696 and $3,716,663 at December 31, 2019 and 2018, respectively, represent net development fees and related accrued interest receivable from Riverside, Grace Court, Cantrell, Witherspoon, HGE and Ann Thomas. The amounts are evidenced by, and are to be paid in accordance with, the terms of the Agreements. Management believes the balances due from communities listed above are fully collectible.

Notes payable, affiliate consists of the following:

	2019	2018
Note payable to Bala in semi-annual installments of $310,724, including interest at 4%, with final payment due in 2030. Proceeds were used to finance Makemie development costs	$ 5,486,777	$ 5,877,009
Note payable to Bala, interest accrued at one-month LIBOR plus 50 basis points with the maximum interest rate not to exceed 2.50% up through April 2019. After completion of permanent financing in May 2019, the note was revised over a 35 year term at 4% annual interest rate with final payment due in 2054. Proceeds were used to acquire land known as Rydal Waters, which is adjacent to Rydal Park, as part of a plan to expand Rydal Park.	8,740,938	8,733,856
Total notes payable	14,227,715	14,610,865
Less current portion	(526,886)	(390,231)
Notes payable, affiliate, long-term portion	$ 13,700,829	$ 14,220,634

Scheduled principal repayments required on the notes payable, affiliate are as follows:

Years ending December 31:	
2020	$ 526,886
2021	548,172
2022	570,318
2023	593,359
2024	617,331
Thereafter	11,371,649
Total	$ 14,227,715

In April 2008, the Philadelphia Authority for Industrial Development issued $15,000,000 of Series 2008 Bonds on behalf of RSA. Principal payments on the Series 2008A bonds are due in quarterly installments ranging from $10,000 to $970,000 through April 2048 (Note 9). Principal on the Series 2008B bonds (the 2008B Bonds) are payable from and to the extent of RSA's available surplus cash. HGPA is a guarantor on the Series 2008 Bonds. In addition to the guaranty agreement, the bonds are secured by a mortgage agreement on certain property and equipment of RSA. As of December 31, 2019, the outstanding principal amount is $8,235,000 on the Series 2008A bonds and $6,000,000 on the Series 2008B bonds. The Series 2008B Bonds were executed in conjunction with a ground lease between RSA and PPA and there were no proceeds as a result of Series 2008B Bonds, therefore there is no net liability for the AFH entities.

Contributions to HGPA from affiliates of $1,078,228 and $1,148,555 in 2019 and 2018, respectively, are primarily attributable to amounts received from Bala for resident, chaplain and philanthropy support.

HGPA provides management services and other support services to the Corporation's subsidiaries as well as 19 unrelated corporations under management agreements. Management fees paid to HGPA by related parties were $1,142,595 in 2019 and $1,018,656 in 2018.

Other Related-Party Transactions

58th Street entered into a loan agreement with WHI and Witherspoon on October 11, 2017 to provide $1,200,000 to be used for the acquisition of the property located at 2050 South 58th Street, Philadelphia, Pennsylvania, and $1,500,000 for the cost of development and construction from nonfederal funds. The loan is secured by a Second Mortgage on the property and bears interest at 5 percent compounding annually. The loan matures 30 years from the date the Project is placed in service.

HGE received a note from Federal Home Loan Bank of Pittsburgh on October 11, 2017 for $650,000 to provide funds for the construction of a 60 unit low-income rental housing development. The note bears no interest and no payment of principal and shall be forgiven in fifteen years. The note is secured by a Third Mortgage on the premises located at 2050 South 58th Street, Philadelphia, Pennsylvania.

Witherspoon entered into loan agreement with HGE to provide $650,000 in funding for the construction of a 60 unit low-income rental housing development. No payments of principal or interest shall be due until the Maturity, which is 30 years from the date on which final unconditional certificates of occupancy.

HGE received a note from Federal Home Loan Bank of Atlanta on October 11, 2017 for $495,025 to provide funds for the construction of a 60 unit low-income rental housing development. The note bears interest at 4 percent compounded annually and is secured by a Mortgage. The entire principal balance of the principal sum together with compound interest shall be paid on the date which is thirty years from the date of completion of the construction Project.

Witherspoon Senior Apartments LP entered into loan agreement with Philadelphia Presbytery Homes and Services for the Aging to provide $495,025 in funding for the construction of a 60 unit low-income rental housing development. The note bears interest at 4 percent compounded annually. No payments of principal or interest shall be due until the maturity, which is 30 years from the date on which final unconditional certificates of occupancy.

Cantrell and CHI entered into a loan agreement with the Philadelphia Redevelopment Authority (RDA) on August 29, 2017 to provide $2,200,000 in funds for the new construction of 61 units of permanent rental housing for low income residents located at 427-55,438-48, 502-26, 523-31 Cantrell Street, 519-21 Winton Street, 2116 South 5th Street, Philadelphia, Pennsylvania. The loan bears interest at 2.4 percent per annum, compounded annually. The entire principal balance together with any accrued interest is due and payable thirty-second anniversary from the date hereof.

19. Sale of Broomall

HGPA entered into an asset purchase agreement (APA) in March 2019 with a third party to purchase certain assets of the Broomall campus including real property, fixtures and improvements, furniture and equipment, the facility, and business assets, as defined in the APA for a sales price of $14,600,000. Broomall also entered into an operations transfer agreement (OTA) in March 2019 with a third party to operate the Broomall facility. The sale and operations transfer closed on May 12, 2019 and a gain on the sale of $4,249,959 was recorded during 2019 in non-operating gains (losses) in the accompanying consolidated financial statements (and HGPA basic financial statements).

20. Subsequent Events

Subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued. The Corporation recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the financial statements. The Corporation's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date and before financial statements are issued.

The Corporation has evaluated subsequent events through April 28, 2020, which is the date the financial statements were issued.

In December 2019, a novel strain of coronavirus (COVID-19) surfaced. The spread of COVID-19 around the world in 2020 has caused significant volatility in U.S. and international markets and is having significant impact on supply chains, businesses and communities. The Corporation’s evaluation of the effects of these events is ongoing as of the date the accompanying financial statements were available to be issued. COVID-19 may impact various parts of the Corporation's 2020 operations and financial performance including but not limited to additional costs for emergency preparedness, disease control and containment, potential shortages of personnel, supply chain disruption, sales of residential living units, or declines in revenue related to decreases in occupancy or volumes of certain revenue streams. The extent of the impact will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

HumanGood East
f/k/a Philadelphia Presbytery Homes and Services for the Aging and Subsidiaries
d/b/a Presby's Inspired Life (a Member of HumanGood Cornerstone)

Consolidating Schedule, Balance Sheet
December 31, 2019

		Supplementary Information							
	HumanGood Pennsylvania (Basic Financial Statements)	**The Presbyterian Home at 58th Street, Inc.**	**Affordable Housing Communities**	**Bala Presbyterian Home Foundation**	**Makemie at Whiteland**	**HGE**	**Total**	**Eliminations**	**Consolidated Total**
Assets									
Current Assets									
Cash and cash equivalents	$ 11,140,459	$ 2,662,641	$ 2,760,736	$ 497,165	$ -	$ 500	$ 17,061,501	$ -	$ 17,061,501
Current portion of notes receivable, affiliate	-	-	-	542,651	-	-	542,651	(542,651)	-
Accounts receivable, residents, net of allowance for doubtful accounts of $531,000	1,972,710	-	249,482	-	-	-	2,222,192	-	2,222,192
Entrance fees and other receivables	2,176,593	-	-	-	-	-	2,176,593	-	2,176,593
Due from affiliates	1,665,934	-	(56,801)	-	-	-	1,609,133	(1,609,133)	-
Other current assets	870,151	-	385,681	975	-	-	1,256,807	-	1,256,807
Total current assets	17,825,847	2,662,641	3,339,098	1,040,791	-	500	24,868,877	(2,151,784)	22,717,093
Investments	78,053,983	1,881,515	-	41,379,962	-	1,000,100	122,315,560	(999,938)	121,315,622
Statutory Minimum Liquid Reserve	4,946,000	-	-	-	-	-	4,946,000	-	4,946,000
Assets Whose Use is Limited	10,677,044	-	11,717,301	-	1,432	-	22,395,777	-	22,395,777
Investments Restricted by Donor	9,387,241	-	-	-	-	-	9,387,241	-	9,387,241
Beneficial Interest in Split Interest Agreements and Perpetual Trusts	4,312,509	339,020	-	3,767,645	-	-	8,419,174	-	8,419,174
Notes and Other Receivable, Affiliates	2,728,696	3,468,744	-	13,685,063	-	9,371,963	29,254,466	(29,254,466)	-
Property and Equipment, Net	135,573,921	-	103,500,000	-	-	-	239,073,921	(9,089,239)	229,984,682
Other Assets, Net	2,342,799	10,780	294,237	-	-	-	2,647,816	-	2,647,816
Total assets	$ 265,848,040	$ 8,362,700	$ 118,850,636	$ 59,873,461	$ 1,432	$ 10,372,563	$ 463,308,832	$ (41,495,427)	$ 421,813,405

HumanGood East
f/k/a Philadelphia Presbytery Homes and Services for the Aging and Subsidiaries
d/b/a Presby's Inspired Life (a Member of HumanGood Cornerstone)

Consolidating Schedule, Balance Sheet
December 31, 2019

		Supplementary Information							
	HumanGood Pennsylvania (Basic Financial Statements)	**The Presbyterian Home at 58th Street, Inc.**	**Affordable Housing Communities**	**Bala Presbyterian Home Foundation**	**Makemie at Whiteland**	**HGE**	**Total**	**Eliminations**	**Consolidated Total**
Liabilities and Net Assets									
Current Liabilities									
Current maturities of long-term debt and notes payable, affiliates	$ 2,110,709	$ -	$ 711,976	$ -	$ -	$ -	$ 2,822,685	$ (526,886)	$ 2,295,799
Accounts payable:									
Trade	1,629,214	-	448,081	550	-	-	2,077,845	21,401	2,099,246
Construction	3,095,442	-	-	-	-	-	3,095,442	-	3,095,442
Refunds payable	140,726	-	-	-	-	-	140,726	-	140,726
Accrued expenses	4,309,466	24,825	1,643,191	1,642	1,432	45,205	6,025,761	(106,349)	5,919,412
Due to affiliates	-	6,667	1,541,969	78,657	-	500	1,627,793	(1,627,793)	-
Total current liabilities	11,285,557	31,492	4,345,217	80,849	1,432	45,705	15,790,252	(2,239,627)	13,550,625
Construction Loan Payable	8,369,891	-	-	-	-	-	8,369,891	-	8,369,891
Long-Term Debt	87,025,036	-	103,024,223	-	-	9,282,525	199,331,784	-	199,331,784
Notes Payable, Affiliates	13,700,829	-	12,380,167	-	-	100	26,081,096	(26,081,096)	-
Refundable Entrance Fees and Deposits	64,655,060	-	427,423	-	-	-	65,082,483	-	65,082,483
Deferred Revenue From Entrance Fees	28,601,204	-	-	-	-	-	28,601,204	-	28,601,204
Other Liabilities	1,591,072	33,783	3,076,378	-	-	-	4,701,233	(3,082,790)	1,618,443
Total liabilities	215,228,649	65,275	123,253,408	80,849	1,432	9,328,330	347,957,943	(31,403,513)	316,554,430
Net Assets (Deficit)									
Net assets (deficit) without donor restrictions:									
Operations and other	28,996,075	7,718,702	(24,271,893)	55,841,468	-	1,044,233	69,328,585	(10,091,914)	59,236,671
Total net assets (deficit) without donor restrictions before noncontrolling ownership interest in limited partnerships	28,996,075	7,718,702	(24,271,893)	55,841,468	-	1,044,233	69,328,585	(10,091,914)	59,236,671
Noncontrolling ownership interest in limited partnerships	-	-	19,785,377	-	-	-	19,785,377	-	19,785,377
Total net assets (deficit) without donor restrictions	28,996,075	7,718,702	(4,486,516)	55,841,468	-	1,044,233	89,113,962	(10,091,914)	79,022,048
Net assets with donor restrictions	21,623,316	578,723	83,744	3,951,144	-	-	26,236,927	-	26,236,927
Total net assets (deficit)	50,619,391	8,297,425	(4,402,772)	59,792,612	-	1,044,233	115,350,889	(10,091,914)	105,258,975
Total liabilities and net assets	$ 265,848,040	$ 8,362,700	$ 118,850,636	$ 59,873,461	$ 1,432	$ 10,372,563	$ 463,308,832	$ (41,495,427)	$ 421,813,405

HumanGood East
f/k/a Philadelphia Presbytery Homes and Services for the Aging and Subsidiaries
d/b/a Presby's Inspired Life (a Member of HumanGood Cornerstone)

Consolidating Schedule, Statement of Operations and Changes in Net Assets
Year Ended December 31, 2019

		Supplementary Information						
	HumanGood Pennsylvania (Basic Financial Statements)	The Presbyterian Home at 58th Street, Inc.	Affordable Housing Communities	Bala Presbyterian Home Foundation	HGE	Total	Eliminations	Consolidated Total
Unrestricted Net Assets								
Revenues, gains, and other support:								
Resident service revenue, net, including amortization of entrance fees of $6,093,153	$ 54,215,264	$ -	$ -	$ -	$ -	$ 54,215,264	$ -	$ 54,215,264
Affordable housing revenue	-	-	15,840,126	-	-	15,840,126	-	15,840,126
Contributions and bequests	250,075	-	4,786	1,832	-	256,693	-	256,693
Contributions from affiliates	1,078,228	-	-	-	-	1,078,228	(1,078,228)	-
Investment income	4,584,669	253,997	86,582	2,935,517	40,998	7,901,763	(828,200)	7,073,563
Management fees and other	2,193,090	755	220,356	6,587	-	2,420,788	(1,142,595)	1,278,193
Net assets released from restrictions	1,359,038	-	24,106	-	-	1,383,144	-	1,383,144
Total revenues, gains and other support	63,680,364	254,752	16,175,956	2,943,936	40,998	83,096,006	(3,049,023)	80,046,983
Expenses:								
Salaries and employee benefits	29,066,553	-	4,650,102	-	-	33,716,655	-	33,716,655
Contracted services	17,283,006	1,533	2,830,932	3,891	-	20,119,362	-	20,119,362
Other operating expenses	7,420,271	5,231	4,689,945	1,131,998	-	13,247,445	(2,220,858)	11,026,587
Interest	4,036,588	-	2,256,306	-	20,778	6,313,672	(527,790)	5,785,882
Depreciation and amortization	10,297,464	-	5,421,264	-	-	15,718,728	(285,273)	15,433,455
Total expenses	68,103,882	6,764	19,848,549	1,135,889	20,778	89,115,862	(3,033,921)	86,081,941
Operating (loss) income	(4,423,518)	247,988	(3,672,593)	1,808,047	20,220	(6,019,856)	(15,102)	(6,034,958)
Nonoperating gains (losses):								
Developer fee revenue (expense), net	(82,981)	-	-	-	-	(82,981)	-	(82,981)
Gain on sale of Broomall, net	4,249,959	-	-	-	-	4,249,959	-	4,249,959
Affiliation expense	(850,910)	-	-	-	-	(850,910)	-	(850,910)
Other nonoperating revenue (expense), net	(256,520)	-	54,799	-	-	(201,721)	-	(201,721)
Net change in unrealized gains and losses on investments	7,212,966	225,650	-	4,951,814	-	12,390,430	-	12,390,430
Revenues, gains and other support in excess of (less than) expenses	5,848,996	473,638	(3,617,794)	6,759,861	20,220	9,484,921	(15,102)	9,469,819
Net assets released from restriction used for property and equipment	198,367	-	35,046	-	-	233,413	-	233,413
Transfer of unrestricted net assets to affiliate	-		-	-	-	-	-	-
Capital related contributions	138,751	-	20,635,171	(138,751)	25,000	20,660,171	(25,000)	20,635,171
Change in net assets without donor restrictions	6,186,114	473,638	17,052,423	6,621,110	45,220	30,378,505	(40,102)	30,338,403
Net Assets With Donor Restrictions								
Contributions	762,302	26,614	17,264	-	-	806,180	-	806,180
Investment return	2,824,760	5,638	10	-	-	2,830,408	-	2,830,408
Valuation gain, split interest agreements	(265)	8,595	-	-	-	8,330	-	8,330
Transfer from (to) affiliates	606,244	(661,653)	-	55,409	-	-	-	-
Net assets released from restrictions	(1,557,405)	-	(59,152)	-	-	(1,616,557)	-	(1,616,557)
Valuation gain, beneficial interest in perpetual trusts	451,666	35,924	-	448,594	-	936,184	-	936,184
Change in net assets with donor restrictions	3,087,302	(584,882)	(41,878)	504,003	-	2,964,545	-	2,964,545
Change in net assets	9,273,416	(111,244)	17,010,545	7,125,113	45,220	33,343,050	(40,102)	33,302,948
Net Assets (Deficit), Beginning	41,345,975	8,408,669	(21,413,317)	52,667,499	999,013	82,007,839	(10,051,812)	71,956,027
Net Assets (Deficit), Ending	$ 50,619,391	$ 8,297,425	$ (4,402,772)	$ 59,792,612	$ 1,044,233	$ 115,350,889	$ (10,091,914)	$ 105,258,975

HumanGood East
f/k/a Philadelphia Presbytery Homes and Services for the Aging and Subsidiaries
d/b/a Presby's Inspired Life (a Member of HumanGood Cornerstone)
Consolidating Schedule, Balance Sheet
December 31, 2018 (As Adjusted)

		Supplementary Information							
	HumanGood Pennsylvania (Basic Financial Statements)	The Presbyterian Home at 58th Street, Inc.	Affordable Housing Communities	Bala Presbyterian Home Foundation	Makemie at Whiteland	HGE	Total	Eliminations	Consolidated Total
Assets									
Current Assets									
Cash and cash equivalents	$ 9,002,968	$ 2,505,601	$ 2,077,223	$ 727,680	$ -	$ 500	$ 14,313,972	$ -	$ 14,313,972
Current portion of notes receivable, affiliate	-	-	-	390,231	-	-	390,231	(390,231)	-
Accounts receivable, residents, net of allowance for doubtful accounts of $494,000	3,411,588	-	1,141,889	-	-	-	4,553,477	-	4,553,477
Entrance fees and other receivables	2,683,615	-	-	-	-	-	2,683,615	-	2,683,615
Due from affiliates	1,696,987	44,280	-	-	-	-	1,741,267	(1,741,267)	-
Other current assets	927,220	640	320,478	975	-	-	1,249,313	-	1,249,313
Total current assets	17,722,378	2,550,521	3,539,590	1,118,886	-	500	24,931,875	(2,131,498)	22,800,377
Investments	57,312,188	1,638,268	-	34,162,638	-	975,100	94,088,194	(974,968)	93,113,226
Statutory Minimum Liquid Reserve	4,663,000	-	-	-	-	-	4,663,000	-	4,663,000
Assets Whose Use is Limited	8,488,261	-	12,738,244	-	1,406	-	21,227,911	-	21,227,911
Investments Restricted by Donor	7,910,109	-	-	-	-	-	7,910,109	-	7,910,109
Beneficial Interest in Split Interest Agreements and Perpetual Trusts	3,254,864	956,154	-	3,263,642	-	-	7,474,660	-	7,474,660
Notes and Other Receivable, Affiliates	3,716,663	3,314,556	-	14,220,633	-	9,330,965	30,582,817	(30,582,817)	-
Property and Equipment, Net	138,492,103	-	106,120,106	-	-	-	244,612,209	(9,074,102)	235,538,107
Other Assets, Net	2,186,866	10,778	237,511	-	-	-	2,435,155	-	2,435,155
Total assets	$ 243,746,432	$ 8,470,277	$ 122,635,451	$ 52,765,799	$ 1,406	$ 10,306,565	$ 437,925,930	$ (42,763,385)	$ 395,162,545

HumanGood East
f/k/a Philadelphia Presbytery Homes and Services for the Aging and Subsidiaries
d/b/a Presby's Inspired Life (a Member of HumanGood Cornerstone)

Consolidating Schedule, Balance Sheet
December 31, 2018 (As Adjusted)

	HumanGood Pennsylvania (Basic Financial Statements)	Supplementary Information: The Presbyterian Home at 58th Street, Inc.	Affordable Housing Communities	Bala Presbyterian Home Foundation	Makemie at Whiteland	HGE	Total	Eliminations	Consolidated Total
Liabilities and Net Assets									
Current Liabilities									
Current maturities of long-term debt and notes payable, affiliates	$ 1,959,327	$ -	$ 682,276	$ -	$ -	$ -	$ 2,641,603	$ (390,231)	$ 2,251,372
Accounts payable:									
Trade	2,468,225	-	961,615	-	-	-	3,429,840	2,742	3,432,582
Construction	760,300	-	1,745,015	-	-	-	2,505,315	-	2,505,315
Refunds payable	40,284	-	-	-	-	-	40,284	-	40,284
Accrued expenses	4,042,462	27,825	1,683,243	1,992	1,406	24,427	5,781,355	(53,662)	5,727,693
Due to affiliates	-	-	1,644,459	96,308	-	500	1,741,267	(1,741,267)	-
Total current liabilities	9,270,598	27,825	6,716,608	98,300	1,406	24,927	16,139,664	(2,182,418)	13,957,246
Construction Loan Payable	-	-	17,436,878	-	-	-	17,436,878	-	17,436,878
Long-Term Debt	89,352,255	-	103,181,531	-	-	9,282,525	201,816,311	-	201,816,311
Notes Payable, Affiliates	14,220,634	-	12,197,049	-	-	100	26,417,783	(26,417,783)	-
Refundable Entrance Fees and Deposits	58,621,074	-	411,742	-	-	-	59,032,816	-	59,032,816
Deferred Revenue From Entrance Fees	29,555,344	-	-	-	-	-	29,555,344	-	29,555,344
Other Liabilities	1,380,552	33,783	4,104,960	-	-	-	5,519,295	(4,111,372)	1,407,923
Total liabilities	202,400,457	61,608	144,048,768	98,300	1,406	9,307,552	355,918,091	(32,711,573)	323,206,518
Net Assets (Deficit)									
Net assets (deficit) without donor restrictions									
Operations and other	22,809,961	7,245,064	(22,851,542)	49,220,358	-	999,013	57,422,854	(10,051,812)	47,371,042
Total net assets (deficit) without donor restrictions before noncontrolling ownership interest in limited partnerships	22,809,961	7,245,064	(22,851,542)	49,220,358	-	999,013	57,422,854	(10,051,812)	47,371,042
Noncontrolling ownership interest in limited partnerships	-	-	1,312,603	-	-	-	1,312,603	-	1,312,603
Total net assets (deficit) without donor restrictions	22,809,961	7,245,064	(21,538,939)	49,220,358	-	999,013	58,735,457	(10,051,812)	48,683,645
Net assets with donor restrictions	18,536,014	1,163,605	125,622	3,447,141	-	-	23,272,382	-	23,272,382
Total net assets (deficit)	41,345,975	8,408,669	(21,413,317)	52,667,499	-	999,013	82,007,839	(10,051,812)	71,956,027
Total liabilities and net assets	$ 243,746,432	$ 8,470,277	$ 122,635,451	$ 52,765,799	$ 1,406	$ 10,306,565	$ 437,925,930	$ (42,763,385)	$ 395,162,545

HumanGood East
f/k/a Philadelphia Presbytery Homes and Services for the Aging and Subsidiaries
d/b/a Presby's Inspired Life (a Member of HumanGood Cornerstone)

Consolidating Schedule, Statement of Operations and Changes in Net Assets
Year Ended December 31, 2018 (As Adjusted)

		Supplementary Information						
	HumanGood Pennsylvania (Basic Financial Statements)	The Presbyterian Home at 58th Street, Inc.	Affordable Housing Communities	Bala Presbyterian Home Foundation	HGE	Total	Eliminations	Consolidated Total
Net Assets Without Donor Restrictions								
Revenues, gains and other support:								
Resident service revenue, net, including amortization of entrance fees of $6,535,389	$ 63,955,031	$ -	$ -	$ -	$ -	$ 63,955,031	$ -	$ 63,955,031
Affordable housing revenue	-	-	14,466,062	-	-	14,466,062	-	14,466,062
Contributions and bequests	374,535	-	4,255	9,973	-	388,763	-	388,763
Contributions from affiliates	1,148,555	-	3,495	-	-	1,152,050	(1,152,050)	-
Investment income	3,199,813	259,323	64,868	3,035,922	48,440	6,608,366	(720,286)	5,888,080
Management fees and other	2,037,649	921	133,091	6,439	-	2,178,100	(1,018,656)	1,159,444
Net assets released from restrictions	1,236,479	-	24,766	-	-	1,261,245	-	1,261,245
Total revenues, gains and other support	71,952,062	260,244	14,696,537	3,052,334	48,440	90,009,617	(2,890,992)	87,118,625
Expenses:								
Salaries and employee benefits	33,329,535	-	4,442,349	-	-	37,771,884	-	37,771,884
Contracted services	19,418,277	8,790	2,604,739	3,523	-	22,035,329	-	22,035,329
Other operating expenses	8,684,458	13,811	4,104,078	1,201,823	-	14,004,170	(2,170,736)	11,833,434
Interest	4,085,789	-	1,872,572	-	24,427	5,982,788	(342,409)	5,640,379
Depreciation and amortization	10,681,997	-	4,713,144	-	-	15,395,141	(179,437)	15,215,704
Total expenses	76,200,056	22,601	17,736,882	1,205,346	24,427	95,189,312	(2,692,582)	92,496,730
Operating (loss) income	(4,247,994)	237,643	(3,040,345)	1,846,988	24,013	(5,179,695)	(198,410)	(5,378,105)
Developer fee revenue (expense)	2,997,036	-	-	-	-	2,997,036	(3,226,334)	(229,298)
Other nonoperating (expense) revenue, net	(24,219)	-	(195,051)	-	-	(219,270)	-	(219,270)
Net change in unrealized gains and losses on investments	(7,794,272)	(208,344)	-	(5,588,162)	-	(13,590,778)	-	(13,590,778)
Revenues, gains, and other support (less than) in excess of expenses	(9,069,449)	29,299	(3,235,396)	(3,741,174)	24,013	(15,992,707)	(3,424,744)	(19,417,451)
Net assets released from restriction used for property and equipment	203,930	-	1,615	-	-	205,545	-	205,545
Transfer of unrestricted net assets to affiliate	-	1,242,310	-	(1,242,310)	-	-	-	-
Capital related contributions	-	-	2,442,091	-	975,000	3,417,091	(975,000)	2,442,091
Change in net assets without donor restrictions	(8,865,519)	1,271,609	(791,690)	(4,983,484)	999,013	(12,370,071)	(4,399,744)	(16,769,815)
Net Assets With Donor Restrictions								
Contributions	528,580	-	29,813	-	-	558,393	-	558,393
Investment return	(935,949)	101,071	-	-	-	(834,878)	-	(834,878)
Valuation gain, split interest agreements	1,163	(8,156)	-	-	-	(6,993)	-	(6,993)
Net assets released from restrictions	(1,440,409)	-	(26,381)	-	-	(1,466,790)	-	(1,466,790)
Valuation loss, beneficial interest in perpetual trusts	(440,216)	(157,814)	-	(677,486)	-	(1,275,516)	-	(1,275,516)
Change in net assets with donor restrictions	(2,286,831)	(64,899)	3,432	(677,486)	-	(3,025,784)	-	(3,025,784)
Change in net assets	(11,152,350)	1,206,710	(788,258)	(5,660,970)	999,013	(15,395,855)	(4,399,744)	(19,795,599)
Net Assets, Beginning, as Originally Presented	52,498,325	7,201,959	39,475,340	58,328,469	8,137,500	165,641,593	(5,652,068)	159,989,525
Restatement as a Result of Adoption of Accounting Standard	-	-	(60,100,399)	-	(8,137,500)	(68,237,899)	-	(68,237,899)
Net Assets (Deficit), Beginning, as Adjusted	52,498,325	7,201,959	(20,625,059)	58,328,469	-	97,403,694	(5,652,068)	91,751,626
Net Assets (Deficit), Ending	$ 41,345,975	$ 8,408,669	$ (21,413,317)	$ 52,667,499	$ 999,013	$ 82,007,839	$ (10,051,812)	$ 71,956,027

HumanGood East
f/k/a Philadelphia Presbytery Homes and Services for the Aging and Subsidiaries
d/b/a Presby's Inspired Life (a Member of HumanGood Cornerstone)

HumanGood Pennsylvania f/k/a Philadelphia Presbytery Homes, Inc. (Basic Financial Statements)
Statements of Cash Flows
Years Ended December 31, 2019 and 2018

	2019	2018 (As Adjusted)
Cash Flows From Operating Activities		
Change in net assets	$ 9,273,416	$ (11,152,350)
Adjustments to reconcile change in net assets provided by operating activities:		
Provision for bad debts	337,083	252,676
Depreciation and amortization	10,297,464	10,701,126
Amortization of debt issuance costs	48,805	48,805
Accretion of bond premium	(186,132)	(186,132)
Amortization of entrance fees	(6,093,153)	(6,535,389)
Net realized and unrealized gain (loss) on investments	(11,394,844)	8,936,481
Proceeds from non-refundable entrance fees, net	5,139,013	4,026,184
Gain on sale of Broomall	(4,249,959)	-
Valuation (loss) gain, split interest agreements and beneficial interest in perpetual trusts	(1,057,645)	439,053
Contributions restricted for long-term purposes	(149,552)	(250,041)
Transfers from affiliate	(606,244)	-
Contract acquisition costs incurred	(146,673)	(119,418)
Changes in assets and liabilities:		
Accounts receivable and other receivables	1,486,434	(841,440)
Due from/to affiliates, net	31,053	(183,053)
Other current assets and other assets	(87,346)	(118,537)
Accounts payable, trade	(839,011)	428,373
Accrued expenses	267,004	(621,578)
Residents' deposits	(57,258)	(1,490)
Other liabilities	210,520	(126,026)
Net cash provided by operating activities	2,222,975	4,697,244
Cash Flows From Investing Activities		
Purchases of property and equipment	(13,670,119)	(8,846,522)
Proceeds from sale of Broomall	13,783,052	-
Net (purchases) sales of investments	(11,107,083)	906,845
Decrease (increase) in notes and other receivables, affiliates	987,967	(2,642,705)
Net cash used in investing activities	(10,006,183)	(10,582,382)
Cash Flows From Financing Activities		
Proceeds from refundable entrance fees and deposits, net	5,783,533	1,733,813
Proceeds from initial sales deposits	530,536	2,436,733
Repayments of long-term debt	(1,421,468)	(1,443,087)
Proceeds of construction loan payable	8,369,891	-
Payment of debt issuance costs	(708,899)	-
Net repayment of notes payable, affiliates	(519,805)	(196,589)
Proceeds from contributions restricted for long-term purposes	229,750	330,239
Payment of accounts payable, construction	(760,300)	(741,594)
Transfer from affiliate	606,244	-
Net cash provided by financing activities	12,109,482	2,119,515
Net increase (decrease) in cash, cash equivalents, and restricted cash and cash equivalents	4,326,274	(3,765,623)
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	17,491,229	21,256,852
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	$ 21,817,503	$ 17,491,229
Supplemental Disclosure of Cash Flow Information		
Interest paid, net of amount capitalized	$ 3,987,783	$ 4,223,116
Supplemental Disclosure of Noncash Investing and Financing Activities		
Obligations incurred for the acquisition of property and equipment:		
Accounts payable, construction	$ 3,095,442	$ 760,300
Capital lease obligations	91,857	-
Total	$ 3,187,299	$ 760,300
Reconciliation of Cash and Restricted Cash to Balance Sheets		
Cash and cash equivalents	$ 11,140,459	$ 9,002,968
Assets whose use is limited	10,677,044	8,488,261
Total cash and restricted cash	$ 21,817,503	$ 17,491,229