

**HumanGood East**  
**(a Member of HumanGood Cornerstone)**

Consolidated Financial Statements  
and Supplementary Information

December 31, 2024 and 2023

**HumanGood East**  
**(a Member of HumanGood Cornerstone)**

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## **Independent Auditors' Report**

To the Board of Directors of  
HumanGood East

### **Opinion**

We have audited the consolidated financial statements of HumanGood East (the Corporation), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as of December 31, 2024 and 2023, and the results of their operations, changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

We did not audit the financial statements of certain affiliates of the Corporation, which statements reflect total assets constituting 14% and 16% of consolidated total assets as of December 31, 2024 and 2023, respectively, and total operating revenues and other support constituting 16% and 17% of consolidated total operating revenues for the years then ended December 31, 2024 and 2023, 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 such entities, is based solely on the reports of the other auditors.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

## **Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information, as identified in the table of contents, is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and changes in net assets of the individual organizations, and it 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 consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.



Philadelphia, Pennsylvania  
May 29, 2025

**HumanGood East**  
**(a Member of HumanGood Cornerstone)**

Consolidated Balance Sheets  
December 31, 2024 and 2023  
(In Thousands)

	2024	2023		2024	2023
Assets			Liabilities and Net Assets		
<b>Current Assets</b>			<b>Current Liabilities</b>		
Cash and cash equivalents	\$ 12,605	\$ 12,350	Accounts payable and accrued expenses	\$ 9,387	\$ 9,601
Resident accounts receivable, net	4,781	3,670	Construction payable	2,386	2,099
Other receivables, net	6,571	2,745	Deposits	868	1,150
Prepaid expenses, deposits and other assets	2,163	1,621	Accrued interest	928	963
			Current portion of long-term debt	3,303	3,208
			Payable to affiliates	4,897	4,814
			Entrance fee rebates payable	-	1,208
Total current assets	26,120	20,386	Total current liabilities	21,769	23,043
<b>Restricted Cash and Cash Equivalents</b>	20,119	20,874	<b>Construction Loans</b>	19,657	6,039
<b>Investments</b>	129,051	120,671	<b>Rebatable Entrance Fees Due</b>	94,326	91,749
<b>Statutory Minimum Liquid Reserve</b>	6,959	7,155	<b>Entrance Fees Nonrefundable</b>	32,343	29,022
<b>Restricted Investments</b>	22,897	20,388	<b>Entrance Fees Subject to Refund</b>	20,174	18,872
<b>Other Noncurrent Assets</b>	5,958	3,300	<b>Long-Term Debt</b>	199,383	199,251
<b>Beneficial Interest in Split-Interest Agreements and Perpetual Trusts</b>	8,851	8,389	<b>Notes and Bonds Payable Held by Affiliates</b>	4,241	1,850
<b>Land, Buildings and Equipment, Net</b>	304,931	285,615	<b>Retirement Liability</b>	70	653
			<b>Workers' Compensation Liability</b>	781	336
			<b>Other Long-Term Liabilities</b>	400	348
			Total liabilities	393,144	371,163
			<b>Net Assets</b>		
			Net assets without donor restrictions:		
			Controlling ownership interest	75,785	62,917
			Noncontrolling ownership interest in limited partnerships	23,109	22,996
			Total net assets without donor restrictions	98,894	85,913
			<b>Net Assets With Donor Restrictions</b>	32,848	29,702
			Total net assets	131,742	115,615
Total assets	\$ 524,886	\$ 486,778	Total liabilities and net assets	\$ 524,886	\$ 486,778

See notes to consolidated financial statements

**HumanGood East**  
**(a Member of HumanGood Cornerstone)**

Consolidated Statements of Operations and Changes in Net Assets  
Years Ended December 31, 2024 and 2023  
(In Thousands)

	2024	2023
<b>Changes in Net Assets Without Donor Restrictions</b>		
Operating revenues:		
Residential living	\$ 32,583	\$ 30,265
Personal care	8,634	8,166
Health center	16,669	15,196
Memory support	5,708	5,047
Other service income	4,603	3,723
Amortization of entrance fees	9,349	7,525
COVID relief funding	20	168
Affordable housing fees and rents	20,879	19,225
Net assets released from restrictions	839	928
Unrestricted contributions	280	325
Total operating revenues	99,564	90,568
Operating expenses:		
Salaries and wages	41,964	39,144
Employee benefits	9,299	8,043
Supplies	5,781	5,690
Ancillary services	2,291	2,656
Repairs and maintenance	3,347	2,986
Marketing and advertising	1,530	1,471
Purchased services	9,449	7,707
Utilities	5,120	4,757
Travel and related	695	472
Leases and rents	391	318
Insurance	2,495	2,396
Other operating expense	4,413	4,614
Total operating expenses	86,775	80,254
Income before other operating income (expense)	12,789	10,314
Other operating income (expense):		
Realized gains on investments, net	11,282	6,281
Change in unrealized gains (losses) on investments, net	3,099	9,930
Gain on forgiveness of debt	-	14,555
Investment income, net	3,727	3,496
Interest expense	(6,219)	(6,460)
Depreciation and amortization expenses	(21,697)	(20,438)
Other income/expense, net	(268)	2
(Loss) gain on disposal of fixed assets	(854)	183
Income from operations	1,859	17,863
<b>Net Assets Released From Restrictions Used for Property and Equipment</b>	225	38
<b>Contributions From Noncontrolling Interest</b>	11,406	2,343
<b>Equity Transfers</b>	(509)	(879)
Change in net assets without donor restrictions	12,981	19,365
<b>Changes in Net Assets With Donor Restrictions</b>		
Dividend and interest income	505	504
Unrealized gains on investments with donor restrictions, net	1,073	1,549
Valuation gains, beneficial interest in perpetual trusts	461	611
Realized gains on investments, net	1,172	988
Contributions	999	1,326
Net assets released from restrictions	(1,064)	(966)
Change in net assets with donor restrictions	3,146	4,012
Change in net assets	16,127	23,377
<b>Net Assets, Beginning</b>	115,615	92,238
<b>Net Assets, Ending</b>	\$ 131,742	\$ 115,615

See notes to consolidated financial statements

**HumanGood East**  
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Consolidated Statements of Cash Flows  
Years Ended December 31, 2024 and 2023  
(In Thousands)

	<b>2024</b>	<b>2023</b>
<b>Cash Flows From Operating Activities</b>		
Cash received for resident services	\$ 85,052	\$ 78,215
Cash received from nonrebatable entrance fees from reoccupancy	7,637	11,160
Cash received from COVID relief funding	20	168
Cash received from other operating activities	1,085	1,658
Cash received from bequests and trust maturities	932	1,251
Cash earnings realized from investments	3,631	3,496
Cash paid for employee salaries	(41,964)	(32,399)
Cash paid for employee benefits	(9,299)	(8,258)
Cash paid for temporary labor	(2,714)	(6,890)
Cash paid to vendors	(37,598)	(28,517)
Cash paid for interest, net	(6,219)	(6,503)
Net cash provided by operating activities	<u>563</u>	<u>13,381</u>
<b>Cash Flows From Investing Activities</b>		
Acquisition of land, buildings and equipment	(39,742)	(28,519)
Net sales of unrestricted investments	6,368	10,988
Net purchases of restricted investments	<u>(1,006)</u>	<u>(219)</u>
Net cash used in investing activities	<u>(34,380)</u>	<u>(17,750)</u>
<b>Cash Flows From Financing Activities</b>		
Cash received from initial entrance fees and deposits	4,221	-
Proceeds from rebatable entrance fees	9,324	2,848
Refunds of deposits and refundable entrance fees	(9,054)	(8,453)
Proceeds from construction loans	23,502	6,039
Repayment of construction loans	(9,884)	-
Proceeds from issuance of notes and bonds payable	5,869	4,189
Principal payments on notes and bonds payable	(3,251)	(3,243)
Cash provided by intercompany and affiliate transactions	83	4,349
Other affiliate distributions	(509)	(879)
Contributions from noncontrolling interest	11,406	2,343
Cash received from other trust activity, net	611	(377)
Cash received from restricted contributions	<u>999</u>	<u>1,326</u>
Net cash provided by financing activities	<u>33,317</u>	<u>8,142</u>
(Decrease) increase in cash, cash equivalents and restricted cash	(500)	3,773
<b>Cash, Cash Equivalents and Restricted Cash, Beginning</b>	<u>33,224</u>	<u>29,451</u>
<b>Cash, Cash Equivalents and Restricted Cash, Ending</b>	<u><u>\$ 32,724</u></u>	<u><u>\$ 33,224</u></u>
<b>Noncash Disclosures</b>		
Forgiveness of debt	<u>\$ -</u>	<u>\$ (14,555)</u>
Obligations incurred for the acquisition of land, buildings and equipment	<u>\$ 270</u>	<u>\$ 2,099</u>
<b>Reconciliation of Cash, Cash Equivalents and Restricted Cash to Consolidating Balance Sheet Schedule</b>		
Cash and cash equivalents	\$ 12,605	\$ 12,350
Restricted cash and cash equivalents	<u>20,119</u>	<u>20,874</u>
Total cash, cash equivalents and restricted cash	<u><u>\$ 32,724</u></u>	<u><u>\$ 33,224</u></u>

See notes to consolidated financial statements

## **HumanGood East** **(a Member of HumanGood Cornerstone)**

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Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

### **1. Business and Organization**

#### **HumanGood East**

HumanGood East (HGE), is a not-for-profit corporation engaged in establishing, maintaining, supporting and operating communities for the care of seniors.

The following is a listing of HGE's subsidiaries:

- HumanGood Pennsylvania (HGPA), which includes The Mansion at Rosemont (Rosemont), Rydal Park and Spring Mill Pointe (Spring Mill)
- The Presbyterian Home at 58<sup>th</sup> Street (58<sup>th</sup> 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 Street)
  - 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 58<sup>th</sup> 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)
  - Makemie Court LP (Makemie Court)
  - HG Makemie Housing Inc. (MHI)
  - Janney Housing, LLC (JH)
  - Janney Street Apartments LP (JST)
  - Mary Field Senior Apartments LP (MF)
  - Mary Field Housing GP LLC (MFH)
  - Maple Village Apartments LP (MVT)
  - Maple House, LLC (MH)
  - Ardmore House II LP (AH)



## **HumanGood East (a Member of HumanGood Cornerstone)**

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Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

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

On December 12, 2023, HGE, through its newly formed subsidiary MFH, entered into a limited partnership agreement with a third party to form MF. MF was established to obtain new funding for renovation projects through a 4% tax credit financing and to convert the existing Mary Field and Greenway Project Rental Assistance Contracts (PRAC) under the Rental Assistance Demonstration (RAD) program (RAD for PRAC). As part of the transaction, Mary Field and Greenway entered into separate asset purchase agreements with MF to sell all of their property and real estate to MF. Additional financing was obtained as part of the transaction as described in Note 7 and 8.

### **Parent Organization**

HumanGood Cornerstone (a Member of HumanGood), is a California nonprofit public benefit tax-exempt corporation and, as the sole member, exercises its direction and control through the appointment of the Board of Directors of HGE, HumanGood Arizona, Inc. (dba Terraces of Phoenix), HumanGood Washington (dba Judson Park), HumanGood Nevada (dba Las Ventanas), HumanGood Idaho (dba Terraces of Boise), HumanGood Affordable Housing and West Valley Nursing Homes, Inc., (dba Terraces at Summitview) including, effective May 1, 2023, its subsidiary, HG Hillside LLC (dba Hillside). Effective February 1, 2024, HumanGood Cornerstone affiliated with Pleasant Spring Communities, the parent entity of Springhouse, Inc. and Mount Pleasant Home, both located in Boston, Massachusetts. During 2024, HumanGood Cornerstone, through its subsidiary entity, HG Perennial LLC, acquired a minority ownership interest in Perennial Advantage, a network of Medicare Advantage plans.

HumanGood is a California nonprofit public benefit tax-exempt corporation providing housing, health care and supportive services for seniors through its LPCs 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.

### **Basis of Presentation and Principles of Consolidation**

The accompanying 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. The consolidated financial statements of the Corporation were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) on the accrual basis of accounting.

## **HumanGood East (a Member of HumanGood Cornerstone)**

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Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

### **2. Summary of Significant Accounting Policies**

#### **Use of Estimates**

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reported periods. Significant items subject to such estimates and assumptions include the fair values allowances for credit losses; fair values of notes receivable; fair values of investments; future service benefit obligations; rebatable entrance fees due; entrance fees subject to refund; entrance fees nonrefundable; liabilities for self-insured workers' compensation; self-insured health insurance; liabilities for retirement plans; and valuation of split-interest agreements. Actual results could differ from those estimates.

#### **Cash and Cash Equivalents**

Cash and cash equivalents are defined as cash on hand, demand deposits with financial institutions and overnight investments considered to be cash equivalents. For the purposes of the consolidated statements of cash flows, cash, cash equivalents and restricted cash include investments purchased with an initial maturity of three months or less.

#### **Restricted Cash and Cash Equivalents**

Restricted cash and cash equivalents include cash and cash equivalents held under bond indenture agreements, assets held under U.S. Department of Housing and Urban Development (HUD) agreements and first-generation entrance fees.

#### **Resident Accounts Receivable and Other Receivables**

Accounts receivable are reported net of an allowance for credit losses, which represents the Corporation's estimate of expected losses at the balance sheet date. Accounts are written off when they are determined to be uncollectible. The adequacy of the Corporation's allowance for credit losses is reviewed on an ongoing basis, using historical payment trends, write-off experience, analyses of receivable portfolios by payor source and aging of receivables, a review of specific accounts, and expected future economic conditions and market trends. Adjustments are made to the allowance as necessary.

Entrance fee receivables, included in other receivables, net, are evaluated for collectability prior to residents being admitted to the community based on the resident's credit worthiness. The terms and conditions of each entrance fee receivable are determined when a resident agreement is executed.

#### **Investments**

Investments include certain cash equivalents held by investment managers, mutual funds and alternative investments.

Investment income or loss (including interest, dividends and fees), realized gains and losses and unrealized gains and losses on investments are included in income from operations and changes in net assets without donor restrictions. 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.

## **HumanGood East (a Member of HumanGood Cornerstone)**

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Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

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.

### **Restricted Investments**

Certain investments are classified as restricted investments in the accompanying consolidated balance sheets (see Note 4). These include assets set aside in accordance with donor restrictions.

### **Land, Buildings and Equipment, Net**

Land, buildings and equipment are recorded at cost, or fair value when received, if donated. The cost basis includes any interest, finance charges and other related costs capitalized during construction. Maintenance and repair costs are charged to operations when incurred.

Depreciation of buildings and equipment is computed on the straight-line method using estimated useful lives of 3 to 40 years. When assets are retired or otherwise disposed of, the cost of the asset and its related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized for the period.

### **Asset Impairment**

The Corporation periodically evaluates the carrying value of their long-lived assets for impairment. The evaluations address the estimated recoverability of the assets' carrying value, which is principally determined based on projected undiscounted cash flows generated by the underlying tangible assets. When the carrying value of an asset exceeds estimated recoverability, an asset impairment is recognized. No asset impairment was recorded during the years ended December 31, 2024 and 2023.

### **Other Noncurrent 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, tax credit compliance fees, health insurance program capital contribution, noncurrent portion of pledges receivable and capitalized contract acquisition costs.

### **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.

## **HumanGood East** **(a Member of HumanGood Cornerstone)**

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Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

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.

### **Deferred Debt Issuance Costs**

Expenses incurred in connection with the issuance of debt are deferred and are amortized over the term of the related financing agreements using the interest method. These unamortized amounts are presented in the consolidated balance sheets as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. Amortization expense, which is included as a component of interest expense, was \$138,000 in 2024 and 2023.

### **Resident Deposits**

Resident deposits included in deposits on the accompanying consolidated financial statements, represent entrance fees deposits paid to reserve a residence at Rydal Park and Rosemont. These deposits become part of the entrance fees 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.

### **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 are recorded as either rebatable entrance fees due, entrance fees subject to refund or entrance fees nonrefundable. Entrance fees may be nonrebatable or, for certain Rydal Park residents, entrance fees may be subject to refund. Under the nonrebatable contracts, entrance fees are generally subject to refund 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 rebate component, which is 50% or 90% of the entrance fees paid; the balance of the entrance fees paid under the 90% refundable contracts is generally nonrefundable while the balance of the entrance fees paid under the 50% contract is generally refundable on a decreasing basis for 25 months.

Nonrefundable entrance fees are recorded as entrance fees nonrefundable upon receipt and amortized to income using the straight-line method over the annually adjusted estimated remaining life expectancy of the resident. Entrance fees subject to refund will be amortized to income in future years unless refunded. The refundable amounts for Rydal Park residents are reported as rebatable entrance fees due 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 fees have been paid in full by the new resident.

## HumanGood East (a Member of HumanGood Cornerstone)

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Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

### Obligation to Provide Future Services

If the present value of future outflows to provide future health care services to current contracted residents, adjusted for certain noncash items, exceeds the present value of future cash in-flows, a liability is recognized. Management engages an actuary to periodically calculate the obligation to provide future health care services to current contracted residents. Based upon the last calculations performed using a discount rate of 5%, the present value of future outflows to provide future services, adjusted for certain noncash items, did not exceed the present value of future cash in-flows. Based upon these calculations, and analysis of management, no liability for the obligation to provide future services has been recorded at December 31, 2024 and 2023.

### 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 revenues 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 and are included in net assets released from restrictions in the accompanying consolidated statements of operations and changes in net assets.

### Net Resident Service Revenues

Net resident service revenues are reported 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. Net resident service revenues are recognized as performance obligations are satisfied.

Payment terms and conditions for the Corporation's resident contracts vary by contract type and payor source. Net resident service revenues for recurring and routine monthly services are generally billed monthly in advance. Net resident service revenues for ancillary services are generally billed monthly in arrears. Additionally, entrance fees are generally collected in advance of move-in.

## HumanGood East (a Member of HumanGood Cornerstone)

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Net resident service revenues are primarily comprised of the following revenues 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.

Health center revenues, including monthly service fees, ancillary and other services fees are reported at the estimated net realizable amounts from residents, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors.

Rydal Park receives revenues for services under third-party payor programs, including Medicare, Medicaid and other third-party payors. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties and exclusion from the Medicare and Medicaid programs. 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.

The Department of Human Services in the Commonwealth of Pennsylvania has a mandatory Medical Assistance managed care program, Community HealthChoices (CHC), for skilled nursing (SN) facilities across the Commonwealth of Pennsylvania. The primary goals of CHC are to better coordinate health care coverage and improve access to medical care. The services for which Medical Assistance program beneficiaries are eligible have not changed under CHC.

Under CHC, each Medical Assistance program beneficiary is able to choose a managed care organization (MCO). Effective January 1, 2023, nursing services provided to Medical Assistance program beneficiaries were paid by the MCOs at prospectively determined rates per day. These rates are evaluated and adjusted, as necessary, quarterly based on a resident classification system that is based on clinical, diagnostic and other factors.

**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.

Medicare Part A and Medical Assistance rates are based on clinical, diagnostic and other factors. The determination of these rates is partially based on Rydal Park's clinical assessment of their residents. Rydal Park 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 and Medical Assistance programs.

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

Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing resident care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence with the payor and Rydal Park's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenues recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or no longer subject to such audits, reviews and investigations. Adjustments arising from a change in the transaction price were not significant in 2024 or 2023.

### Personal Care and Memory Support

Personal care and memory support 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 and memory support 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.

Entrance fees collected from residents in advance are recognized as deferred revenues from entrance fees until performance obligations are satisfied and are included in entrance fees nonrefundable in the accompanying consolidated balance sheets. The Corporation recognized amortization income of \$9,349,000 and \$7,525,000 in 2024 and 2023, respectively. The Corporation applies the practical expedient in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606 *Revenue from Contracts with Customers*, and therefore, do not disclose amounts for remaining performance obligations that have original expected durations of one year or less. 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.

Revenues from nonrefundable entrance fees received are recognized through amortization of entrance fees 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. Amortization of entrance fees other than rebatable entrance fees is included as amortization of entrance fees in the consolidated statements of operations and changes in net assets.

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### Affordable Housing Fees and Rents

Affordable housing fees and rents include subsidy receipts from HUD, 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 FASB ASC Topic 606, and management fees for management services provided to unrelated entities that provide affordable housing for seniors. Subsidy receipts are considered part of the lease and are not considered a contribution under FASB ASC Topic 958, *Not-for-Profit Entities*. The revenues are recognized monthly using rates established by HUD under FASB ASC Topic 842, *Leases*.

### Contract Balances

Contract assets represent the Corporation's right to consideration in exchange for goods or services that the Corporation has transferred to a resident when that right is conditioned on something other than the passage of time (for example, the Corporation's future performance). Contract liabilities represent the Corporation's obligation to transfer goods or services to a resident for which the Corporation has received consideration (or the amount is due) from the resident. The Corporation's beginning and ending contract assets and liabilities are separately presented on the consolidated balance sheets as of December 31, 2024 and 2023. Contracts assets and liabilities as of December 31, 2022 in thousands are as follows:

Resident accounts receivable, net	\$	3,452
Entrance fees subject to refund		19,199
Entrance fees nonrefundable		26,608

### COVID Funding and Paycheck Protection Program

COVID relief funding in the accompanying statements of operations and changes in net assets is comprised of amounts received from federal and state funding sources related to the COVID-19 pandemic. The Corporation accounts for this funding in accordance with the FASB ASC Topic 958-605, *Not-for-Profit Entities - Revenue Recognition*, guidance for conditional contributions and, accordingly, revenues are measured and recognized when barriers are substantially met, which occurs when the Corporation complies with the terms and conditions related to the purpose of the grant rather than those that are administrative in nature. Results of any audits or reviews by the SBA would have a material impact on the consolidated financial statements.

The Corporation received additional COVID relief funding of \$20,000 and \$168,000 that was recognized and included in COVID relief funding in the accompanying consolidated statements of operations and changes in net assets during December 31, 2024 and 2023, respectively.

The majority of the funding received is subject to future reporting and audit requirements. Noncompliance with the terms and conditions of the funding sources could result in repayment of some or all of the support, which can be subject to government review and interpretation. An estimate of the possible effects of these matters cannot be made as of the date these financial statements were available to be issued.



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### **Benevolence**

The Corporation provides services to residents who meet certain criteria under their benevolence policy without charge or at amounts less than its established rates. Partial payments to which the Corporation is entitled from public assistance programs on behalf of residents that meet the Corporations' benevolence criteria are reported as revenues. Because the Corporation does not normally pursue collection of amounts determined to qualify as benevolence, they are not reported as revenues. For the years ended December 31, 2024 and 2023, benevolence recorded was \$1,883,000 and \$1,877,000, respectively.

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 includes the determination of income from operations. Changes in net assets without donor restrictions, which are excluded from income from operations consistent with industry practice, include contributions from noncontrolling interest and equity transfers.

### **Income Taxes**

The Corporation and all of its affiliates, excluding BSA, PresbyHousing, Inc., RSA, PRH, Wynnefield, WSH, PILA, Cantrell, CHI, Witherspoon, Makemie Court, Janney, MF and MVT 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, Witherspoon, Makemie Court, JH, MF and MVT which are limited partnerships. Taxation related to the partners' share of allocable items is determined separately, outside of BSA, RSA, Wynnefield, Cantrell, Witherspoon, Makemie Court, JH, MF and MH. PresbyHousing, Inc., PRH, CHI, WHI and MHI are for-profit corporations; there were no items that gave rise to deferred income tax provisions in 2024 and 2023 for these entities. WSH, PILA, JH and MFH are limited liability companies that have elected to 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 2024 and 2023.

### **Reclassifications**

Certain prior year amounts have been reclassified to conform to the current year presentation.

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### 3. Liquidity and Availability of Resources

As of December 31, the Corporation has financial assets available for general expenditure within one year of the consolidated balance sheets date, that consist of the following (in thousands):

	2024	2023
Cash and cash equivalents	\$ 12,605	\$ 12,350
Resident accounts receivable, net	4,781	3,670
Other receivables, net	6,571	2,745
Investments	129,051	120,671
Total	<u>\$ 153,008</u>	<u>\$ 139,436</u>

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 restricted cash and cash equivalents and investments for deposits from initial sales contracts, assets held by trustee under trust indenture, assets reserved for and donor-restricted purposes. These restricted cash and investments, which are more fully described in Note 4 are not available for general expenditure within the next year and are not reflected in the amounts above.

As stated in Note 4, 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 consolidated balance sheets 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 restricted investments in Note 4, and do not have third-party restrictions or limitations on the withdrawal and subsequent liquidation of such funds.

### 4. Investments and Restricted Investments

The composition of investments and restricted investments is set forth in the following table (in thousands):

	2024	2023
Investments:		
Cash and cash equivalents	\$ 6,097	\$ 5,409
Mutual funds	103,845	100,321
Alternative investments	26,068	22,096
Total	136,010	127,826
Less amounts available to meet HGPA's statutory minimum liquid reserve requirement	<u>6,959</u>	<u>7,155</u>
Total investments	<u>\$ 129,051</u>	<u>\$ 120,671</u>
Restricted investments:		
Cash and cash equivalents	\$ 614	\$ 664
Mutual funds	18,828	16,792
Alternative investments	3,455	2,932
Total Restricted Investments	<u>\$ 22,897</u>	<u>\$ 20,388</u>

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Restricted investments are comprised of investments restricted by donors.

Investment return is comprised of the following:

	<b>2024</b>	<b>2023</b>
Without donor restrictions:		
Investment income	\$ 4,205	\$ 3,807
Investment expenses	(478)	(311)
Total investment income, net	3,727	3,496
Net realized gains on sales of investments	11,282	6,281
Net change in unrealized gains on investments	3,099	9,930
Total investment return without donor restrictions	18,108	19,707
With donor restrictions:		
Dividend and interest income	505	504
Realized gains on investments, net	1,172	988
Unrealized gains on investments with donor restrictions, net	1,073	1,549
Total investment return with donor restrictions	2,750	3,041
Total investment return	\$ 20,858	\$ 22,748

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 \$6,959,000 and \$7,155,000 of HGPA's investments as "reserved" to meet the requirements of Act 82 as of December 31, 2024 and 2023, respectively.

## 5. Fair Value Measurements

FASB ASC Topic 820, *Fair Value Measurement*, defines fair value 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. FASB ASC Topic 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or net asset value (NAV) per share (or its equivalent) with the ability to redeem the investments in the near term.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

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Notes to Consolidated Financial Statements  
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Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying financial statements, as well as the general classification of such instruments pursuant to the valuation hierarchy:

- Mutual funds - Mutual funds registered with the U.S. Securities and Exchange Commission as mutual funds under the Investment Company Act of 1940 are valued based on quoted market prices and are categorized as Level 1.
- Investments and restricted investments in the accompanying consolidated balance sheets includes \$29,523,000 and \$25,028,000 of an alternative investment fund (the Fund) at December 31, 2024 and 2023, respectively. The Fund is measured using the NAV 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 objective, 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 months 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, 2024.

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The following table presents the fair value measurements of financial instruments recognized in the accompanying consolidated balance sheets measured at fair value on a recurring basis and the level within the FASB ASC Topic 820 fair value hierarchy in which the fair value measurements fall as of December 31, 2024 and 2023 (in thousands):

	2024			Total
	Level 1	Level 2	Level 3	
Investments, statutory minimum liquid reserve and restricted investments:				
Mutual funds:				
Equity	\$ 119,672	\$ -	\$ -	\$ 119,672
Fixed income	3,001	-	-	3,001
Total	<u>\$ 122,673</u>	<u>\$ -</u>	<u>\$ -</u>	122,673
Alternative investments valued at NAV (a)				29,523
Cash and cash equivalents				<u>6,711</u>
Total investments, statutory minimum liquid reserve and restricted investments				<u>\$ 158,907</u>
Beneficial interest in split-interest agreements and perpetual trusts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,851</u>	<u>\$ 8,851</u>

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	2023			
	Level 1	Level 2	Level 3	Total
Investments, statutory minimum liquid reserve and restricted investments:				
Mutual funds:				
Equity	\$ 88,227	\$ -	\$ -	\$ 88,227
Fixed income	28,886	-	-	28,886
Total	<u>\$ 117,113</u>	<u>\$ -</u>	<u>\$ -</u>	117,113
Alternative investments valued at NAV (a)				25,028
Cash and cash equivalents				<u>6,073</u>
Total investments, statutory minimum liquid reserve and restricted investments				<u>\$ 148,214</u>
Beneficial interest in split-interest agreements and perpetual trusts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,389</u>	<u>\$ 8,389</u>

- (a) In accordance with accounting principles generally accepted in the United States of America, certain investments that were measured at NAV per share have not been classified in the fair value hierarchy. The fair value is presented to reconcile to total investments, statutory minimum liquid reserve and restricted 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 2024 and 2023 were as follows:

	2024	2023
Beginning balance	\$ 8,389	\$ 7,778
Investment income	116	117
Distributions	(115)	(117)
Valuation gain	<u>461</u>	<u>611</u>
Ending balance	<u>\$ 8,851</u>	<u>\$ 8,389</u>

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**6. Land, Buildings and Equipment, Net**

Land, buildings and equipment, net at cost consist of the following at December 31, 2024 and 2023 (in thousands):

	<b>2024</b>	<b>2023</b>
Land and land improvements	\$ 28,236	\$ 25,087
Buildings and improvements	435,673	414,890
Furnishings, equipment and automotive	69,610	60,145
Investment in leased property	2,046	2,046
Total	535,565	502,168
Less accumulated depreciation	(259,511)	(238,694)
Subtotal	276,054	263,474
Construction in process	28,877	22,141
Land, buildings and equipment, net	<u>\$ 304,931</u>	<u>\$ 285,615</u>

Depreciation expense was \$21,597,000 in 2024 and \$20,523,000 in 2023.

Fully depreciated assets of \$604,000 and \$33,000 were disposed of during the years ended 2024 and 2023, respectively.

Construction in process as of December 31, 2024 consists primarily of the construction of a new parking structure and five new Residential Living apartments and a Memory Support unit refresh at Spring Mill Pointe, renovations at Mary Field and construction of Maple Village Apartments. The Corporation has entered into construction contracts totaling approximately \$27,236,000 related to the projects. Cost incurred to date through December 31, 2024 on the contracts were approximately \$19,062,000.

**7. Construction Loans and Letter of Credit**

The Corporation had previously entered into an irrevocable standby letter of credit with Citizens Bank in the amount of \$1,716,000 for the benefit of the Township of Abington related to the completion of the Rydal Waters expansion at Rydal Park. There were no amounts drawn as of December 31, 2023. The letter of credit was not renewed in 2024.

The Corporation entered in a \$10,000,000 construction loan with a commercial bank during 2022 to partially finance the Janney low-income rental housing for seniors project. Interest on the loan was based on a variable of interest equal to the one-month Term SOFR plus 2.5%. Interest only payments commenced on January 6, 2023 due monthly with the entire principal balance and any unpaid interest due on the maturity date, September 6, 2024. The construction on the Janney project started in 2023 and the outstanding construction loan was paid off in 2024. As of December 31, 2023, \$4,469,000 had been drawn upon and is included in construction loans in the accompanying consolidated balance sheet. The full amount was repaid in 2024 with equity partner contributions.

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The Corporation entered into a loan agreement with the Pennsylvania Housing Finance Agency (PHFA) during 2023 to provide financing for the MF renovation projects as described in Note 1. The loan agreement provides funding during construction up to a maximum of \$16,500,000 and will convert to a \$2,571,000 permanent loan at the end of construction. The construction phase is expected to last no more than 24 months. The loan bears a fixed rate of interest of 6.70% during the construction phase and when converted to the permanent loan it will bear a fixed rate of interest of 6.20%. Interest only payments will commence on February 1, 2024. Principal and interest payments will commence on May 1, 2025 through the mandatory redemption date of January 1, 2041 and will amortize over 480 months during the permanent phase. As of December 31, 2024 and 2023, \$16,635,000 and \$1,570,000, respectively, had been drawn upon and is included in construction loans in the accompanying consolidated balance sheet.

Additionally, the Corporation entered in a construction loan with the Pennsylvania Housing Finance Agency during 2024 to partially finance the Maple Village low-income rental housing for seniors project. The loan agreement provides funding during construction up to a maximum of \$8,800,000 and bears a fixed rate interest SOFR (one month) plus 2.5%. The construction on the Maple Village project started in 2024. As of December 31, 2024 \$3,022,000 had been drawn upon and is included in construction loans in the accompanying consolidated balance sheet.

### 8. Long-Term Debt

Long-term debt consists of the following at December 31, 2024 and 2023 (in thousands):

	2024	2023
<b>HumanGood Pennsylvania</b>		
Montgomery County Industrial Development Authority Revenue Bonds, Philadelphia Presbytery Homes, Inc. Project, Series 2017 Bonds. (a)	\$ 77,317	\$ 79,012
Loan payable to Citizens Bank for the Rydal Waters expansion at Rydal Park. The initial loan amount was \$20,567 and is payable over 30 years beginning May 2022. The loan bears interest equal to 79% of the Daily Simple SOFR rate plus 1.3% (4.74% as of December 31, 2024).	18,796	19,424
<b>HumanGood East</b>		
Note payable to Federal Home Loan Bank of Pittsburgh to provide funds to construct Witherspoon (Note 15). 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	650
Note payable to Federal Home Loan Bank of Atlanta to provide funds to construct Witherspoon (Note 15). 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	495
Note payable to Federal Home Loan Bank of Pittsburgh to provide funds for the construction of the Makemie Court project (Note 15). The note bears no interest and matures 40 years from the date of the agreement (July 1, 2061). The note is secured by a Fifth Mortgage on Makemie Court.	250	250



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	2024	2023
<b>Philadelphia Presbytery Apartments of Morrisville, Inc. and Germantown Interfaith Housing, Inc.</b>		
Philadelphia Authority for Industrial Development Senior Living Revenue Bonds, Series 2005A, The PresbyHomes Germantown/Morrisville Project. (b)	\$ 8,175	\$ 8,645
<b>Affordable Housing Communities</b>		
Mortgage payable to Redevelopment Authority of the City of Philadelphia bearing no interest on \$7,323 and bearing interest on \$2,013 with principal payments deferred until 2040 through 2052.	9,782	9,782
<b>Affordable Housing Communities and HGE</b>		
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.	48,568	53,683
<b>Philadelphia Apartments at 58<sup>th</sup> Street, Inc.</b>		
Mortgage payable insured by HUD in equal monthly installments of \$32, including interest at 4.26%, maturing in May 2053, secured by rental property and equipment.	6,403	6,516
<b>Grace Court, Inc.</b>		
Mortgage payable insured by HUD in equal monthly installments of \$34, including interest at 3.75%, maturing in February 2052, secured by rental property and equipment.	6,939	7,083
<b>Bensalem Senior Apartments, LP</b>		
Mortgage payable to PHFA in equal monthly installments of \$2, including interest at 7.25%, maturing in 2026, secured by all assets and revenues of BSA.	43	65
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.	1,168	1,168
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	1,200

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	2024	2023
<b>Riverside Senior Apartments, LP</b>		
Philadelphia Authority for Industrial Development Multifamily Housing Revenue Bonds, Series 2008A, The Riverside Senior Apartments Project. (c)	\$ 7,650	\$ 7,780
<b>Makemie Court</b>		
Note payable to Inglis House, bearing simple interest at 3% on the outstanding balance. No payment of principal or interest shall be due until maturity of the loan as defined or 42 years from the date of the agreement (July 1, 2063).	1,500	1,500
Note payable to the County of Delaware, bearing no interest and is payable only to the extent of excess revenues over expenses as defined. The full amount is payable at maturity in 2062.	877	877
<b>Janney Street</b>		
Note payable to Philadelphia Housing Development Corporation, bearing simple interest at 1.5%. The full amount is payable in 2064.	2,712	2,712
Note payable to PHFA PHARE Funds, bearing no simple interest and is payable only to the extent of excess revenues over expenses as defined. The full amount is payable in 2064.	584	143
<b>Maple Village</b>		
Note payable to Federal Home Loan Bank (Santander Bank), bearing interest at 4.61% per annum, compounding annually. Interest will begin to accrue on the unpaid principal balance upon the date the rehab of the development has been completed and placed in service. The full amount is payable 40 years following the date construction has been completed and placed in service.	500	-
Note payable to PHFA PHARE Funds, bearing no simple interest and is payable only to the extent of excess revenues over expenses as defined. The full amount is payable in 2065.	793	-
<b>Mary Field</b>		
Note payable to PHFA DCRP & PHARE Funds, bearing no simple interest and is payable only to the extent of excess revenues over expenses as defined. The full amount is payable in 2063.	1,744	-
Total	201,261	200,985
Unamortized premium (HGPA)	4,421	4,608
Less current portion	(3,303)	(3,208)
Less unamortized debt issuance costs	(2,996)	(3,134)
Long-term debt	\$ 199,383	\$ 202,385

**HumanGood East**  
**(a Member of HumanGood Cornerstone)**

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Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

- (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% to 5%. 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. HGPA is subject to financial covenants under the terms of the Master Trust Indenture which includes debt service coverage ratio and minimum days cash-on-hand requirements.

- (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% to 5.625%. 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%. 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.

As part of the transaction described in Note 1, Greenway and Mary Field's capital advances were forgiven by HUD totaling \$14,555,000 which is included in gain on forgiveness of debt in the accompanying consolidated financial statements in 2023. The existing Greenway mortgage payable to the Redevelopment Authority of the City of Philadelphia was assumed by MF which totaled \$1,020,000. MF entered into a new loan agreement with the Redevelopment Authority of the City of Philadelphia to increase the amount of the original loan by \$3,000,000 for a total of \$4,020,000. No amounts on the additional \$3,000,000 were drawn as of December 31, 2024 and 2023. MF also entered into two separate \$1,000,000 noninterest bearing loans with PHFA during 2023 (PHARE and DCRP loans). As of December 31, 2024, \$1,000,000 had been drawn upon the PHARE loan and \$744,000 had been drawn on the DCRP loan as described in the table above. Both will be repaid out of net cash flow, as defined, with maturity 40 years from completion of the renovation projects. No amounts on the PHARE or DCRP loans were drawn as of December 31, 2023.

## HumanGood East (a Member of HumanGood Cornerstone)

Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

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Scheduled principal repayments required on long-term debt are as follows (in thousands):

Years ending December 31:	
2025	\$ 3,303
2026	3,512
2027	3,632
2028	3,783
2029	3,931
Thereafter	<u>183,100</u>
Total	<u>\$ 201,261</u>

### 9. Retirement Plan

The Corporation participates in a defined contribution retirement plan covering all eligible employees. The Corporation's contribution is a match of employee contributions up to 4% of eligible earnings in a calendar year. Expenses, net of forfeitures and adjustments, related to the plan were approximately \$743,000 in 2024 and \$749,000 in 2023.

### 10. Self-Insured Programs

#### Workers' Compensation Plan

The Corporation maintains a plan of self-insurance for workers' compensation claims in accordance with Pennsylvania Department of Labor and Industry regulations. The estimated liabilities were arrived at using information provided by an outside actuary and include a provision for incurred but not reported claims.

#### Unemployment Compensation Plan

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, 2024 and 2023.

#### Health Insurance

The Corporation is self-insured for health insurance claims for eligible active employees with certain self-insured retention limits. The program is managed by COG and estimates of the liability for claims incurred but not reported are included in the consolidated balance sheets of COG and costs related thereto are allocated to the Corporation through intercompany transactions based on a percentage of payroll.

### 11. Professional Liability Insurance

HGPA maintains professional liability coverage on a claims-made basis as a member of CCRRG. In addition to premiums paid under this policy, a legal reserve of \$1,975,000 and \$909,000 is included in accounts payable and accrued expenses in the accompanying consolidated balance sheets as of December 31, 2024 and 2023, respectively, to cover estimated self-insurance retentions. 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.

## HumanGood East (a Member of HumanGood Cornerstone)

Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

### 12. Net Assets With Donor Restrictions

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. Net assets with donor restrictions consist of the following for the years ended December 31, 2024 and 2023 (in thousands):

	2024	2023
With donor restrictions:		
Purpose restricted	\$ 22,940	\$ 20,256
Funds held by trustee	8,851	8,389
Restricted in perpetuity	1,057	1,057
Total net assets with donor restrictions	<u>\$ 32,848</u>	<u>\$ 29,702</u>

### 13. Net Resident Service Revenues

The Corporation disaggregates revenues from contracts with customers by type of service and payor source as this depicts the nature, amount, timing and uncertainty of its revenues and cash flows as affected by economic factors. Net resident service revenues consist of the following for the years ended December 31, 2024 and 2023 (in thousands):

	2024				
	Residential Living	Personal Care	Health Center	Memory Support	Total
Private (contract)	\$ 30,312	\$ 4,914	\$ 1,172	\$ 2,355	\$ 38,753
Private (noncontract)	2,271	3,720	4,007	3,353	13,351
Medicare (Part A)	-	-	4,603	-	4,603
Medicare (Part B)	-	-	858	-	858
Medicaid	-	-	4,281	-	4,281
Managed care	-	-	1,748	-	1,748
Subtotal	<u>\$ 32,583</u>	<u>\$ 8,634</u>	<u>\$ 16,669</u>	<u>\$ 5,708</u>	63,594
Amortization of entrance fees					9,349
Total					<u>\$ 72,943</u>

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Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

	2023				
	Residential Living	Personal Care	Health Center	Memory Support	Total
Private (contract)	\$ 28,547	\$ 3,835	\$ 429	\$ 2,328	\$ 35,139
Private (noncontract)	1,718	4,331	4,526	2,719	13,294
Medicare (Part A)	-	-	3,571	-	3,571
Medicare (Part B)	-	-	1,258	-	1,258
Medicaid	-	-	4,023	-	4,023
Managed care	-	-	1,389	-	1,389
Subtotal	<u>\$ 30,265</u>	<u>\$ 8,166</u>	<u>\$ 15,196</u>	<u>\$ 5,047</u>	<u>58,674</u>
Amortization of entrance fees					7,525
Total					<u>\$ 66,199</u>

**14. 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. Expenses relating to providing these services are approximately as follows at December 31, 2024 and 2023 (in thousands):

	2024			
	Residential Services	General and Administrative	Fundraising	Total
Salaries and wages	\$ 31,981	\$ 9,496	\$ 487	\$ 41,964
Employee benefits	6,319	2,894	86	9,299
Supplies	5,622	154	5	5,781
Ancillary services	2,291	-	-	2,291
Repairs and maintenance	3,344	3	-	3,347
Marketing and advertising	1,506	24	-	1,530
Purchased services	5,471	3,929	49	9,449
Utilities	4,978	140	2	5,120
Travel and related	230	446	19	695
Leases and rents	391	-	-	391
Insurance	2,495	-	-	2,495
Other operating expenses	4,127	120	166	4,413
Interest expense	6,219	-	-	6,219
Depreciation and amortization expenses	21,697	-	-	21,697
Total	<u>\$ 96,671</u>	<u>\$ 17,206</u>	<u>\$ 814</u>	<u>\$ 114,691</u>

**HumanGood East**  
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Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

	2023			
	Residential Services	General and Administrative	Fundraising	Total
Salaries and wages	\$ 29,968	\$ 8,667	\$ 509	\$ 39,144
Employee benefits	5,371	2,587	85	8,043
Supplies	5,414	270	6	5,690
Ancillary services	2,656	-	-	2,656
Repairs and maintenance	2,985	1	-	2,986
Marketing and advertising	1,460	11	-	1,471
Purchased services	4,715	2,951	41	7,707
Utilities	4,614	141	2	4,757
Travel and related	142	311	19	472
Leases and rents	318	-	-	318
Insurance	2,396	-	-	2,396
Other operating expenses	4,480	127	7	4,614
Interest expense	6,460	-	-	6,460
Depreciation and amortization expenses	20,438	-	-	20,438
Total	<u>\$ 91,417</u>	<u>\$ 15,066</u>	<u>\$ 669</u>	<u>\$ 107,152</u>

**15. Related-Party Transactions**

HGPA owed HumanGood NorCal \$4,897,000 and \$4,814,000 as of December 31, 2024 and 2023, respectively, for various costs which are expected to be settled during the normal course of business with no fixed repayment terms.

HumanGood Affordable Housing through Capital Magnet funds entered into a loan agreement with Janney Street and JH on December 6, 2022 to provide \$900,000 for the cost of development and construction from nonfederal funds. The loan is secured by a Forth Mortgage on the property and bears interest at 0%. The loan matures 42 years from the date of the agreement. Janney Street received the full amount of the Capital Magnet funds prior to December 31, 2022 and is included in notes and bonds payable held by affiliates in the accompanying consolidated balance sheets as of December 31, 2024 and 2023.

Additionally, HumanGood Affordable Housing through Capital Magnet funds entered into a loan agreement with MF on December 12, 2023 to provide \$950,000 for the cost of development and construction from nonfederal funds. The loan is secured by a mortgage on the property and bears interest at 0%. The loan matures 42 years from the date of the agreement. MF received the full amount of the Capital Magnet funds prior to December 31, 2023 and is included in notes and bonds payable held by affiliates in the accompanying consolidated balance sheet as of December 31, 2024 and 2023.

Additionally, HumanGood Affordable Housing through Capital Magnet funds entered into a loan agreement with MVT on June 16, 2024 to provide \$791,000 for the cost of development and construction from nonfederal funds. The loan is secured by a mortgage on the property and bears interest at 0%. The loan matures 15 years from the date of the agreement. MVT received \$390,000 of the Capital Magnet funds prior to December 31, 2024 and is included in notes and bonds payable held by affiliates in the accompanying consolidated balance sheet as of December 31, 2024.

## **HumanGood East (a Member of HumanGood Cornerstone)**

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Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

Additionally, HumanGood Affordable Housing through Capital Magnet funds entered into a loan agreement with PPA on September 12, 2024 to provide \$2,000,000 to secure revenue bonds for Riverside. The loan is secured by will be repaid out of net cash flow, as defined and bears interest at 0%. The loan matures 24 years from the date of the agreement. PPA received the full amount of the Capital Magnet funds prior to December 31, 2024 and is included in notes and bonds payable held by affiliates in the accompanying consolidated balance sheet as of December 31, 2024.

In March 2025, HumanGood NorCal purchased at par the outstanding Multifamily Housing Revenue Bonds 2008 Series A of Riverside Senior Apartments LP, an affiliate, in the amount of \$7,585,000.

### **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% compounding annually. The loan matures 30 years from the date the project is placed in service. The related balances eliminate in consolidation.

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 described in Note 8. Witherspoon entered into a loan agreement with HGE in October 2017 to provide the \$650,000 in funding for the 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. The related balances eliminate in consolidation.

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 described in Note 8. Witherspoon Senior Apartments LP entered into a loan agreement with HGE to provide the \$495,025 in funding for the construction of the housing development. The note bears interest at 4% 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. The related balances eliminate in consolidation.

HGE received a note from Federal Home Loan Bank of Pittsburgh on July 1, 2021 for \$250,000 to provide funds for the construction of the Makemie Court project described in Note 8. Makemie Court entered into a loan agreement with HGE to provide the \$250,000 in funding for the construction of the housing development. The note bears no interest and matures 40 years from the date of the agreement. The related balances eliminate in consolidation.

Bala entered into a loan agreement with Makemie Court and MHI on July 1, 2021 to provide \$1,500,000 for the cost of development and construction from nonfederal funds. The loan is secured by a Third Mortgage on the property and bears interest at 3% compounded annually. The loan matures 42 years from the date of the agreement. The related balances eliminate in consolidation.

Bala entered into a loan agreement with Janney Street and JH on December 6, 2022 to provide \$1,500,000 for the cost of development and construction from nonfederal funds. The loan is secured by a Third Mortgage on the property and bears interest at 0%. The loan matures 42 years from the date of the agreement. The related balances eliminate in consolidation.



## **HumanGood East (a Member of HumanGood Cornerstone)**

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Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

### **16. Contingencies**

#### **Legal**

The Corporation is party to various claims and legal actions in the normal course of business. In the opinion of management, based upon current facts and circumstances, the resolution of these matters is not expected to have a material adverse effect on the financial position of the Corporation.

#### **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**

58<sup>th</sup> 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.

### **17. 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.

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Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

**18. Subsequent Events**

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

The Corporation has evaluated subsequent events through May 29, 2025, which is the date the consolidated financial statements were issued.

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Consolidating Schedule, Balance Sheet  
December 31, 2024  
(In Thousands)

		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
Assets								
Current Assets								
Cash and cash equivalents	\$ 4,495	\$ 1,329	\$ 5,732	\$ 1,048	\$ 1	\$ 12,605	\$ -	\$ 12,605
Resident accounts receivable	2,794	-	1,987	-	-	4,781	-	4,781
Other receivables, net	5,333	-	1,135	-	103	6,571	-	6,571
Prepaid expenses, deposits and other assets	1,572	-	590	1	-	2,163	-	2,163
Intercompany advances due	5,084	12	(4,970)	(104)	(69)	(47)	47	-
Total current assets	19,278	1,341	4,474	945	35	26,073	47	26,120
Restricted Cash and Cash Equivalents	5,898	-	14,220	-	1	20,119	-	20,119
Investments	74,901	3,952	10	50,188	-	129,051	-	129,051
Statutory Minimum Liquid Reserve	6,959	-	-	-	-	6,959	-	6,959
Restricted Investments	22,613	284	-	-	-	22,897	-	22,897
Other affiliate receivables	4,606	-	-	-	-	4,606	(4,606)	-
Subordinated Notes Receivables, Affiliate	-	4,278	-	14,831	9,600	28,709	(28,709)	-
Other Noncurrent Assets	2,630	13	3,315	-	1,000	6,958	(1,000)	5,958
Beneficial Interest in Split-Interest Agreements and Perpetual Trusts	4,493	388	-	3,970	-	8,851	-	8,851
Land, Buildings and Equipment, Net	175,469	-	144,077	-	-	319,546	(14,615)	304,931
Total assets	\$ 316,847	\$ 10,256	\$ 166,096	\$ 69,934	\$ 10,636	\$ 573,769	\$ (48,883)	\$ 524,886

**HumanGood East**  
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Consolidating Schedule, Balance Sheet  
December 31, 2024  
(In Thousands)

	HumanGood Pennsylvania (Basic Financial Statements)	The Presbyterian Home at 58th Street, Inc.	Affordable Housing Communities	Bala Presbyterian Home Foundation	Supplementary Information				Consolidated Total
					HGE	Total	Eliminations		
Liabilities and Net Assets (Deficit)									
Current Liabilities									
Accounts payable and accrued expenses	\$ 5,818	\$ 25	\$ 3,519	\$ -	\$ 2	\$ 9,364	\$ 23	\$ 9,387	
Construction payable	270	-	2,116	-	-	2,386	-	2,386	
Deposits	280	-	588	-	-	868	-	868	
Accrued interest	380	-	2,062	-	317	2,759	(1,831)	928	
Current portion of long-term debt	3,103	-	842	-	-	3,945	(642)	3,303	
Payable to affiliates	4,897	-	-	-	-	4,897	-	4,897	
Entrance fee rebates payable	-	-	-	-	-	-	-	-	
Total current liabilities	14,748	25	9,127	-	319	24,219	(2,450)	21,769	
Construction Loans	-	-	19,657	-	-	19,657	-	19,657	
Rebatable Entrance Fees Due	94,326	-	-	-	-	94,326	-	94,326	
Entrance Fees Nonrefundable	32,343	-	-	-	-	32,343	-	32,343	
Entrance Fees Subject to Refund	20,174	-	-	-	-	20,174	-	20,174	
Long-Term Debt	96,324	-	93,777	-	9,282	199,383		199,383	
Notes and Bonds Payable Held by Affiliates	11,037	-	20,494	-	-	31,531	(27,290)	4,241	
Retirement Liability	70	-	-	-	-	70	-	70	
Workers' Compensation Liability	747	34	-	-	-	781	-	781	
Other Long-Term Liabilities	171	-	4,775	-	-	4,946	(4,546)	400	
Total liabilities	269,940	59	147,830	-	9,601	427,430	(34,286)	393,144	
Net Assets (Deficit)									
Net assets (deficit) without donor restrictions:									
Controlling ownership interest	19,025	9,524	(4,983)	65,781	1,035	90,382	(14,597)	75,785	
Noncontrolling ownership interest in limited partnerships	-	-	23,109	-	-	23,109	-	23,109	
Total net assets (deficit) without donor restrictions	19,025	9,524	18,126	65,781	1,035	113,491	(14,597)	98,894	
Net Assets With Donor Restrictions	27,882	673	140	4,153	-	32,848	-	32,848	
Total net assets (deficit)	46,907	10,197	18,266	69,934	1,035	146,339	(14,597)	131,742	
Total liabilities and net assets (deficit)	\$ 316,847	\$ 10,256	\$ 166,096	\$ 69,934	\$ 10,636	\$ 573,769	\$ (48,883)	\$ 524,886	

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**(a Member of HumanGood Cornerstone)**

Consolidating Schedule, Statement of Operations and Changes in Net Assets  
Year Ended December 31, 2024  
(In Thousands)

	HumanGood Pennsylvania (Basic Financial Statements)	Supplementary Information						Consolidated Total
		The Presbyterian Home at 58 <sup>th</sup> Street, Inc.	Affordable Housing Communities	Bala Presbyterian Home Foundation	HGE	Total	Eliminations	
<b>Changes in Net Assets Without Donor Restrictions</b>								
Operating revenues:								
Residential living	\$ 32,583	\$ -	\$ -	\$ -	\$ -	\$ 32,583	\$ -	\$ 32,583
Personal care	8,634	-	-	-	-	8,634	-	8,634
Health center	16,669	-	-	-	-	16,669	-	16,669
Memory support	5,708	-	-	-	-	5,708	-	5,708
Other service income	4,038	-	565	-	-	4,603	-	4,603
Amortization of entrance fees	9,349	-	-	-	-	9,349	-	9,349
COVID relief funding	20	-	-	-	-	20	-	20
Developer Fee Revenue	2,164	-	-	-	-	2,164	(2,164)	-
Other operating revenues	71	-	-	-	-	71	(71)	-
Affordable housing fees and rents	2,065	-	20,014	-	-	22,079	(1,200)	20,879
Net assets released from restrictions	839	-	-	-	-	839	-	839
Unrestricted contributions	2,332	-	6	22	-	2,360	(2,080)	280
	<u>84,472</u>	<u>-</u>	<u>20,585</u>	<u>22</u>	<u>-</u>	<u>105,079</u>	<u>(5,515)</u>	<u>99,564</u>
Total operating revenues								
Operating expenses:								
Salaries and wages	37,955	-	4,009	-	-	41,964	-	41,964
Employee benefits	8,207	-	1,092	-	-	9,299	-	9,299
Supplies	5,219	-	562	-	-	5,781	-	5,781
Ancillary services	2,291	-	-	-	-	2,291	-	2,291
Repairs and maintenance	886	-	2,461	-	-	3,347	-	3,347
Marketing and advertising	1,530	-	-	-	-	1,530	-	1,530
Purchased services	7,223	-	2,224	2	-	9,449	-	9,449
Utilities	2,915	-	2,205	-	-	5,120	-	5,120
Travel and related	571	-	124	-	-	695	-	695
Leases and rents	294	-	97	-	-	391	-	391
Insurance	1,405	-	1,088	2	-	2,495	-	2,495
Other operating expense	3,696	11	2,066	1,993	-	7,766	(3,353)	4,413
	<u>72,192</u>	<u>11</u>	<u>15,928</u>	<u>1,997</u>	<u>-</u>	<u>90,128</u>	<u>(3,353)</u>	<u>86,775</u>
Total operating expenses								
Income (loss) before other operating income (expense)	12,280	(11)	4,657	(1,975)	-	14,951	(2,162)	12,789
Other operating income (expense):								
Realized gains (losses) on investments, net	7,120	180	-	3,982	-	11,282	-	11,282
Change in unrealized gains on investments, net	1,292	117	-	1,690	-	3,099	-	3,099
Investment income, net	1,755	332	851	1,502	96	4,536	(809)	3,727
Interest expense	(5,108)	-	(1,681)	-	(180)	(6,969)	750	(6,219)
Depreciation and amortization expenses	(15,707)	-	(6,153)	-	-	(21,860)	163	(21,697)
Other income/expense, net	75	-	(343)	-	-	(268)	-	(268)
Gains on disposal of assets	-	-	(854)	-	-	(854)	-	(854)
	<u>1,707</u>	<u>618</u>	<u>(3,523)</u>	<u>5,199</u>	<u>(84)</u>	<u>3,917</u>	<u>(2,058)</u>	<u>1,859</u>
Income (loss) from operations								
<b>Net Assets Released From Restrictions Used for Property and Equipment</b>	225	-	-	-	-	225	-	225
<b>Contributions From Noncontrolling Interest</b>	-	-	11,406	-	-	11,406	-	11,406
<b>Equity Transfers</b>	362	-	-	(871)	-	(509)	-	(509)
Change in net assets without donor restrictions	<u>2,294</u>	<u>618</u>	<u>7,883</u>	<u>4,328</u>	<u>(84)</u>	<u>15,039</u>	<u>(2,058)</u>	<u>12,981</u>
<b>Changes in Net Assets With Donor Restrictions</b>								
Dividend and interest income	505	-	-	-	-	505	-	505
Unrealized gains on investments with donor restrictions, net	1,073	-	-	-	-	1,073	-	1,073
Valuation gains, beneficial interest in perpetual trusts	206	34	-	221	-	461	-	461
Realized gains on investments, net	1,172	-	-	-	-	1,172	-	1,172
Contributions	999	-	-	-	-	999	-	999
Net assets released from restrictions	(1,064)	-	-	-	-	(1,064)	-	(1,064)
	<u>2,891</u>	<u>34</u>	<u>-</u>	<u>221</u>	<u>-</u>	<u>3,146</u>	<u>-</u>	<u>3,146</u>
Change in net assets with donor restrictions								
Change in net assets	5,185	652	7,883	4,549	(84)	18,185	(2,058)	16,127
<b>Net Assets (Deficit), Beginning</b>	<u>41,722</u>	<u>9,545</u>	<u>10,383</u>	<u>65,385</u>	<u>1,119</u>	<u>128,154</u>	<u>(12,539)</u>	<u>115,615</u>
<b>Net Assets (Deficit), Ending</b>	<u>\$ 46,907</u>	<u>\$ 10,197</u>	<u>\$ 18,266</u>	<u>\$ 69,934</u>	<u>\$ 1,035</u>	<u>\$ 146,339</u>	<u>\$ (14,597)</u>	<u>\$ 131,742</u>

**HumanGood East**  
**(a Member of HumanGood Cornerstone)**

Consolidating Schedule, Balance Sheet  
December 31, 2023  
(In Thousands)

		Supplementary Information						
	HumanGood Pennsylvania (Basic Financial Statements)	The Presbyterian Home at 58 <sup>th</sup> Street, Inc.	Affordable Housing Communities	Bala Presbyterian Home Foundation	HGE	Total	Eliminations	Consolidated Total
Assets								
Current Assets								
Cash and cash equivalents	\$ 5,180	\$ 1,303	\$ 5,129	\$ 737	\$ 1	\$ 12,350	\$ -	\$ 12,350
Resident accounts receivable	3,205	-	465	-	-	3,670	-	3,670
Other receivables, net	1,616	-	1,025	-	104	2,745	-	2,745
Prepaid expenses, deposits and other assets	1,231	-	389	1	-	1,621	-	1,621
Intercompany advances due	4,031	(32)	(3,758)	(193)	(69)	(21)	21	-
Total current assets	15,263	1,271	3,250	545	36	20,365	21	20,386
Restricted Cash and Cash Equivalents	6,131	-	14,742	-	1	20,874	-	20,874
Investments	71,119	3,547	10	45,995	-	120,671	-	120,671
Statutory Minimum Liquid Reserve	7,155	-	-	-	-	7,155	-	7,155
Restricted Investments	20,104	284	-	-	-	20,388	-	20,388
Subordinated Notes Receivables, Affiliate	1,986	4,135	-	15,096	9,503	30,720	(30,720)	-
Other Noncurrent Assets	2,922	13	365	-	1,000	4,300	(1,000)	3,300
Beneficial Interest in Split-Interest Agreements and Perpetual Trusts	4,286	354	-	3,749	-	8,389	-	8,389
Land, Buildings and Equipment, Net	180,405	-	116,204	-	-	296,609	(10,994)	285,615
Total noncurrent assets	294,108	8,333	131,321	64,840	10,504	509,106	(42,714)	466,392
Total assets	\$ 309,371	\$ 9,604	\$ 134,571	\$ 65,385	\$ 10,540	\$ 529,471	\$ (42,693)	\$ 486,778

**HumanGood East**  
**(a Member of HumanGood Cornerstone)**

Consolidating Schedule, Balance Sheet  
December 31, 2023  
(In Thousands)

	HumanGood Pennsylvania (Basic Financial Statements)	The Presbyterian Home at 58 <sup>th</sup> Street, Inc.	Affordable Housing Communities	Bala Presbyterian Home Foundation	Supplementary Information				Consolidated Total
					HGE	Total	Eliminations		
Liabilities and Net Assets									
Current Liabilities									
Accounts payable and accrued expenses	\$ 5,326	\$ 25	\$ 4,225	\$ -	\$ 2	\$ 9,578	\$ 23	\$ 9,601	
Construction payable	1,370	-	729	-	-	2,099	-	2,099	
Deposits	631	-	519	-	-	1,150	-	1,150	
Accrued interest	390	-	1,992	-	136	2,518	(1,555)	963	
Current portion of long-term debt	2,998	-	827	-	-	3,825	(617)	3,208	
Payable to affiliates	4,814	-	-	-	-	4,814	-	4,814	
Entrance fee rebates payable	1,208	-	-	-	-	1,208	-	1,208	
Total current liabilities	16,737	25	8,292	-	138	25,192	(2,149)	23,043	
Construction Loan	-	-	6,039	-	-	6,039	-	6,039	
Rebatable Entrance Fees Due	91,749	-	-	-	-	91,749	-	91,749	
Entrance Fees Nonrefundable	29,022	-	-	-	-	29,022	-	29,022	
Entrance Fees Subject to Refund	18,872	-	-	-	-	18,872	-	18,872	
Long-Term Debt	98,842	-	91,126	-	9,283	199,251	-	199,251	
Notes and Bonds Payable Held by Affiliates	11,372	-	17,378	-	-	28,750	(26,900)	1,850	
Retirement Liability	653	-	-	-	-	653	-	653	
Workers' Compensation Liability	302	34	-	-	-	336	-	336	
Other Long-Term Liabilities	100	-	1,353	-	-	1,453	(1,105)	348	
Total liabilities	267,649	59	124,188	-	9,421	401,317	(30,154)	371,163	
Net Assets (Deficit)									
Net assets (deficit) without donor restrictions:									
Controlling ownership interest	16,731	8,906	(12,753)	61,453	1,119	75,456	(12,539)	62,917	
Noncontrolling ownership interest in limited partnerships	-	-	22,996	-	-	22,996	-	22,996	
Total net assets (deficit) without donor restrictions	16,731	8,906	10,243	61,453	1,119	98,452	(12,539)	85,913	
Net Assets With Donor Restrictions	24,991	639	140	3,932	-	29,702	-	29,702	
Total net assets (deficit)	41,722	9,545	10,383	65,385	1,119	128,154	(12,539)	115,615	
Total liabilities and net assets (deficit)	\$ 309,371	\$ 9,604	\$ 134,571	\$ 65,385	\$ 10,540	\$ 529,471	\$ (42,693)	\$ 486,778	

**HumanGood East**  
**(a Member of HumanGood Cornerstone)**

Consolidating Schedule, Statement of Operations and Changes in Net Assets  
Year Ended December 31, 2023  
(In Thousands)

	HumanGood Pennsylvania (Basic Financial Statements)	Supplementary Information						Consolidated Total
		The Presbyterian Home at 58 <sup>th</sup> Street, Inc.	Affordable Housing Communities	Bala Presbyterian Home Foundation	HGE	Total	Eliminations	
<b>Changes in Net Assets Without Donor Restrictions</b>								
Operating revenues:								
Residential living	\$ 30,265	\$ -	\$ -	\$ -	\$ -	\$ 30,265	\$ -	\$ 30,265
Personal care	8,166	-	-	-	-	8,166	-	8,166
Health center	15,196	-	-	-	-	15,196	-	15,196
Memory support	5,047	-	-	-	-	5,047	-	5,047
Other service income	5,033	-	596	-	-	5,629	(1,906)	3,723
Amortization of entrance fees	7,525	-	-	-	-	7,525	-	7,525
COVID relief funding	168	-	-	-	-	168	-	168
Other operating revenues	70	-	-	-	-	70	(70)	-
Affordable housing fees and rents	2,036	-	18,409	-	-	20,445	(1,220)	19,225
Net assets released from restrictions	928	-	-	-	-	928	-	928
Unrestricted contributions	2,295	-	77	3	-	2,375	(2,050)	325
Total operating revenues	76,729	-	19,082	3	-	95,814	(5,246)	90,568
Operating expenses:								
Salaries and wages	35,708	-	3,436	-	-	39,144	-	39,144
Employee benefits	6,971	-	1,072	-	-	8,043	-	8,043
Supplies	5,103	-	587	-	-	5,690	-	5,690
Ancillary services	2,656	-	-	-	-	2,656	-	2,656
Repairs and maintenance	952	-	2,034	-	-	2,986	-	2,986
Marketing and advertising	1,470	-	1	-	-	1,471	-	1,471
Purchased services	5,799	-	1,907	1	-	7,707	-	7,707
Utilities	2,591	-	2,166	-	-	4,757	-	4,757
Travel and related	422	-	50	-	-	472	-	472
Leases and rents	232	-	86	-	-	318	-	318
Insurance	1,371	-	1,023	2	-	2,396	-	2,396
Other operating expense	3,320	11	2,654	1,969	-	7,954	(3,340)	4,614
Total operating expenses	66,595	11	15,016	1,972	-	83,594	(3,340)	80,254
Income (loss) before other operating income (expense)	10,134	(11)	4,066	(1,969)	-	12,220	(1,906)	10,314
Other operating income (expense):								
Realized gains (losses) on investments, net	4,296	97	36	1,852	-	6,281	-	6,281
Change in unrealized losses on investments, net	5,755	257	(810)	4,728	-	9,930	-	9,930
Forgiveness of debt	-	-	14,555	-	-	14,555	-	14,555
Investment income, net	2,166	300	206	1,597	-	4,269	(773)	3,496
Interest expense	(5,214)	-	(1,943)	-	(24)	(7,181)	721	(6,460)
Depreciation and amortization expenses	(14,894)	-	(5,820)	-	-	(20,714)	276	(20,438)
Other income/expense, net	2	-	-	-	-	2	-	2
Gains on disposal of assets	183	-	-	-	-	183	-	183
Income (loss) from operations	2,428	643	10,290	6,208	(24)	19,545	(1,682)	17,863
<b>Net Assets Released From Restrictions Used for Property and Equipment</b>	38	-	-	-	-	38	-	38
<b>Contributions From Noncontrolling Interest</b>	-	-	2,343	-	-	2,343	-	2,343
<b>Equity Transfers</b>	149	-	-	(1,028)	-	(879)	-	(879)
Change in net assets without donor restrictions	2,615	643	12,633	5,180	(24)	21,047	(1,682)	19,365
<b>Changes in Net Assets With Donor Restrictions</b>								
Dividend and interest income	504	-	-	-	-	504	-	504
Unrealized losses on investments with donor restrictions, net	1,549	-	-	-	-	1,549	-	1,549
Valuation losses, beneficial interest in perpetual trusts	263	38	-	310	-	611	-	611
Realized gains on investments, net	988	-	-	-	-	988	-	988
Contributions	1,278	-	48	-	-	1,326	-	1,326
Net assets released from restrictions, payment to beneficiaries	(966)	-	-	-	-	(966)	-	(966)
Change in net assets with donor restrictions	3,616	38	48	310	-	4,012	-	4,012
Change in net assets	6,231	681	12,681	5,490	(24)	25,059	(1,682)	23,377
<b>Net Assets (Deficit), Beginning</b>	35,491	8,864	(2,298)	59,895	1,143	103,095	(10,857)	92,238
<b>Net Assets (Deficit), Ending</b>	\$ 41,722	\$ 9,545	\$ 10,383	\$ 65,385	\$ 1,119	\$ 128,154	\$ (12,539)	\$ 115,615