MOUNT PLEASANT HOME, INC.
(A MASSACHUSETTS NOT-FOR-PROFIT CORPORATION)

dba MOUNT PLEASANT HOME

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

YEARS ENDED DECEMBER 31, 2025 AND 2024

MOUNT PLEASANT HOME, INC.
(A MASSACHUSETTS NOT-FOR-PROFIT CORPORATION)

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DAUBY O'CONNOR & ZALESKI, LLC

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Mount Pleasant Home, Inc.
(A Massachusetts Not-For-Profit Corporation)

Opinion

We have audited the accompanying financial statements of Mount Pleasant Home, Inc., which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mount Pleasant Home, Inc. as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Mount Pleasant Home, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mount Pleasant Home, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Dauby O'Connor & Zaleski, LLC

May 27, 2026
Carmel, Indiana

Dauby O'Connor & Zaleski, LLC
Certified Public Accountants

MOUNT PLEASANT HOME, INC.
(A MASSACHUSETTS NOT-FOR-PROFIT CORPORATION)

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

ASSETS

	2025	2024
Current assets		
Cash - operations	$ 93,276	$ 570,351
Accounts receivable - residents, net	436,700	200,943
Due from affiliates	-	19,608
Deferred rental income	17,126	14,473
Prepaid expenses	12,239	2,171
Total current assets	**559,341**	**807,546**
Restricted deposits and funded reserves		
Replacement reserve	631,161	707,343
Resident reserve	-	28,529
Loan payment reserve	155,930	155,542
Total restricted deposits and funded reserves	**787,091**	**891,414**
Property and equipment		
Land and land improvements	1,398,401	695,101
Buildings and improvements	18,969,864	18,788,786
Furnishings, equipment, and automotive	1,032,531	916,781
Construction in process	12,256	126,408
	21,413,052	**20,527,076**
Less: Accumulated depreciation	(7,645,016)	(7,105,105)
Total property and equipment	**13,768,036**	**13,421,971**
Other assets		
Unrestricted investments	4,383,004	3,649,360
Total other assets	**4,383,004**	**3,649,360**
Total assets	**$ 19,497,472**	**$ 18,770,291**

See notes to financial statements

MOUNT PLEASANT HOME, INC.
(A MASSACHUSETTS NOT-FOR-PROFIT CORPORATION)

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

LIABILITIES AND NET ASSETS

	2025	2024
Current liabilities		
Accounts payable and accrued expenses	$ 167,509	$ 102,981
Due to affiliates	110,480	-
Accrued wages	195,703	199,167
Bond payable, current portion	213,039	206,309
Total current liabilities	**686,731**	**508,457**
Deposits liabilities		
Resident deposits in trust	**-**	**17,929**
Long term liabilities		
Bond payable, net of current portion	4,497,089	4,710,128
Note payable - HSF Program loan	700,000	700,000
Note payable - HIF Program loan	1,145,000	1,145,000
Note payable - AHT Program loan	995,000	995,000
Note payable - BHP Program loan	795,000	795,000
Less: unamortized debt issuance costs	(21,444)	(33,150)
Total long term liabilities	**8,110,645**	**8,311,978**
Total liabilities	**8,797,376**	**8,838,364**
Net assets without donor restrictions	**10,700,096**	**9,931,927**
Total liabilities and net assets	**$ 19,497,472**	**$ 18,770,291**

See notes to financial statements

MOUNT PLEASANT HOME, INC.
(A MASSACHUSETTS NOT-FOR-PROFIT CORPORATION)

STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Revenue		
Resident services income	$ 5,075,473	$ 5,146,930
Commercial lease income	383,998	388,252
COVID relief funding	-	413,509
Interest and dividend revenue	389	705
Replacement reserve interest income	1,751	3,039
Undesignated gifts	197,980	15,373
Other revenue	516	37,588
Total revenue	**5,660,107**	**6,005,396**
Operating expenses		
Salaries and wages	2,425,404	1,976,875
Employee benefits	474,003	472,558
Supplies	530,525	231,785
Purchased services	371,158	1,107,868
Repairs and maintenance	33,827	71,851
Marketing and advertising	5,992	11,600
Management fee	175,456	271,835
Utilities	299,906	309,131
Travel and related	19,614	25,138
Insurance	114,624	43,291
Other operating expenses	68,538	356,868
Total operating expenses	**4,519,047**	**4,878,800**
Net operating income (loss)	**1,141,060**	**1,126,596**
Other income (expense)		
Realized gain (loss) on investments	6,646	(5,734)
Unrealized gain (loss) on investments	64,223	199,345
Interest and investment income, net	262,776	48,504
Interest expense	(166,625)	(175,124)
Depreciation	(539,911)	(533,246)
Total other income (expense)	**(372,891)**	**(466,255)**
Changes in net assets	**$ 768,169**	**$ 660,341**

See notes to financial statements

MOUNT PLEASANT HOME, INC.
(A MASSACHUSETTS NOT-FOR-PROFIT CORPORATION)

STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	Net assets without donor restrictions	Net assets with donor restrictions	Total net assets
Balance, January 1, 2024	**$ 9,271,586**	**$ -**	**$ 9,271,586**
Change in net assets	660,341	-	660,341
Balance, December 31, 2024	**9,931,927**	**-**	**9,931,927**
Change in net assets	768,169	-	768,169
Balance, December 31, 2025	**$ 10,700,096**	**$ -**	**$ 10,700,096**

See notes to financial statements

MOUNT PLEASANT HOME, INC.
(A MASSACHUSETTS NOT-FOR-PROFIT CORPORATION)

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash flow from operating activities		
Revenue:		
Resident services and commercial lease income	$ 5,187,234	$ 5,927,734
COVID relief funding	-	413,509
Interest receipts	264,916	52,248
Other operating receipts	7,162	31,854
Undesignated gifts	197,980	15,373
Total revenue	**5,657,292**	**6,440,718**
Expenditures:		
Management fee	(175,456)	(271,835)
Utilities	(299,906)	(309,131)
Salaries, wages and benefits payments	(2,772,783)	(2,430,733)
Operating expense payments	(941,367)	(1,388,369)
Insurance payments	(114,624)	(4,535)
Interest payments	(154,919)	(163,418)
Resident security deposits	(17,929)	(11,736)
Total expenditures	**(4,476,984)**	**(4,579,757)**
Net cash provided by operating activities	**1,180,308**	**1,860,961**
Cash flow from investing activities		
Purchase of property and equipment	(885,976)	(347,365)
Net (purchases) sales of unrestricted investments	(669,421)	(2,142,770)
Net cash used in investing activities	**(1,555,397)**	**(2,490,135)**
Cash flow from financing activities		
Principal payments - bond payable	(206,309)	(197,811)
Net cash used in financing activities	**(206,309)**	**(197,811)**
Net change in cash and restricted cash	**(581,398)**	**(826,985)**
Cash and restricted cash at beginning of period	**1,461,765**	**2,288,750**
Cash and restricted cash at end of period	**$ 880,367**	**$ 1,461,765**

See notes to financial statements

MOUNT PLEASANT HOME, INC.
(A MASSACHUSETTS NOT-FOR-PROFIT CORPORATION)

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash flow from operating activities		
Change in net assets	**$ 768,169**	**$ 660,341**
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	539,911	533,246
Amortization of debt issuance costs	11,706	11,706
Unrealized (gain) loss on investments	(64,223)	(199,345)
Changes in:		
Accounts receivable - residents, net	(235,757)	784,652
Due from affiliates	130,088	(19,608)
Deferred rental income	(2,653)	3,387
Prepaid expenses	(10,068)	36,585
Accounts payable and accrued expenses	64,528	23,425
Accrued wages	(3,464)	38,308
Resident security deposits	(17,929)	(11,736)
Total adjustments	**412,139**	**1,200,620**
Net cash provided by operating activities	**$ 1,180,308**	**$ 1,860,961**
Reconciliation of cash and restricted cash, beginning		
Cash - operations	$ 570,351	$ 1,500,677
Replacement reserve	707,343	604,304
Resident reserve	28,529	28,932
Loan payment reserve	155,542	154,837
Total cash and restricted cash, beginning	**$ 1,461,765**	**$ 2,288,750**
Reconciliation of cash and restricted cash, ending		
Cash - operations	$ 93,276	$ 570,351
Replacement reserve	631,161	707,343
Resident reserve	-	28,529
Loan payment reserve	155,930	155,542
Total cash and restricted cash, ending	**$ 880,367**	**$ 1,461,765**

See notes to financial statements

NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Mount Pleasant Home, Inc. (the Corporation) is a non-profit corporation organized on March 15, 1901, pursuant to the laws of the Commonwealth of Massachusetts, to provide a home for aged indigent people of both sexes and currently operates a 60-bed rest home located in Jamaica Plain, Massachusetts (the Property).

HumanGood Cornerstone (a Member of HumanGood, Cornerstone), a California nonprofit public benefit tax-exempt corporation, is the sole member and exercises its direction and control through the appointment of the Boards of Directors of the Corporation (effective February 1, 2024), HumanGood Arizona, Inc. (dba Terraces of Phoenix), HumanGood Washington (dba Judson Park), HumanGood Nevada (dba Las Ventanas), HumanGood Idaho (dba The Terraces of Boise), Springhouse, Inc., HumanGood Perennial LLC, HumanGood East, HumanGood Affordable Housing, HumanGood Foundation effective December 31, 2025, and West Valley Nursing Homes, Inc., (dba Terraces at Summitview) including, its subsidiary, HG Hillside LLC (dba Hillside). Pleasant Spring Communities, a Massachusetts nonprofit tax-exempt corporation (PSC), the Corporation's parent entity prior to affiliation with Cornerstone effective February 1, 2024, is an organization that was established exclusively for the charitable purposes of benefiting and supporting the Corporation and Springhouse Inc. and became a subsidiary of Cornerstone at the time of affiliation.

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). HumanGood Fresno, HumanGood SoCal and HumanGood NorCal together constitute an obligated group (HumanGood California Obligated Group or COG). Through December 30, 2025, NorCal was the sole member of HumanGood Foundation West and SoCal was the sole member of HumanGood Foundation South. Effective December 31, 2025, HumanGood Foundation South merged into HumanGood Foundation West. Concurrently with this merger, HumanGood Foundation West changed its name to HumanGood Foundation (the Foundation) and its corporate membership was transferred from HumanGood NorCal to HumanGood Cornerstone.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the financial statements

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accounting principles generally accepted in the United States of America include Accounting Standards Codifications (ASC) or Accounting Standards Updates (ASU) issued by the Financial Accounting Standards Board (FASB) as further described.

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 purposes of the statements of cash flow, cash, cash equivalents and restricted cash include investments purchased with an initial maturity of three months or less.

Resident accounts receivable and bad debt policy

The Corporation assesses collectability on all resident accounts prior to providing services. An allowance for uncollectible accounts is recognized to reduce accounts receivable to its net realizable value for impairment of revenues for changes in resident credit worthiness. The allowance is estimated by management based on factors such as aging of the accounts receivable and anticipated collection of the consideration. Accounts are written off through bad debt expense when the Corporation has exhausted all collection efforts and accounts are deemed uncollectible. The allowances for uncollectible accounts totaled $88,799 and $460,144 for the years ended December 31, 2025 and 2024, respectively, and are included with accounts receivable - residents, net on the balance sheets. Bad debt and bad debt recoveries are netted and included in other operating expenses on the statements of activities. Net bad debt recoveries totaled $4,248 for the year ended December 31, 2025 and net bad debt expense totaled $323,636 for the year ended December 31, 2024.

Investments

Investments include certain cash equivalents held by an investment manager. Investments are measured at fair value in the accompanying statements of financial position (Note 3).

Net investment income or loss (including interest, dividends, and fees), realized gains and losses, and unrealized gains and losses on investments are included in changes in net assets. Interest income is measured as earned on the accrual basis. Dividends are measured based on the ex-dividend date. Purchases and sales of securities and realized gains and losses are recorded on a trade-date basis.

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

Property and equipment

Land, buildings and improvements, and equipment and furnishings 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 5 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 in income for the period.

The Corporation is subject to the provisions of the Impairment or Disposal of Long-Lived Assets topic of the FASB ASC 360-10. Impairment or Disposal of Long-Lived Assets has no retroactive impact on the Corporation's financial statements. The standard requires impairment losses to be recorded on long-lived assets when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets (excluding interest) are less than the carrying amount of the assets. In such cases, the carrying value of assets to be held and used are adjusted to their estimated fair value and assets held for sale are adjusted to their estimated fair value less selling expenses. No impairment loss was recognized during the years ended December 31, 2025 and 2024.

Debt issuance costs

The Corporation is subject to the provisions of the Interest-Imputation of Interest topic of the FASB ASC 835-30 which requires unamortized debt issuance costs to be presented as a reduction of the outstanding debt and the amortization of the debt issuance costs to be presented as a component of interest expense. Generally accepted accounting principles require that the effective yield method be used to amortize debt issuance costs; however, the effect of using the straight-line method is not material to the financial statements for the years ended December 31, 2025 and 2024.

Net assets

In accordance with ASC 958-205, Not-for-Profit Entities - Presentation of Financial Statements, the Corporation's net assets, revenues, gains, expenses and losses are classified as with donor restrictions and without donor restrictions, as follows:

Net assets without donor restrictions - Net assets available for use at the discretion of the Board of Directors and/or management for general operations and not subject to donor restrictions.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions. Some donor restrictions are temporary in nature, such as those 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. Donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, or when the stipulated purpose for which the resource was restricted has been accomplished, or both.

At December 31, 2025 and 2024, the Corporation had no net assets with donor restrictions.

Net resident services income

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 fee revenues for recurring and routine monthly services are generally billed monthly in advance.

The Corporation collects payment from its residents, as well as Supplemental Security Income (SSI) from the United States Social Security Administration and Emergency Aid to the Elderly, Disabled and Children (EAEDC), from the state of Massachusetts, provided on behalf of residents under the Commonwealth of Massachusetts rest home model.

Commercial lease income

Commercial lease income is recognized on the straight-line basis over the life of the lease. The difference between rent income recognized and rental payments received, as stipulated in the lease, is reflected as deferred rental income in the statement of financial position.

COVID relief funds

The Corporation accounts for COVID-19 relief funds and related conditional contributions in accordance with FASB ASC Topic 958-605 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.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited based upon direct expenditures incurred or based upon time spent in the activities.

Advertising costs

Advertising costs are expensed as incurred and are included in marketing and advertising in the statements of activities.

Real estate taxes

The Property has received an exemption from substantially all real estate taxes.

Concentration of credit risk

The Corporation deposits its cash in financial institutions. At times, deposits may exceed federally insured limits. The Corporation has not experienced any losses in such accounts.

The Corporation operates one residential care facility, thus its operations are concentrated in one market. In addition, the Corporation operates in a heavily regulated environment. The operations of the Corporation are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies.

Use of estimates in the preparation of financial statements

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

Fair value

The Corporation is subject to the provisions of the Fair Value Measurement topic of the FASB ASC 820-10 which provides guidance for assets and liabilities which are required to be measured at fair value and requires expanded disclosure for fair value measurement. The standard applies whenever other standards require or permit assets or liabilities to be measured at fair value and does not require any new fair value measurements. The standard establishes a fair value hierarchy based on three levels:

Level 1 - Quoted prices in active markets for identical assets or liabilities
Level 2 - Quoted prices for similar assets or liabilities in active markets
Level 3 - Unobservable inputs for the asset or liability based on the best available information

For instances in which the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the fair value measurement will fall within the lowest level input that is significant to the fair value measurement in its entirety. The Fair Value Measurement did not have a material impact on the Corporation's financial statements for the years ended December 31, 2025 and 2024.

Accounting for uncertainty in income taxes

The Corporation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and state income tax, and has been classified as an other than private foundation. Accordingly, no provision for federal and state taxes on revenue and income has been recognized in the accompanying financial statements. Generally, the Federal and State returns are subject to examination from three years after the later of the original or extended due date or the date filed with the applicable tax authority.

Subsequent events

Management performed an evaluation of the Corporation's activity through May 27, 2026, the audit report date, and has concluded that there are no significant subsequent events requiring disclosure through the date these financial statements were available to be issued.

NOTE 2-RESERVES

Replacement reserve

The Corporation makes semi-annual deposits for replacement of Property assets. As of December 31, 2025 and 2024, the reserve for replacements totaled $631,161 and $707,343, respectively.

Resident reserve

The Corporation maintains a fund for the personal needs of its residents. As of December 31, 2025 and 2024, the resident reserve totaled $0 and $28,529, respectively.

Loan payment reserve

The Corporation is required to fund a reserve for future loan payments that will be due. As of December 31, 2025 and 2024, the loan payment reserve totaled $155,930 and $155,542, respectively.

NOTE 3-INVESTMENTS

The Corporation has unrestricted investments measured at fair value as follows as of December 31, 2025 and 2024:

	2025	2024
Cash	$ 448,252	$ 175,018
Equity securities	2,064,634	2,478,929
Bonds – fixed income	1,870,118	995,413
Total	**$ 4,383,004**	**$ 3,649,360**

Market Value is based on Level 1 - Fair Value Measurements where inputs are unadjusted quoted prices in active markets for identical assets.

NOTE 4-LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Corporation has financial assets available for utilization within one year of the date of the financial statements, as follows as of December 31, 2025 and 2024:

	2025	2024
Cash - operations	$ 93,276	$ 570,351
Accounts receivable - residents, net	436,700	200,943
Investments	4,383,004	3,649,360
Total	**$ 4,912,980**	**$ 4,420,654**

The Corporation has investments which are available for utilization within one year in the normal course of operations. Accordingly, these assets have been included above.

NOTE 5-FINANCING

Bond payable

On November 30, 2017, the Corporation entered into a bond purchase agreement with the Massachusetts Development Financing Agency. Pursuant to a disbursing agreement, the proceeds were utilized to refinance a construction project.

1) Original loan amount not to exceed $6,200,000;
2) A term of 10 years maturing November 30, 2027;
3) An interest rate of 3.17% per annum; and
4) Monthly principal and interest payments of $30,102, with outstanding principal and interest due at maturity.

The note is secured by a mortgage and an assignment of revenues.

At December 31, 2025 and 2024, outstanding principal totaled $4,710,128 and $4,916,437, respectively. During the years ended December 31, 2025 and 2024, interest expense totaled $154,919 and $163,418, respectively. As of December 31, 2025 and 2024, accrued interest totaled $0 and $0, respectively.

Maturities on the bond payable through maturity are approximately as follows:

2026	$ 213,039
2027	4,497,089
	$ 4,710,128

The Corporation incurred debt issuance costs of $117,058 in connection with obtaining its financing. For the years ended December 31, 2025 and 2024, amortization expense totaled $11,706 and $11,706, respectively. As of December 31, 2025 and 2024, accumulated amortization totaled $95,614 and $83,908, respectively.

Note payable - HSF Program loan

On June 17, 2010, the Corporation entered into a loan agreement with the Massachusetts Housing Partnership Fund Board. Pursuant to agreement, the proceeds were deposited with Boston Community Loan Fund, who in turn advanced the proceeds to Mt. Pleasant Home Investment Fund, LLC (an unrelated entity), whereupon the Fund invested the loan proceeds, together with other project sources, into the HSF, HIF, AHT and BHP program loans as further described. The HSF agreement, among other items, provides for the following:

1) Original loan amount of $700,000;
2) A term of approximately 51 years maturing December 2061;
3) No provisions for interest unless a default occurs; and
4) Outstanding principal due at maturity.

The note is secured by a mortgage, an assignment of leases and rents, an operating account pledge and control agreement and a guaranty by the Corporation.

At December 31, 2025 and 2024, outstanding principal totaled $700,000 and $700,000, respectively. The Corporation does not disclose estimates of future principal payments for this note because the Corporation does not anticipate making principal payments prior to maturity.

Note payable - HIF Program loan

The HIF agreement, among other items, provides for the following:

1) Original loan amount of $1,145,000;
2) A term of approximately 31 years maturing December 2041;
3) No provisions for interest unless a default occurs; and
4) Outstanding principal due at maturity.

The note is secured by a mortgage, an assignment of leases and rents, an operating account pledge and control agreement and a guaranty by the Corporation.

At December 31, 2025 and 2024, outstanding principal totaled $1,145,000 and $1,145,000, respectively. The Corporation does not disclose estimates of future principal payments for this note because the Corporation does not anticipate making principal payments prior to maturity.

Note payable - AHT Program loan

The AHT agreement, among other items, provides for the following:

1) Original loan amount of $995,000;
2) A term of approximately 31 years maturing December 2041;
3) No provisions for interest unless a default occurs; and
4) Outstanding principal due at maturity.

The note is secured by a mortgage, an assignment of leases and rents, an operating account pledge and control agreement and a guaranty by the Corporation.

At December 31, 2025 and 2024, outstanding principal totaled $995,000 and $995,000, respectively. The Corporation does not disclose estimates of future principal payments for this note because the Corporation does not anticipate making principal payments prior to maturity.

Note payable - BHP Program loan

The BHP agreement, among other items, provides for the following:

1) Original loan amount of $795,000;
2) A term of approximately 31 years maturing December 2041;
3) No provisions for interest unless a default occurs; and
4) Outstanding principal due at maturity.

The note is secured by a mortgage, an assignment of leases and rents, an operating account pledge and control agreement and a guaranty by the Corporation.

At December 31, 2025 and 2024, outstanding principal totaled $795,000 and $795,000, respectively. The Corporation does not disclose estimates of future principal payments for this note because the Corporation does not anticipate making principal payments prior to maturity.

NOTE 6-RELATED PARTIES

On February 1, 2024, the Corporation, along with Springhouse, Inc. and their parent Pleasant Spring Communities, finalized its affiliation agreement with HumanGood Cornerstone (Cornerstone), a California nonprofit public tax-exempt corporation and HumanGood, a California nonprofit public benefit corporation.

The Corporation entered into a management agreement with HumanGood NorCal (an affiliate of Cornerstone), in connection with the management of the Corporation's operations. Management fees expensed during the years ended December 31, 2025 and 2024 totaled $175,456 and $271,835, respectively.

Amounts due to affiliates include management fees and cost recoveries for other services such as purchase cards, payroll, and benefits payable to HumanGood NorCal for recurring intercompany transactions and cost recoveries in the normal course of business. These balances are settled in the normal course of operations with no fixed repayment terms. At December 31, 2025, amounts due to HumanGood NorCal totaled $110,480 and is included in due to affiliates on the statements of financial position. At December 31, 2024, amounts due from HumanGood NorCal totaled $19,608 and is included in due from affiliates on the statements of financial position.

NOTE 7-COMMERCIAL LEASE INCOME

On June 17, 2010, the Corporation entered into a lease agreement with The Brigham and Woman’s Hospital, Inc. (the Tenant). The Tenant leases 8,750 square feet of the total 53,500 square feet of the Property, and has access to common areas and 26 designated parking spaces, in order to operate a primary care practice serving the community. The initial term of the lease was for 20 years, which commenced in June 2011. On December 30, 2020, the lease terms were renegotiated to a five-year lease commencing on June 1, 2021 and expiring on May 31, 2026, with options to renew for two additional 5 year periods. On July 31, 2025, the lease was renewed, expiring on May 31, 2031. Base rent is due in monthly installments and is expected to increase 2% annually through the end of the term. The Corporation also receives additional rent for the Tenant’s share (16.4%) of utilities, taxes and insurance premiums, salaries and wages of property personnel, repairs and maintenance costs, and all other operating costs, as well as 60% of parking area maintenance costs.

For the years ended December 31, 2025 and 2024, commercial lease income totaled $383,998 and $388,252, respectively. At December 31, 2025 and 2024, deferred income totaled $17,126 and $14,473, respectively.

The following is a summary of minimum future lease payments under the commercial lease for the next five years:

2026	$ 316,175
2027	322,489
2028	328,927
2029	335,504
2030	342,205
	$ 1,645,300

NOTE 8-COVID RELIEF FUNDING

In March 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law to combat the financial effects of COVID-19. The CARES Act created a Provider Relief Fund (PRF) to provide financial support for healthcare providers. In accordance with the terms and conditions of PRF, the Corporation could apply the funding against lost revenues and eligible expenses not reimbursed from other sources. In addition, the Corporation was able to receive state funding related to COVID-19 relief funding. During the years ended December 31, 2025 and 2024, revenue recognized under these programs totaled $0 and $413,509, respectively. The Corporation does not anticipate material funding under these programs in future periods. 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.

NOTE 9-FUNCTIONAL ALLOCATION OF EXPENSES

The Corporation provides housing and other related services to residents within its geographic location. 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, 2025 and 2024:

	Residential Services	General & Administrative	Total
Functional expenses for 2025			
Salaries and wages	$ 1,925,111	$ 500,293	$ 2,425,404
Employee benefits	376,229	97,774	474,003
Supplies	481,681	48,844	530,525
Purchased services	291,151	80,007	371,158
Repair and maintenance	33,827	-	33,827
Marketing and advertising	5,992	-	5,992
Management fee	175,456	-	175,456
Utilities	272,266	27,640	299,906
Travel and related	2,679	16,935	19,614
Insurance	114,624	-	114,624
Other operating expenses	42,017	26,521	68,538
Interest expense	166,625	-	166,625
Depreciation	539,911	-	539,911
Total	**$ 4,427,569**	**$ 798,014**	**$ 5,225,583**

	Residential Services	General & Administrative	Total
Functional expenses for 2024			
Salaries and wages	$ 1,388,801	$ 588,074	$ 1,976,875
Employee benefits	331,983	140,575	472,558
Supplies	209,662	22,123	231,785
Purchased services	1,058,359	49,509	1,107,868
Repair and maintenance	71,851	-	71,851
Marketing and advertising	11,600	-	11,600
Management fee	271,835	-	271,835
Utilities	290,715	18,416	309,131
Travel and related	11,445	13,693	25,138
Insurance	43,291	-	43,291
Other operating expenses	323,636	33,232	356,868
Interest expense	175,124	-	175,124
Depreciation	533,246	-	533,246
Total	**$ 4,721,548**	**$ 865,622**	**$ 5,587,170**