

---

**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, 2023 AND 2022**

---

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

---

**TABLE OF CONTENTS**

	<b>Page</b>
<b>Independent auditor's report</b>	1-2
<b>Financial statements</b>	
Statements of financial position	3-4
Statements of activities	5
Statements of changes in net assets	6
Statements of cash flows	7-8
<b>Notes to financial statements</b>	9-19



## 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, 2023, and the related statements of activities, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mount Pleasant Home, Inc. as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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.

### Prior Period Financial Statements

The financial statements of Mount Pleasant Home, Inc. as of December 31, 2022, were audited by other auditors whose report dated July 17, 2023, expressed an unmodified opinion on those statements.

### 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.

May 31, 2024  
Carmel, Indiana

*Dauby O'Connor & Zaleski, LLC*  
Dauby O'Connor & Zaleski, LLC  
Certified Public Accountants

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

**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2023 AND 2022**

**ASSETS**

	<u>2023</u>	<u>2022</u>
<b>Current assets</b>		
Cash, cash equivalents and restricted reserves		
Cash - operations	\$ 1,500,677	\$ 1,264,092
Replacement reserve	604,304	501,456
Resident reserve	28,932	24,217
Loan payment reserve	154,837	154,065
	<u>2,288,750</u>	<u>1,943,830</u>
<b>Total cash, cash equivalents and restricted reserves</b>	<b>2,288,750</b>	<b>1,943,830</b>
Resident accounts receivable	985,595	331,884
Deferred rental income	17,860	118,081
Prepaid expenses	38,756	12,373
	<u>3,330,961</u>	<u>2,406,168</u>
<b>Total current assets</b>	<b>3,330,961</b>	<b>2,406,168</b>
<b>Property and equipment</b>		
Land and land improvements	683,601	683,601
Buildings and improvements	18,788,786	18,681,623
Fixed building equipment	153,684	153,684
Furniture and equipment	428,528	404,562
Motor vehicles	114,887	114,887
Construction in progress	10,225	12,876
	<u>20,179,711</u>	<u>20,051,233</u>
Less: Accumulated depreciation	(6,571,859)	(6,022,706)
	<u>13,607,852</u>	<u>14,028,527</u>
<b>Total property and equipment</b>	<b>13,607,852</b>	<b>14,028,527</b>
<b>Other assets</b>		
Unrestricted investments	1,307,245	1,124,403
	<u>1,307,245</u>	<u>1,124,403</u>
<b>Total other assets</b>	<b>1,307,245</b>	<b>1,124,403</b>
<b>Total assets</b>	<b>\$ 18,246,058</b>	<b>\$ 17,559,098</b>

See notes to financial statements

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

**STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2023 AND 2022**

**LIABILITIES AND NET ASSETS**

	<u>2023</u>	<u>2022</u>
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 79,556	\$ 168,560
Accrued wages	160,859	118,244
Bonds payable, current portion	<u>199,346</u>	<u>193,496</u>
<b>Total current liabilities</b>	<b><u>439,761</u></b>	<b><u>480,300</u></b>
<b>Deposits liabilities</b>		
Resident deposits in trust	<u>29,665</u>	<u>36,302</u>
<b>Long term liabilities</b>		
Bonds payable, net of current portion	4,914,902	5,114,248
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	<u>(44,856)</u>	<u>(56,562)</u>
<b>Total long term liabilities</b>	<b><u>8,505,046</u></b>	<b><u>8,692,686</u></b>
<b>Total liabilities</b>	<b><u>8,974,472</u></b>	<b><u>9,209,288</u></b>
<b>Net assets without donor restrictions</b>	<b><u>9,271,586</u></b>	<b><u>8,349,810</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 18,246,058</u></b>	<b><u>\$ 17,559,098</u></b>

See notes to financial statements

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

**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>Revenue</b>		
Resident services income	\$ 4,746,677	\$ 4,098,050
Commercial lease income	336,722	407,296
COVID relief funding	462,102	108,600
Interest and dividend revenue	12,647	6,485
Replacement reserve interest income	2,848	614
Undesignated gifts	73,177	170,701
Other revenue	4,153	150,688
	<u>5,638,326</u>	<u>4,942,434</u>
<b>Operating expenses</b>		
Salaries and wages	1,895,853	1,471,458
Employee benefits	572,645	478,556
Supplies	208,620	146,477
Purchased services	978,229	971,433
Repairs and maintenance	84,356	83,734
Marketing and advertising	10,123	14,737
Utilities	238,204	217,572
Travel and related	2,441	4,449
Insurance	79,168	100,536
Other operating expenses	75,866	52,078
	<u>4,145,505</u>	<u>3,541,030</u>
<b>Net operating income (loss)</b>	<u>1,492,821</u>	<u>1,401,404</u>
<b>Other income (expense)</b>		
Realized (loss) gain on investments	(5,758)	16,217
Unrealized gain (loss) on investments	176,727	(190,694)
Interest expense	(182,456)	(186,032)
Depreciation	(549,153)	(543,871)
Nonrecurring operating expenses	(10,405)	(171,426)
	<u>(571,045)</u>	<u>(1,075,806)</u>
<b>Changes in net assets</b>	<u>\$ 921,776</u>	<u>\$ 325,598</u>

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, 2023 AND 2022**

	<u>Net assets without donor restrictions</u>	<u>Net assets with donor restrictions</u>	<u>Total Net Assets</u>
<b>Balance, January 1, 2022</b>	<b>\$ 8,024,212</b>	<b>\$ -</b>	<b>\$ 8,024,212</b>
Change in net assets	325,598	-	325,598
<b>Balance, December 31, 2022</b>	<b>8,349,810</b>	<b>-</b>	<b>8,349,810</b>
Change in net assets	921,776	-	921,776
<b>Balance, December 31, 2023</b>	<b><u>\$ 9,271,586</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 9,271,586</u></b>

See notes to financial statements



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

**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>Cash flow from operating activities</b>		
Revenue:		
Resident services and commercial lease income	\$ 4,445,553	\$ 4,524,511
Interest receipts	9,737	23,316
Other operating receipts	466,255	259,288
Undesignated gifts	73,177	170,701
<b>Total revenue</b>	<b><u>4,994,722</u></b>	<b><u>4,977,816</u></b>
Expenditures:		
Utilities	(238,204)	(217,572)
Salaries, wages and benefits payments	(2,425,883)	(1,998,134)
Operating expense payments	(1,374,688)	(1,350,557)
Insurance payments	(105,551)	(100,536)
Interest payments	(170,750)	(173,676)
Resident security deposits	(6,637)	(31,933)
<b>Total expenditures</b>	<b><u>(4,321,713)</u></b>	<b><u>(3,872,408)</u></b>
<b>Net cash provided by operating activities</b>	<b><u>673,009</u></b>	<b><u>1,105,408</u></b>
<b>Cash flow from investing activities</b>		
Purchase of property and equipment	(128,478)	(125,658)
Net (purchases) sales of unrestricted investments	(6,115)	22,242
<b>Net cash used in investing activities</b>	<b><u>(134,593)</u></b>	<b><u>(103,416)</u></b>
<b>Cash flow from financing activities</b>		
Principal payments - bonds payable	(193,496)	(187,834)
<b>Net cash used in financing activities</b>	<b><u>(193,496)</u></b>	<b><u>(187,834)</u></b>
<b>Net change in cash, cash equivalents and unrestricted reserves</b>	<b>344,920</b>	<b>814,158</b>
<b>Cash, cash equivalents and unrestricted reserves, beginning of period</b>	<b><u>1,943,830</u></b>	<b><u>1,129,672</u></b>
<b>Cash, cash equivalents and unrestricted reserves, end of period</b>	<b><u>\$ 2,288,750</u></b>	<b><u>\$ 1,943,830</u></b>

See notes to financial statements

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

**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>Cash flow from operating activities</b>		
Change in net assets	<u>\$ 921,776</u>	<u>\$ 325,598</u>
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	549,153	543,871
Amortization of debt issuance costs	11,706	11,706
Unrealized (gain) loss on investments	(176,727)	190,694
Changes in:		
Resident accounts receivable	(653,711)	3,519
Grants accounts receivable	-	25,000
Deferred rental income	100,221	15,646
Prepaid expenses	(26,383)	4,891
Accounts payable and accrued expenses	(89,004)	64,536
Accrued liabilities	42,615	(48,120)
Resident security deposits	(6,637)	(31,933)
<b>Total adjustments</b>	<u><b>(248,767)</b></u>	<u><b>779,810</b></u>
<b>Net cash provided by operating activities</b>	<u><b>\$ 673,009</b></u>	<u><b>\$ 1,105,408</b></u>

See notes to financial statements

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

---

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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.

**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.

**Cash**

For the statements of cash flows, all unrestricted investments with original maturities of three months or less are cash equivalents. At December 31, 2023 and 2022, cash consists of an operating checking account.

**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. Bad debts expense totaled \$0 and \$0 for the years ended December 31, 2023 and 2022, respectively.

**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 net operating income (loss). 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.

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

---

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

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 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 in come for the period.

The Corporation is subject to the provisions of the Impairment or Disposal of Long-Lived Assets topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (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, 2023 and 2022.

**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. Debt issuance cost amortization is calculated using an imputed interest rate on the related loan.

**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.

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

---

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

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, 2023 and 2022, 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.

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

---

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

**Advertising costs**

Advertising costs are expensed as incurred and are included in administrative expenses in the statements of operations.

**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, 2023 and 2022.

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

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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.

**NOTE 2-RESERVES**

**Replacement reserve**

The Corporation makes semi-annual deposits for replacement of Property assets. As of December 31, 2023 and 2022, the reserve for replacements totaled \$604,304 and \$501,456, respectively.

**Resident reserve**

The Corporation maintains a fund for the personal needs of its residents. As of December 31, 2023 and 2022, the resident reserve totaled \$28,932 and \$24,217, respectively.

**Loan payment reserve**

The Corporation is required to fund a reserve for future loan payments that will be due. As of December 31, 2023 and 2022, the loan payment reserve totaled \$154,837 and \$154,065, respectively.

**NOTE 3-INVESTMENTS**

The Corporation has unrestricted investments measured at fair value as follows as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Cash	\$ 24,339	\$ 70,741
Equity securities	1,064,026	643,221
Bonds – fixed income	<u>218,880</u>	<u>410,441</u>
Total	<u><b>\$ 1,307,245</b></u>	<u><b>\$ 1,124,403</b></u>

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

At December 31, 2023 and 2022, the costs basis of the above investments totaled \$971,127 and \$961,668, respectively.

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

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 4-LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Corporation has financial assets available for utilization within one year of date of the financial statements, as follows as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,500,677	\$ 1,264,092
Resident accounts receivable	985,595	331,884
Investments	<u>1,307,245</u>	<u>1,124,403</u>
Total	<u><b>\$ 3,793,517</b></u>	<u><b>\$ 2,720,379</b></u>

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.

As part of the Corporation's liquidity management plan, cash in excess of daily requirements is invested in short-term investments and money market funds. These funds may be drawn upon, if necessary, to meet unexpected liquidity needs.

**NOTE 5-NOTES PAYABLE**

**Bonds payable**

On November 30, 2017, the Corporation entered into a bond purchase agreement with 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, 2023 and 2022, outstanding principal totaled \$5,114,248 and \$5,307,744, respectively. During the years ended December 31, 2023 and 2022, interest expense totaled \$170,750 and \$174,326, respectively. As of December 31, 2023 and 2022, accrued interest totaled \$0 and \$0, respectively.



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

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

Maturities on the note payable for the next five years and thereafter are approximately as follows:

2024	\$	199,346
2025		206,309
2026		213,039
2027		4,495,554
2028		-
Thereafter		-
		<u><b>\$ 5,114,248</b></u>

The Corporation incurred debt issuance costs of \$117,058 in connection with obtaining its financing. For the years ended December 31, 2023 and 2022, amortization expense totaled \$11,706 and \$11,706, respectively. As of December 31, 2023 and 2022, accumulated amortization totaled \$72,202 and \$60,496, 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 from 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, 2023 and 2022, outstanding principal totaled \$700,000 and \$700,000, respectively. The Corporation does not disclose estimates of future principal payments because principal payments are contingent on available cash flow.

**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 from maturing December 2041;
- 3) No provisions for interest unless a default occurs; and
- 4) Outstanding principal due at maturity.

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

---

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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, 2023 and 2022, 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 from 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, 2023 and 2022, 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 from 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, 2023 and 2022, 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**

Pleasant Spring Communities, a Massachusetts nonprofit tax-exempt organization, is the sole member and exercises its direction and control through the appointment of the Boards of Directors of the Corporation and Springhouse, Inc., a Life Plan community in Boston that includes independent living, assisted living and memory care.

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

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

During the years ended December 31, 2023 and 2022, administrative fees paid to Pleasant Spring Communities totaled \$42,400 and \$34,102, respectively.

**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 facility, 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 21, 2026, with options to renew for two additional 5 year periods. Base rent is due in monthly installments which is \$25,035 for the period June 1, 2023 through May 31, 2024, 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, 2023 and 2022, commercial lease income totaled \$336,722 and \$407,296, respectively. At December 31, 2023 and 2022, deferred income totaled \$17,860 and \$118,081, respectively.

Estimated amount of annual base rents due over the next five years are as follows:

2024	\$	303,920
2025		309,999
2026		130,230
2027		-
2028		-
Thereafter		-
		<u>\$ 744,149</u>

**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, 2023 and 2022, revenue recognized under these programs totaled \$462,102 and \$108,600, 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.

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

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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, 2023 and 2022:

	<u>Residential Services</u>	<u>General &amp; Administrative</u>	<u>Total</u>
Functional expense for 2023			
Salaries and wages	\$ 1,558,062	\$ 337,791	\$ 1,895,853
Employee benefits	470,615	102,030	572,645
Supplies	175,303	33,317	208,620
Purchased services	941,778	36,451	978,229
Repair and maintenance	84,356	-	84,356
Marketing and advertising	10,123	-	10,123
Utilities	224,214	13,990	238,204
Travel and related	2,289	152	2,441
Insurance	79,168	-	79,168
Other operating expenses	-	75,866	75,866
Interest expense	182,456	-	182,456
Depreciation	549,153	-	549,153
Nonrecurring operating expenses	10,405	-	10,405
<b>Total</b>	<b><u>\$4,287,922</u></b>	<b><u>\$ 599,597</u></b>	<b><u>\$ 4,887,519</u></b>

	<u>Residential Services</u>	<u>General &amp; Administrative</u>	<u>Total</u>
Functional expenses for 2022			
Salaries and wages	\$ 1,170,189	\$ 301,269	\$ 1,471,458
Employee benefits	376,448	102,108	478,556
Supplies	130,496	15,891	146,477
Purchased services	837,545	133,888	971,433
Repair and maintenance	83,734	-	83,734
Marketing and advertising	14,737	-	14,737
Utilities	203,777	13,795	217,572
Travel and related	4,356	93	4,449
Insurance	100,536	-	100,536
Other operating expenses	-	52,078	52,078
Interest expense	186,032	-	186,032
Depreciation	543,871	-	543,871
Nonrecurring operating expenses	171,426	-	171,426
<b>Total</b>	<b><u>\$6,348,354</u></b>	<b><u>\$ 1,334,357</u></b>	<b><u>\$ 4,442,359</u></b>

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

---

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 10-SUBSEQUENT EVENTS**

Management performed an evaluation of the Corporation's activity through May 31, 2024, the audit report date. 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. At the same time, the Corporation entered into a management agreement with HumanGood NorCal (an affiliate of Cornerstone), at a base fee of 5% of budgeted revenues. The agreement automatically renews annually unless terminated. Management has concluded there are no other significant subsequent events requiring disclosure through the date these financial statements were available to be issued.