Presbyterian Homes Obligated Group

Combined Financial Statements
and Supplementary Information

December 31, 2024 and 2023

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Certification of Chief Executive and Chief Financial Officers

We are responsible for the combined financial statements of Presbyterian Homes Obligated Group as of December 31, 2024 and 2023, and attest that they are accurate, complete and fairly presented.

The accuracy and completeness of financial information depends on our systems, process and most importantly, our integrity. Our commitment to integrity is reflected in the code of conduct that the leadership of Presbyterian Senior Living has established as the standard for the entire organization. We believe that this commitment, our processes and internal controls produce financial information that can be trusted.

Combined financial statements report our financial position and results using numbers and prescribed rules. They also include a significant amount of information that is required by financial reporting standards. We believe these combined financial statements disclose information that is important to create a complete picture of our stewardship of financial resources.

Combined financial statements alone can never reflect the breadth and depth of our stewardship of this ministry. They do not report on our most significant assets, our employees and volunteers. They also do not reflect our most important stewardship role: our commitment to provide Christian understanding and compassion to those seniors entrusted to our care. We believe that we continue to successfully fulfill the financial and nonfinancial aspects of our mission, extending a proud tradition of ministry that has served older persons guided by the life and teachings of Jesus for the past 118 years.

Finally, we believe in openly and honestly sharing information. Please feel free to contact either of us if you have questions on any part of this report, or if we can be of further assistance in understanding Presbyterian Senior Living's mission.

Dan Davis
Chief Executive Officer
Presbyterian Senior Living

Dyan McAlister
Chief Financial Officer
Presbyterian Senior Living

Independent Auditors' Report

To the Board of Directors of
PHI (D.B.A. Presbyterian Senior Living)

Opinion

We have audited the combined financial statements of Presbyterian Homes Obligated Group (the Obligated Group), which comprise the combined statements of financial position as of December 31, 2024 and 2023, and the related combined statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of the Obligated Group as of December 31, 2024 and 2023, and the results of their operations, changes in 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).

Basis for Opinion

We conducted our audits 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 Combined Financial Statements section of our report. We are required to be independent of the Obligated Group 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 Combined Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 combined 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 combined 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 combined 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 Obligated Group'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 combined financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Obligated Group'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 combined financial statements as a whole. The combining information as identified on the table of contents is presented for purposes of additional analysis of the combined financial statements rather than to present the financial position, changes in net assets and cash flows of the individual organizations, and it is not a required part of the combined financial statements. Also, the the other supplementary information as identified on the table of contents is presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Baker Tilly US, LLP

Philadelphia, Pennsylvania
April 22, 2025

Presbyterian Homes Obligated Group

Combined Statements of Financial Position
December 31, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	$ 10,578,204	$ 15,213,460
Investments	138,141,276	110,758,803
Statutory liquid reserves	13,786,571	13,650,901
Accounts receivable, net	14,927,149	15,233,968
Assets whose use is limited	28,586,814	43,087,476
Property and equipment, net	467,080,559	464,066,269
Due from affiliates, net	83,168,710	86,107,578
Funds held in trust by others	19,953,488	18,867,774
Goodwill	26,234,673	29,528,048
Other assets	6,270,053	5,103,660
Total assets	$ 808,727,497	$ 801,617,937
Liabilities and Net Assets		
Accounts payable	$ 8,997,019	$ 11,196,883
Accrued expenses	20,333,310	20,615,867
Lines of credit	6,306,477	16,750,000
Resident deposits	3,457,092	3,294,828
Entrance fees payable	12,586,800	13,980,915
Other liabilities	5,328,991	4,013,857
Long-term debt	341,297,959	350,941,002
Deferred revenues from entrance fees	166,589,346	150,814,426
Total liabilities	564,896,994	571,607,778
Net Assets		
Without donor restrictions	214,304,790	202,363,051
With donor restrictions	29,525,713	27,647,108
Total net assets	243,830,503	230,010,159
Total liabilities and net assets	$ 808,727,497	$ 801,617,937

Combined Statements of Operations and Changes in Net Assets
Years Ended December 31, 2024 and 2023

	2024	2023
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident services:		
Resident services	$ 224,505,887	$ 190,058,378
Amortization of entrance fees	21,874,608	19,867,272
Total resident services	246,380,495	209,925,650
Contributions, gifts and bequests	1,654,571	845,034
Government grants	721,576	811,173
Net assets released from restrictions	515,541	687,705
Government stimulus	-	184,711
Sales of other services and materials	-	78,046
FEMA funding	-	29,790
Total operating revenues and other support	249,272,183	212,562,109
Expenses:		
Nursing services	70,290,258	60,407,359
Rehabilitation	9,992,857	8,706,016
Recreation and special services	4,520,389	3,753,962
Pharmacy	2,429,238	2,873,042
Social services	1,003,337	863,610
Physician services	365,105	626,738
Food services	28,057,277	24,077,143
Building operations and maintenance	33,932,112	28,923,373
Housekeeping	4,459,200	3,875,125
Laundry and linen	1,398,387	1,285,474
Management and general	35,638,779	33,549,245
Employee benefits	12,362,250	9,867,449
Interest	16,474,519	12,178,581
Depreciation	26,811,272	25,063,463
Amortization	3,293,375	1,286,192
Fundraising	560,098	467,763
Total expenses before nonrecurring expenses	251,588,453	217,804,535
Nonrecurring expenses, COVID-19	-	8,393
Operating loss before other gains and losses	(2,316,270)	(5,250,819)
Gain (loss) on sale of community and disposals of property and equipment	426,830	(860,625)
Loss on impairment of asset	(102,723)	(635,166)
Operating loss	(1,992,163)	(6,746,610)
Other income:		
Investment income	6,162,346	4,369,866
Realized gain on investments	1,034,003	181,709
Unrealized gain on investments	6,737,553	10,005,755
Loss on early extinguishment of debt	-	(765,698)
Total other income	13,933,902	13,791,632
Revenues in excess of expenses and change in net assets without donor restrictions	11,941,739	7,045,022

See notes to combined financial statements

	2024	2023
Net Assets With Donor Restrictions		
Contributions, gifts and bequests	$ 913,464	$ 1,301,385
Investment income, net of investment expense	70,448	68,272
Unrealized gain on investments	1,410,234	1,308,425
Net assets released from restrictions	(515,541)	(687,705)
Change in net assets with donor restrictions	1,878,605	1,990,377
Change in net assets	13,820,344	9,035,399
Net Assets, Beginning	230,010,159	220,974,760
Net Assets, Ending	$ 243,830,503	$ 230,010,159

See notes to combined financial statements

Presbyterian Homes Obligated Group

Combined Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities		
Change in net assets	$ 13,820,344	$ 9,035,399
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	26,811,272	25,063,463
Provision for doubtful collections	1,717,938	2,427,462
Proceeds from nonrefundable entrance fees and deposits	36,694,776	25,653,383
Amortization of entrance fees	(21,874,608)	(19,867,272)
Loss on early extinguishment of debt	-	765,698
Unrealized gain on investments	(8,147,787)	(11,314,180)
Realized gain on investments	(1,034,003)	(181,709)
(Gain) loss on sale of community and disposals of property and equipment	(426,830)	860,625
Loss on impairment of asset	102,723	635,166
Contributions restricted for long-term purposes	(93,391)	(55,525)
Amortization of deferred financing costs	236,117	146,700
Amortization of bond premium	(457,028)	(400,757)
Amortization of bond discount	173,254	83,210
Amortization of goodwill	3,293,375	282,602
Changes in assets and liabilities:		
Accounts receivable	(577,758)	(6,925,507)
Entrance fee receivable	(833,361)	484,151
Other assets	(1,166,393)	2,404,607
Accounts payable	(3,536,396)	2,813,076
Accrued expenses	1,544,276	5,218,632
Other liabilities	1,315,134	(1,659,438)
Net cash provided by operating activities	47,561,654	35,469,786
Cash Flows From Investing Activities		
Acquisition of property and equipment	(33,300,019)	(32,115,802)
Proceeds from sale of community and property and equipment	5,600,000	2,600,000
Amounts paid in acquisition	-	(79,764,975)
Purchases of investments	(31,465,192)	(38,482,287)
Proceeds from sale of investments	29,052,366	37,747,408
Due from affiliates, net	2,938,868	126,374
Net cash used in investing activities	(27,173,977)	(109,889,282)
Cash Flows From Financing Activities		
Payment of accounts payable, construction	(2,291,737)	(1,656,534)
Refunds of entrance fees and deposits	(6,063,266)	(4,949,893)
Proceeds from refundable entrance fees and deposits, resales	893,355	447,655
Proceeds from entrance fees and deposits, new units	4,892,812	1,554,032
Principal payments on redemptions of long-term debt	(9,495,801)	(18,182,916)
Proceeds from issuance of long-term debt	-	111,928,958
Financing costs paid	(99,585)	(2,742,963)
(Repayments) borrowings on lines of credit, net	(10,443,523)	147,833
Contributions restricted for long-term purposes	93,391	55,525
Net cash (used in) provided by financing activities	(22,514,354)	86,601,697
Net change in cash, cash equivalents and restricted cash and cash equivalents	(2,126,677)	12,182,201
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	64,150,009	51,967,808
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	$ 62,023,332	$ 64,150,009
Supplemental Disclosure of Cash Flow Information		
Interest paid, net of amounts capitalized	$ 15,128,052	$ 9,371,765
Noncash Investing and Financing Activities		
Obligations incurred for the acquisition of property and equipment	$ 1,801,436	$ 2,291,737
Long-term debt refinanced	$ -	$ 100,387,570
Reconciliation of Cash, Cash Equivalents and Restricted Cash and Cash Equivalents		
Cash and cash equivalents	$ 10,578,204	$ 15,213,460
Cash and cash equivalents in investments	29,579,542	12,788,611
Restricted cash and cash equivalents in assets whose use is limited	21,865,586	36,147,938
Total cash, cash equivalents and restricted cash and cash equivalents	$ 62,023,332	$ 64,150,009

See notes to combined financial statements

1. General Information

Presbyterian Homes Obligated Group (the Obligated Group) consists of the following not-for-profit corporations: Presbyterian Homes, Inc. (Pres Homes), Presbyterian Homes in the Presbytery of Huntingdon (PHPH), Quincy Retirement Community (QRC), The Long Community, Inc. (TLC), PHI Investment Management Services, Inc. (PIMSI) and Cathedral Village (CA). In August 2023, Pine Run Village, Inc. (PR) was added to the Obligated Group (Note 3). Among all the members of the Obligated Group, they own, operate and manage 11 continuing care retirement communities, three stand-alone independent living facilities and one stand-alone personal care homes.

Windy Hill Village, a component of PHPH, was sold in 2024. This transaction resulted in a gain on sale which is included in operating loss in the accompanying combined statement of operations and changes in net assets for the year ended December 31, 2024.

The Obligated Group is governed by the Board of Trustees of PHI, doing business as Presbyterian Senior Living. Presbyterian Senior Living (PSL) is the parent organization for the members of the Obligated Group.

The following table details the number of beds/units that operate under each member of the Obligated Group:

	Total	Pres Homes	PHPH	QRC	TLC	CA	PR
Nursing beds	768	372	130	94	-	82	90
Personal care and assisted living units	588	244	73	80	32	26	133
Independent living units	1,783	767	150	229	108	247	282
Total	3,139	1,383	353	403	140	355	505

2. Summary of Significant Accounting Policies

Basis of Combination and Accounting

The combined financial statements were prepared in accordance with accounting principles generally accepted in the United States of America on the accrual basis of accounting, and only include those entities who comprise of the Obligated Group, and are parties to the master trust indenture with BNY Mellon, as master trustee, dated May 1, 2008, as amended through the thirty-fifth supplemental indenture dated September 1, 2023. All material intercompany balances and transactions have been eliminated.

Income Taxes

The Obligated Group and all its members are not-for-profit organizations as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and have been recognized as tax-exempt under Section 501(a) of the IRC.

Use of Estimates

The preparation of combined financial statements in accordance with accounting principles generally accepted in the United States of America as set forth in the master trust indenture 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 combined financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Obligated Group considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents for the purposes of the combined statements of financial position and cash flows, except for those included in investments or assets whose use is limited. The Obligated Group's cash and cash equivalents are insured by the Federal Deposit Insurance Corporation (FDIC) for up to $250,000. At times during 2024 and 2023, the Obligated Group's cash balances may have exceeded the FDIC coverage. The Obligated Group has not experienced any loss in these accounts.

Restricted cash included in statutory reserves represents amounts required by the Continuing Care Provider Registration and Disclosure Act in Pennsylvania, which requires a working capital reserve equivalent to the greater of the total debt service payments due during the next 12 months on account of any loan or long-term financing, or 10% of the projected annual operating expenses of the Obligated Group exclusive of depreciation. The reserve is computed on only the proportional share of financing or operating expenses that are applicable to Residence and Care Agreements. Restricted cash in assets whose use is limited represents cash and cash equivalents held by a trustee under the terms of various bond indentures and permanently restricted investments.

Investments and Investment Risk

The Obligated Group's investments are comprised of a variety of financial instruments. The fair values reported in the combined statements of financial position are 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 investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is possible that the amounts reported in the combined statements of financial position could change materially in the near term.

Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in revenues in excess of expenses unless the income or loss is restricted by donor or law. Interest income is measured as earned on the accrual basis. Dividends are measured based on the ex-dividend date. Purchases and sales of securities and realized gains and losses are recorded on a trade-date basis.

Accounts Receivable, Net

The Obligated Group assesses collectability on all resident accounts prior to providing services. An allowance for credit losses 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 Obligated Group has exhausted all collection efforts and accounts are deemed impaired.

Included in accounts receivable, net are entrance fee receivables. Entrance fee receivables 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.

Assets Whose Use is Limited

Assets whose use is limited primarily include assets held by a trustee under the terms of various bond indentures, Board designated investments and donor-restricted investments.

Property and Equipment

Property and equipment are stated at cost or, if donated, at fair market value on the date of donation. Depreciation is being provided on the straight-line method over the estimated useful lives of the assets for property and equipment. The Obligated Group's policy is to capitalize items in excess of $3,000 or for a group of items that are the same or similar in nature or function as a group totaling $3,000 or more and benefits more than one year.

Depreciable lives are determined as follows:

Land improvements	3-35 years
Buildings and improvements	5-50 years
Departmental equipment, furniture and fixtures	1-40 years
Furniture	5-25 years
Vehicles	4-5 years

Business Combinations

The Obligated Group applies the guidance in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 805, *Business Combinations*, which establishes principles and requirements for how an acquirer recognizes and measures in its combined financial statements the identifiable assets acquired, the liabilities assumed and any noncontrolling interest in the acquiree; recognizes and measures the goodwill acquired in the business combination or gain from a bargain purchase and determines what information to disclose to enable users of the combined financial statements to evaluate the nature and the financial effects of the business combination. The Obligated Group prospectively accounts for adjustments to the provisional amounts in its business combinations that are identified during the measurement period in the reporting period in which the adjustment amounts are determined.

Goodwill

The Obligated Group has elected the accounting alternative to amortize goodwill. Goodwill is amortized on a straight-line basis over ten years and is tested for impairment at the entity level. The Obligated Group evaluates goodwill for impairment when a triggering event occurs that indicates the fair value may be below its carrying amount. Management has determined that no such triggering event had occurred during 2024 and 2023. Therefore, additional testing to identify potential impairment was unnecessary. Goodwill of $26,234,673 and $29,528,048 at December 31, 2024 and 2023, respectively.

Funds Held in Trust by Others

Certain members of the Obligated Group have been named as a beneficiary of several trusts which are administered and controlled by independent trustees. The trusts are recorded as contribution revenue when the Obligated Group is notified of the trust's existence. The Obligated Group receives the earnings from these trusts whose principal is to be held in perpetuity. The earnings from the trusts are reported as investment income, increasing net assets without donor restrictions.

Assets held in trust by others are valued based on the estimated fair value of the underlying investments. The change in the fair value of assets held in trust by others is reported as unrealized gains or losses on investments in change in net assets with donor restrictions.

Also included in funds held in trust by others are gift annuities and contributions receivable from charitable remainder trusts that are held by an independent trustee. Periodic payments are made until the death of the annuitant. These annuities are recorded at the present value of the annuity amount discounted at the contract rate over the estimated remaining life of the annuitant.

A summary of these funds as of December 31 is as follows:

	2024	2023
Beneficial interest in perpetual trusts	$ 19,593,213	$ 18,507,499
Contributions receivable from remainder trusts	359,708	359,708
Gift annuities	567	567
Total funds held in trust by others	$ 19,953,488	$ 18,867,774

Deferred Financing Costs

The Obligated Group has deferred the costs incurred for obtaining the proceeds of its long-term debt. These costs are being amortized over the life of the related debt agreement using the straight-line method, which approximates the effective interest method. Unamortized deferred financing costs are a direct deduction from the associated long-term debt included on combined statements of financial position and associated amortization expense is included as a component of interest expense on the combined statements of operations and changes in net assets.

Workers' Compensation

Accrued expenses include a provision for estimated self-insured workers' compensation claims for both reported claims not yet paid and claims incurred but not reported.

Deferred Revenue From Entrance Fees, Entrance Fees Payable and Amortization of Entrance Fees

Residents entering a community execute a residence and care agreement, which requires payment of an entrance fee, based on the unit to be occupied. The Obligated Group offers both nonrefundable and refundable resident agreements. Under the majority of nonrefundable resident agreements, residents who terminate their contracts will generally be entitled to a refund less 2% of the entrance fee per each month of residency up to 50 months. Under refundable resident agreements, the entrance fee is reduced to no less than the guaranteed refund, as specified in the resident agreement and refunds to residents are generally paid by the Obligated Group after the resident leaves the community and a new resident occupies the residential living unit vacated by the former resident.

The nonrefundable portion of entrance fee is amortized to revenue over the estimated life expectancy of the residents using the straight-line method, which approximates the period of time that services under the resident agreements are expected to be provided to residents and the Obligated Group's performance obligation to the residents is satisfied, and is classified as deferred revenue from entrance fees on the combined statements of financial position.

The guaranteed refundable portion of entrance fees is classified as entrance fees payable on the combined statements of financial position and is not amortized to revenue. The gross contractual refund obligations under existing resident agreements was approximately $80,051,000 at December 31, 2024.

Obligation to Provide Future Service

The Obligated Group periodically calculates the present value of the net cost of future services and the use of facilities to be provided to current residents and compares that with the balance of deferred revenue from entrance fees. If the present value of the net cost of future services and the use of facilities exceeds deferred revenue from entrance fees, a liability is recorded with the corresponding change to income. As a result of the last calculation (as of December 31, 2024), using a discount rate of 5.5%, the present value of the net cost of future services and use of facilities did not exceed deferred revenues from entrance fees; accordingly, no obligation was recorded for the years ended December 31, 2024 or 2023.

Statutory Liquid Reserves

The Continuing Care Provider Registration and Disclosure Act in Pennsylvania requires a working capital reserve equivalent to the greater of the total debt service payments due during the next 12 months on account of any loan or long-term financing, or 10% of the projected annual operating expenses of the Obligated Group exclusive of depreciation. The reserve is computed on only the proportional share of financing or operating expenses that are applicable to residence and care agreements. The Obligated Group met the reserve requirements as of December 31, 2024 and 2023.

Net Assets

Net assets, revenues, gains and other 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.

Net Assets With Donor Restrictions - Net assets available for use 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.

Donor Restrictions

The Obligated Group reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose to which the donation is restricted is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the combined statements of operations and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as contributions without donor restrictions in the accompanying combined financial statements.

The Obligated Group reports noncash gifts as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Obligated Group reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions, including unconditional promises to give, are recognized as revenues when the promise to give is first made. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value as of the date of contribution.

Resident Services Revenue

Resident services revenue is reported at the amount that reflects the consideration the Obligated Group expects to receive in exchange for the services provided. These amounts are due from residents or third-party payors and include variable consideration for retroactive adjustments, if any, under reimbursement programs. Performance obligations are determined based on the nature of the services provided. Resident services revenue is recognized as performance obligations are satisfied.

Resident services revenue is primarily comprised of independent living, personal care/assisted living and health center revenue streams, which are primarily derived from providing housing, skilled nursing, personal care and independent living services to residents at a stated daily or monthly fee, net of any explicit or implicit price concessions. The Obligated Group has determined that the services included in the stated daily or monthly fee for each level of care represents a series of distinct services that have the same timing and pattern of transfer. Therefore, the Obligated Group considers the services provided to residents in each level of care to be one performance obligation which is satisfied over time as services are provided. As such, skilled nursing, personal care and independent living revenues are recognized on a daily or month-to-month basis as services are rendered. Resident services revenue includes revenues from therapy services, other services such as housekeeping, laundry, transportation and other revenues from residents are considered one performance obligation which is satisfied over time as services are rendered. Revenue for performance obligations satisfied at a point in time is generally recognized when services are provided to the resident in a retail setting (for example, pharmaceuticals and medical equipment), and the Obligated Group does not believe it is required to provide additional goods or services related to that sale.

Payment terms and conditions for the Obligated Group's resident contracts vary by contract type and payor source, although terms generally include payment to be made within 30 days. Resident services revenue for recurring and routine monthly services are generally billed monthly in advance. Resident services revenue for ancillary services are generally billed monthly in arrears.

The Obligated Group receives revenue for services under third-party payor programs, including Medicare, Medical Assistance and other third-party payors. The Obligated Group's agreements with third-party payors provide for payments at amounts different from established rates. Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are included in the determination of the estimated transaction price for providing services. The Obligated Group estimates the transaction price based on the terms of the contract and correspondence with the third-party payor and historical payment trends, and retroactive adjustments are recognized in future periods as final settlements are determined.

A summary of the 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 (DHS) in the Commonwealth of Pennsylvania has a mandatory Medical Assistance managed care program, Community HealthChoices (CHC) for skilled nursing facilities across the Commonwealth of Pennsylvania. CHC eliminated the fee-for-service (FFS) payment methodology. The services for which Medical Assistance program beneficiaries are eligible did not change under CHC.

Under CHC, each Medical Assistance program beneficiary is able to choose a managed care organization (MCO). Effective January 1, 2023, the medical assistance rate paid to the Obligated Group are paid by the MCOs at prospectively determined rates per day. These rates are adjusted 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. The determination of these rates is partially based on the Obligated Group's clinical assessment of its residents. The Obligated Group is required to clinically assess its residents at predetermined time periods throughout the year which are subject to review and adjustment by the Medicare program.

Other - Payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations provide for payment using prospectively determined rates based upon contractual obligations (i.e. the terms/rates agree upon in the respective contracts).

Charity Care

Charity care is measured based on the Obligated Group's direct and indirect costs of providing charity care services. If the costs cannot be specifically attributed to services provided to charity care patients, reasonable techniques are used to estimate these costs.

The Obligated Group's policy is to provide services without charge, or at amounts less than its established rates, to residents who meet the certain need-based criteria. These criteria consider resident income and expenses, financial resources, state and federal government requirements and other sources of payment for services which may be provided. The Obligated Group also receives donations and income from donor-restricted trusts and investments designated to the needs of its residents under this policy.

Amounts the Obligated Group provided and received for resident financial support are as follows for the years ended December 31:

	2024	2023
Charity care provided at the estimated cost thereof, net of amounts received from residents	$ 4,467,009	$ 4,501,214
Additional charity care provided to Medical Assistance residents at amounts less than pre-established charges for private pay services	29,921,976	26,990,555
Giving and income designated for resident financial support	1,202,849	780,684

Contract Balances

Contract assets represent the Obligated Group's right to consideration in exchange for goods or services that the Obligated Group has transferred to a resident when that right is conditioned on something other than the passage of time (for example, the Obligated Group's future performance). Contract liabilities represent the Obligated Group's obligation to transfer goods or services to a resident for which the Obligated Group has received consideration (or the amount is due) from the resident.

The Obligated Group's beginning and ending contract assets and liabilities are separately presented on the combined statements of financial position as of December 31, 2024 and 2023. Contracts assets and liabilities as of January 1, 2023 are as follows:

Accounts receivable, net	$ 11,220,074
Deferred revenue from entrance fees	123,277,629

Performance Indicator

The Obligated Group measures the performance of its operations using the combined statements of operations and changes in net assets, which includes a performance indicator of operations labeled as "revenues in excess of expenses."

Reclassifications

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

Subsequent Events

The Obligated Group has evaluated subsequent events through April 22, 2025, which is the date the combined financial statements were issued.

3. Acquisition

On August 24, 2023, the Obligated Group, through its subsidiary PR, acquired the real estate, resident contracts and related entrance fee liabilities, and certain other assets and liabilities of Pine Run Retirement Community from Doylestown Hospital. The acquired assets consist of a 90-bed skilled nursing facility, a 40-bed personal care facility and 282 independent living units on 43 acres of land in Doylestown, Bucks County, Pennsylvania (Pine Run); and a 94-bed personal care facility (Lakeview) located on a separate, approximately seven-acre campus in Doylestown, Bucks County, Pennsylvania.

The acquisition was accounted for under the acquisition method of accounting under ASC Topic 805, *Business Combinations*. Goodwill recognized in the acquisition is attributable to the expected synergies of the combined operations.

The recognized amounts of assets acquired and liabilities assumed were as follows:

Consideration:	
Cash	$ 80,240,525
Fair value of total consideration transferred	$ 80,240,525
Assets acquired and liabilities assumed:	
Property and equipment	$ 81,560,000
Prepaids and other assets	1,006,126
Deposits payable	(208,000)
Entrance fee deposits	(351,600)
Refundable entrance fee liabilities	(7,605,360)
Deferred revenue	(24,497,377)
Total identifiable net assets	49,903,789
Goodwill	30,336,736
Total purchase price	$ 80,240,525

The deferred revenue from entrance fees assumed as part of the transaction represent contract liabilities for performance obligations outstanding and were recognized in accordance with ASC 606 as of the acquisition date. Contract liabilities are part of the list of exceptions to the principle of fair value measurement in FASB ASC 805.

The Obligated Group incurred acquisition costs of $944,644 related to the acquisition, which is included in the accompanying combined statements of operations and changes in net assets for the year ended December 31, 2023.

4. Resident Services Revenue

The Obligated Group disaggregates revenue from contracts with customers by type of service and payor source as this depicts the nature, amount, timing and uncertainty of its revenue and cash flows as affected by economic factors which include the following:

- Payors (Medicare, Medical Assistance, managed or other insurance) have different reimbursement and payment methodologies
- Length of the resident's stay or service
- Method of reimbursement (fee-for-service or capitation)
- Corporation's line of business that provided the service (skilled nursing, personal care/assisted living, independent living and outpatient)

The composition of resident services revenue by payor and level of care for the years ended December 31:

	2024					
	Independent Living	Personal Care/ Assisted Living	Health Center	Outpatient	Other	Total
Private Pay	$ 72,614,022	$ 43,336,582	$ 32,939,596	$ 219,376	$ 52,269	$ 149,161,845
Medicare	1,122,278	1,735,723	35,441,278	12,261	-	38,311,540
Medical Assistance	-	-	34,291,778	-	-	34,291,778
Other	-	2,712	1,195,688	247,929	1,294,395	2,740,724
Subtotal	73,736,300	45,075,017	103,868,340	479,566	1,346,664	224,505,887
Amortization of entrance fees						21,874,608
Total	$ 73,736,300	$ 45,075,017	$ 103,868,340	$ 479,566	$ 1,346,664	$ 246,380,495

	2023					
	Independent Living	Personal Care/ Assisted Living	Health Center	Outpatient	Other	Total
Private Pay	$ 59,306,891	$ 32,978,523	$ 30,515,013	$ 253,661	$ 45,365	$ 123,099,453
Medicare	934,482	1,504,158	27,384,350	25,113	-	29,848,103
Medical Assistance	-	-	35,215,230	-	-	35,215,230
Other	-	-	855,769	213,058	826,765	1,895,592
Subtotal	60,241,373	34,482,681	93,970,362	491,832	872,130	190,058,378
Amortization of entrance fees						19,867,272
Total	$ 60,241,373	$ 34,482,681	$ 93,970,362	$ 491,832	$ 872,130	$ 209,925,650

5. Investments, Restricted Deposits and Funded Reserves, Assets Whose Use is Limited and Fair Value Measurements

The composition of investments, restricted deposits and funds reserves and assets whose use is limited as of December 31 is as follows:

	2024	2023
Money market funds	$ 51,445,129	$ 48,936,550
Mutual funds:		
Equity	77,033,666	63,318,371
Fixed income	26,999,777	26,547,810
Investment measured using alternative measurement	9,243,285	9,243,285
Alternative investments	15,792,804	19,451,164
Total investments, statutory liquid reserves and assets whose use is limited	180,514,661	167,497,180
Less:		
Assets whose use is limited:		
Investments held in perpetuity	(5,752,348)	(5,658,957)
Debt service escrow fund	(1,559,152)	(1,426,538)
Other escrow fund	-	(570,595)
Project fund	(21,275,314)	(35,431,386)
Statutory liquid reserves	(13,786,571)	(13,650,901)
Total investments	$ 138,141,276	$ 110,758,803

Fair Value of Financial Instruments

For financial instruments required to be measured at fair value on a recurring basis, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is measured using a hierarchy prioritizing the inputs used in determining valuations into three levels. The level within the fair value hierarchy is based on the lowest level input that is significant to the fair value measurement.

The levels of the fair value hierarchy are as follows:

Level 1 - Unadjusted quoted prices in active markets that are accessible to the Obligated Group for identical instruments.

Level 2 - Significant inputs, other than Level 1 inputs that are observable either directly or indirectly for substantially the full term of the instruments through corroboration with observable market data.

Level 3 - Significant unobservable inputs.

The following is a description of the valuation methodologies used for instruments measured at fair value:

Money market funds are valued based on the carrying amount which approximates fair value due to the short-term nature of these instruments.

Mutual funds are valued at fair value based on quoted market prices in active markets.

Investments in the accompanying combined statements of financial position include alternative investment funds (the Funds). The Funds are measured using the net asset value per share as a practical expedient. The Funds are held in private investment partnerships, which include publicly traded securities, real estate and natural resources. Partnership agreements specify the type of investments held, liquidity, manager compensation and other funding requirements. The Obligated Group's ownership structure does not provide for control over the related investees, and the Obligated Group's financial risk is limited to the carrying amount reported for each investee, in addition to any unfunded capital commitment which were $972,500 and $1,444,595 at December 31, 2024 and 2023, respectively. Redemptions are not permitted, and liquidity is available to the extent of distributable realized events. The Obligated Group has no plans to sell the funds or a portion of the amounts currently owned. Financial information used by the Obligated Group to evaluate the Funds are provided by the investment manager or general partner and includes fair value valuations of underlying securities and other financial instruments held by the investee and estimates that require varying degrees of judgment. The financial statements of the Funds are audited annually by independent auditors, although the timing of reporting the results of the audits does not coincide with the Obligated Group's annual financial reporting. There is uncertainty in the accounting for the Funds arising from factors such as lack of active markets, lack of transparency in underlying holdings and time lags associated with reporting by the investee companies. As a result, there is at least reasonable possibility that estimates of fair value will change in the near term.

Investments measured using an alternative measurement do not have a readily determinable fair value, and therefore, are measured using an alternative measurement equal to its cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer.

The funds held in trust by others are valued at fair value based on the Obligated Group's interest in the fair values of the underlying assets, which approximate the present value of estimated future cash flows to be received from the trusts.

For assets measured at fair value on a recurring basis, the fair value measurements by level within the fair value hierarchy used as of December 31, 2024 and 2023, are as follows:

	Fair Value as of December 31, 2024			
	Total	**Level 1**	**Level 2**	**Level 3**
Money market funds	$ 51,445,129	$ 51,445,129	$ -	$ -
Mutual funds:				
Equity	77,033,666	77,033,666	-	-
Fixed income	26,999,777	26,999,777	-	-
Total investments	155,478,572	155,478,572	-	-
Funds held in trust by others	19,953,488	-	-	19,953,488
Total assets	$ 175,432,060	$ 155,478,572	$ -	$ 19,953,488

	Fair Value as of December 31, 2023			
	Total	Level 1	Level 2	Level 3
Money market funds	$ 48,936,550	$ 48,936,550	$ -	$ -
Mutual funds:				
Equity	63,318,371	63,318,371	-	-
Fixed income	26,547,810	26,547,810	-	-
Total investments	138,802,731	138,802,731	-	-
Funds held in trust by others	18,867,774	-	-	18,867,774
Total assets	$ 157,670,505	$ 138,802,731	$ -	$ 18,867,774

The reconciliation of total investments, restricted deposits and funded reserves and assets whose use is limited in the accompanying combined statements of financial position as of December 31 is as follows:

	2024	2023
Measured at net asset value	$ 15,792,804	$ 19,451,164
Measured using alternative measurement	9,243,285	9,243,285
Measured at fair value	155,478,572	138,802,731
Total investments, restricted deposits and funded reserves and assets whose use is limited	$ 180,514,661	$ 167,497,180

6. Liquidity

The Obligated Group's financial assets available for general expenditures, without donor or other restrictions limiting their use, within one year of the combined statements of financial position date are as follows:

	2024	2023
Cash and cash equivalents	$ 10,578,204	$ 15,213,460
Investments	138,141,276	110,758,803
Accounts receivable, net	14,927,149	15,233,968
Total	$ 163,646,629	$ 141,206,231

The Obligated Group's endowment fund consists of donor-restricted funds. Income from donor-restricted endowments is restricted for specific purposes, and therefore, is not available for general expenditures.

As a part of the Obligated Group's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Obligated Group invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, the Obligated Group has committed lines of credit (Note 10) that totaled $24,000,000 as of December 31, 2024 and 2023, which it draws upon as needed. As of December 31, 2024 and 2023, the lines of credit had approximately $17,694,000 and $0, respectively, available to draw for general expenditures.

7. Related-Party Transactions

PSL provides the Obligated Group with various management and administrative services to each member of the Obligated Group's operating facilities, for which it charges the members of the Obligated Group a management fee. The Obligated Group members also incur certain operating expenses that are comprised primarily of the salaries and benefits of certain key management personnel provided to the Obligated Group by the parent organization. During the years ended December 31, 2024 and 2023, the Obligated Group incurred management fees and other expenses totaling $18,274,944 and $15,469,740, respectively, which is included in management and general expenses on the combined statements of operations and changes in net assets.

Prelude Systems, Inc. (Prelude) is a joint venture between PSL and Diakon Lutheran Social Ministries (Diakon). Prelude is an information technology services organization with a wide range of programs designed to support the information systems needs of both PSL and Diakon as well as other health care and community service organizations. During 2024 and 2023, the Obligated Group incurred expenses related to Prelude amounting to $1,898,093 and $1,817,330, respectively, for information services provided by Prelude, of which $42,138 and $40,575 is included in accounts payable as of December 31, 2024 and 2023, respectively.

Amounts due from affiliate entities as of December 31, 2024 and 2023, are $83,168,710 and $86,107,578, respectively. The balances represent amounts transferred to PSL to fund development of affiliated affordable housing entities and other amounts arising from the normal course of business, including affiliate liquidity support. The amounts are unsecured, noninterest bearing and have no fixed repayment terms. The Obligated Group assess the amounts due from affiliates annually to determine if events or circumstances effect the collectability of the amounts. No impairment losses were recognized during 2024 and 2023. The Obligated Group did not transfer assets to PSL for development of a new affordable housing entity during 2024 and 2023.

During 2021, the Obligated Group purchased preferred stock of Benchmark Therapies, an affiliate, and is accounted for under the cost method of accounting. It is included in investments in the accompanying combined statement of financial position and totaled $8,000,000 as of December 31, 2021. In 2023, the Obligated Group began purchasing rehabilitation services from Benchmark Therapies. The Obligated Group incurred fees of $9,968,681 and $9,325,771 during 2024 and 2023, respectively, of which $736,938 and $873,984 is included in accounts payable as of December 31, 2024 and 2023, respectively.

8. Property and Equipment

A summary of property and equipment and accumulated depreciation as of December 31 is as follows:

	2024		2023	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land	$ 43,663,538	$ -	$ 43,796,849	$ -
Land improvements	29,518,505	18,978,591	29,402,089	18,711,000
Buildings and improvements	686,900,580	303,929,320	647,544,099	288,251,060
Departmental equipment, furniture and fixtures	61,725,328	48,583,703	60,491,487	48,156,982
Vehicles	1,817,668	1,817,174	1,852,213	1,837,104
Construction-in-progress	16,763,728	-	37,935,678	-
	$ 840,389,347	$ 373,308,788	$ 821,022,415	$ 356,956,146
Net book value		$ 467,080,559		$ 464,066,269

As the Obligated Group undertakes expansion and improvement projects, costs are included in construction-in-progress. As projects are completed, the costs are transferred to buildings and building improvements. Ongoing improvement and expansion is anticipated in the normal course of operations.

As of December 31, 2024 and 2023, respectively, the Obligated Group had approximately $1,801,000 and $2,292,000 outstanding of construction payable included in accounts payable and accrued expenses in the accompanying combined statements of financial position. As of December 31, 2024, the Obligated Group has entered into construction contracts totaling approximately $4,740,000 for various projects. Costs incurred through December 31, 2024 were approximately $1,990,000.

9. Long-Term Debt

Long-term debt of the group and of the amounts payable by the Obligated Group as of December 31 consisted of the following:

	2024	2023
1995 Series A Revenue Note to First National Bank, payable in equal monthly installments of principal and interest, interest sufficient to amortize the principal balance to July 2026, the note bears a floating interest rate of 5.21% as of December 31, 2024.	$ 53,836	$ 261,880
Quincy Sewer Authority Series 2016 bonds held by TD Bank, principal due in varying annual amounts from 2017 to 2042, interest is fixed at 2.40% until 2026, interest rates will be reset in five year increments.	15,218,577	15,907,652
Bank of America taxable 10-year term loan, principal due in varying amounts through 2034, due in May 2026 with the option to extend all or a portion of the remaining balance over the remaining 25-year amortization period. The bonds bear a floating interest rate of 4.09% as of December 31, 2024.	2,140,191	2,477,974
Pennsylvania Economic Development Financing Authority Revenue Bonds, Series 2018, held by TD Bank, principal due in varying amounts from 2020 to 2044. The bonds bear a fixed rate of interest equal to 3.91% per annum multiplied by a margin rate factor, interest rate was 3.91% as of December 31, 2024, interest resets in ten year increments.	26,082,000	26,934,000
Bank of America taxable 10-year term loan Bond Series 2020, principal payments are based on 8.5-year mortgage style amortization schedule, due in June 2030. The bonds bear a fixed interest rate of 2.49%.	9,369,075	10,935,502
Northampton County Industrial Development Authority Revenue Bonds Series 2020, held by Bank of America, principal payments are based on a 25-year mortgage style amortization schedule, due in January 2047. The bonds bear a fixed interest rate of 2.31%.	13,632,085	14,097,557
Pennsylvania Economic Development Financing Authority Revenue Bonds, Series 2021, for which The Bank of New York Mellon Trust Company is Trustee, with principal due varying amounts from 2022 to 2046. The bonds bear a fixed interest rate of 4.00%.	58,170,000	58,170,000
Bank of America taxable 10-year term loan Bond Series 2021, principal due in varying amounts through 2031. The bonds bear a fixed interest rate of 2.59%.	7,287,000	7,679,000
Pennsylvania Economic Development Financing Authority Revenue Bonds, Series 2023B-1, for which The Bank of New York Mellon Trust Company is Trustee, with principal due varying amounts from 2047 to 2049. The bonds bear a fixed interest rate of 5.25%.	36,510,000	36,510,000

	2024	2023
Pennsylvania Economic Development Financing Authority Revenue Bonds, Series 2023B-2, for which The Bank of New York Mellon Trust Company is Trustee, with principal due varying amounts from 2024 to 2046. The bonds bear various fixed rates from 4.50% to 5.25%.	$ 95,260,000	$ 95,295,000
National Finance Authority Revenue Bonds, Series 2023A, for which The Bank of New York Mellon Trust Company is Trustee, with principal due varying amounts from 2046 to 2048. The bonds bear a fixed interest rate of 5.25%.	27,895,000	27,895,000
Bank of America taxable 10-year term loan Bond Series 2023A, principal due in varying amounts through 2035. The bonds bear a fixed interest rate of 5.74%.	31,730,000	36,145,000
Bank of America taxable 10-year term loan Bond Series 2023B, principal due in varying amounts through 2049. The bonds bear a fixed interest rate of 5.72%.	19,710,000	20,245,000
Total long-term debt	343,057,764	352,553,565
Plus unamortized premium	5,740,193	6,197,221
Less unamortized discount	(3,517,008)	(3,690,262)
Less deferred financing costs	(3,982,990)	(4,119,522)
Total	$ 341,297,959	$ 350,941,002

All of the Obligated Group long-term debt is collateralized by property and equipment and gross revenues of the Obligated Group and is tax-exempt, unless otherwise stated.

Under the terms of the master trust indenture, the Obligated Group is subject to various covenants, which include the achievement of certain pre-established financial indicators.

During July 2023, the Obligated Group completed a financing transaction to provide for overall debt service savings, while also establishing a project fund for certain capital projects and funding the purchase of Pine Run. The transaction added Pine Run as a member of the Obligated Group. A portion of the proceeds from the bonds were used to refund the York County Industrial Development Authority Bonds Series 2010, Bank of America taxable 10 year term loan, General Municipal Authority of the Township of Manheim Revenue Bonds Series 2011, Quincy Sewer Authority Revenue Bonds Series 2012, Uwchlan Township Industrial Development Authority Revenue Bonds Series 2013, Northampton and Blair County Industrial Development Authority Revenue Bonds Series 2014, Blair County Hospital Authority Revenue Bonds Series 2014, Uwchlan Township Industrial Development Authority Revenue Bonds Series 2015, Northampton County Industrial Development Authority Revenue Bonds Series 2015, People's Bank taxable 10 year term loan, First National Bank taxable 10-year term loan, Cumberland County Municipal Authority Revenue Bonds Series 2015B, Cumberland County Municipal Authority Revenue Bonds Series 2015 C and Series 2008 C, General Municipal Authority of the Township of Manheim Bond Series 2019, and the Indiana County Industrial Development Authority Revenue Bonds Series 2019 described above. In conjunction with this transaction, the Obligated Group recorded a loss on early extinguishment of debt of $765,698 that is included in the combined statement of operations and changes in net assets during 2023. The loss consists of $487,452 in unamortized deferred financing costs and $278,246 of penalties and fees.

Scheduled maturities for the five years subsequent to December 31, 2024, and thereafter are as follows:

Years ending December 31:	
2025	$ 8,022,459
2026	8,283,920
2027	8,605,693
2028	8,930,186
2029	9,275,542
Thereafter	299,939,964
Total	$ 343,057,764

10. Lines of Credit

The Obligated Group has available various lines of credit with financial institutions. Interest rates on these lines of credit are variable based on the prime rate of the various financial institutions or the BSBY rate. The lines of credit are collateralized by property and equipment of the Obligated Group. As of December 31, 2024 and 2023, under the line of credit agreements, the Obligated Group had available a total maximum of $24,000,000 and $16,750,000, respectively, from the financial institutions. As of December 31, 2024 and 2023, the Obligated Group had $6,306,477 and $16,750,000, respectively, outstanding under these agreements at interest rates ranging from 5.98% to 7.18%, and with maturity dates ranging from February 2025 to September 2025.

The Obligated Group also has available a construction line of credit with the First National Bank of Pennsylvania. The interest rate on this line of credit is variable based on the prime rate of First National Bank of Pennsylvania. The construction line of credit is collateralized by gross revenues and property and equipment of the Obligated Group. As of December 31, 2024, the Obligated Group had available a total maximum of $25,000,000 from the financial institution. As of December 31, 2024, the Obligated Group did not have an outstanding balance under this agreement at interest rate of 6.23% and with a maturity date of February 2026.

11. Workers' Compensation Insurance

The Obligated Group has instituted a self-insured workers' compensation program as allowed by the Commonwealth of Pennsylvania Bureau of Workers' Compensation. This program provides for self-payment of work related injuries and illnesses as opposed to utilizing an insurance carrier. The Obligated Group has contracted with major insurance carriers for excess insurance coverage, loss control services and administration. In both 2024 and 2023, the Obligated Group maintained a surety bond for $3,000,000 in connection with this self-insurance program. As of December 31, 2024 and 2023, the Obligated Group has recorded an accrued expense of approximately $4,838,000 and $4,323,000, respectively, for workers' compensation claims. This accrual includes known case reserves and an estimate of the Obligated Group's liability for incurred but not reported claims.

12. Medical Malpractice Claims Coverage

The Obligated Group members are named insured under a claims-made professional liability insurance policy maintained by the parent organization, Presbyterian Senior Living. Other than for premiums paid under this policy, no provision has been made for estimated losses. Management believes no incidents have occurred or will be asserted that will exceed the insurance coverages or will have a material adverse effect on the combined financial statements.

13. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods as of December 31:

	2024	2023
Subject to expenditure for specified purpose:		
Caring community	$ 350,768	$ 254,584
Community enhancement	1,776,344	1,403,569
	2,127,112	1,658,153
Subject to the passage of time:		
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	271,802	388,483
Gift annuities	567	567
Contributions receivable from remainder trusts	359,708	359,708
	632,077	748,758
Endowments:		
Subject to appropriation and expenditures when a specified event occurs:		
Restricted by donors for:		
Educational scholarship	64,370	60,173
Benevolent care	8,783	9,601
Community enhancement	272,172	252,850
	345,325	322,624
Subject to endowment spending policy and appropriation:		
Educational scholarship	500,117	443,117
Benevolent care	1,179,092	1,143,752
Community enhancement	4,073,139	4,072,088
	5,752,348	5,658,957
Total endowments	6,097,673	5,981,581
Not subject to spending policy or appropriation:		
Beneficial interest in perpetual trusts	19,593,213	18,507,499
Trust assets held for the benefit of the Williamsport	1,075,638	751,117
	20,668,851	19,258,616
Total	$ 29,525,713	$ 27,647,108

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31:

	2024	2023
Expiration of time restrictions	$ 85,848	$ 109,156
Satisfaction of purpose restriction:		
Caring community	21,710	33,119
Community enhancement	360,236	504,568
Restricted-purpose spending rate distributions and appropriations:		
Educational scholarship	6,609	6,125
Benevolent care	19,757	16,193
Community enhancement	21,381	18,544
Total	$ 515,541	$ 687,705

14. Endowments

The endowments consist of donor-restricted funds established for a variety of purposes supporting the Obligated Group. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Trustees of PSL has interpreted the relevant state law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Obligated Group classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence described in state laws. Unless specifically defined, a donor-restricted endowment fund that is required by donor stipulation to accumulate or appropriate endowment funds, the Obligated Group considers the following factors:

1. The duration and preservation of the fund
2. The purposes of the organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and appreciation of investments
6. Other resources of the organization
7. The investment policies of the organization

The following schedule represents endowment net asset composition by type of fund and changes in endowment net assets for the years ended December 31, 2024 and 2023:

	With Donor Restrictions	
	2024	2023
Endowment net assets, beginning of year	$ 5,981,581	$ 5,892,947
Investment income	70,450	68,272
Contributions	93,389	61,224
Appropriation of endowment assets for expenditures	(47,747)	(40,862)
Endowment net assets, end of year	$ 6,097,673	$ 5,981,581

The value of the original gifts plus subsequent gifts to be held in perpetuity totaled $5,752,348 and $5,658,957 for the years ended December 31, 2024 and 2023, respectively.

Funds With Deficiencies

The fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the relevant state law requires the Obligated Group to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, these deficiencies are reported as net assets without donor restrictions. The Obligated Group's policy states that should a fund fall below the original principal balance the Obligated Group would curtail spending in the fund until it returned to its original principal balance. There were no such deficiencies reported as of December 31, 2024 or 2023.

Return Objectives and Risk Parameters

The Obligated Group has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Obligated Group must hold in perpetuity or for donor-specified purposes. Under this policy, as approved by the Board of Trustees of PSL, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of a composite of public market indexes based on the mix of investments held, while assuming a moderate level of investment risk. The Obligated Group's goal is that its endowment funds, over time, will provide an average rate of return of approximately the consumer price index plus the investment spending percentage plus 1% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

The Obligated Group relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Obligated Group targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Endowment Spending Policy and How the Investment Objectives Relate to the Spending Policy

The Obligated Group has a total return policy for calculating the amounts available for distribution each year. It is a percent of its endowment fund's average fair value over the prior five calendar year ends. This percentage per the policy was up to 2% for 2024 and 2023. Actual distributions are to satisfy donor restrictions. If the total return amount exceeds the actual earnings of the endowment funds in any one year, then the amount needed to fund such excess will first be taken from the accumulated excess earnings from prior years, then from the accumulated net capital gains of endowment funds and, conversely, any undistributed income after the allocation of the total return distribution is added back to the unrestricted or temporarily restricted fund balance. In establishing this policy, the Obligated Group considered the long-term expected return on its endowments. Accordingly, over the long term, the Obligated Group intends that the current spending policy will allow its endowments to grow at an average of inflation plus 1% annually. This is consistent with the Obligated Group's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

15. Retirement Plan

The Obligated Group has a defined-contribution retirement plan covering all employees that have completed one year of service and have reached the age of 21. Vesting occurs after three years of service. Contributions to the defined-contribution retirement plan are at the discretion of the Board of Trustees of Presbyterian Senior Living and employees have the ability to direct how their contributions are invested. In 2024, the Obligated Group froze contributions to the defined-contribution plan. For the year ended December 31, 2023, contributions to the defined-contribution retirement plan totaled approximately $462,000.

Employees also have the option of a 403b plan. Beginning in 2024, the Obligated Group matched the participating employees' contributions up to 4% of their compensation to the employees' 403b plans. For the year ended December 31, 2024, contributions to the 403b plan totaled approximately $1,157,000.

16. Functional Expenses

The combined statements of operations and changes in net assets report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis. Employee benefits and payroll taxes are allocated on the basis of total salaries and wages. Information technology and insurance are allocated on the basis of direct costs and management fees are allocated based on the home office direct costs.

The costs of providing services and supporting activities are as follows for the years ended December 31, 2024 and 2023:

	2024		
	Resident Services	**General and Administrative**	**Total**
Salaries and wages	$ 84,276,986	$ 3,692,256	$ 87,969,242
Employee benefits	12,261,545	568,821	12,830,366
Payroll taxes	6,230,715	267,045	6,497,760
Purchased services	26,066,878	380,599	26,447,477
Occupancy	14,032,800	160,161	14,192,961
Taxes and insurance	8,986,935	412,388	9,399,323
Management services	1,408,164	18,274,944	19,683,108
Office and telephone	440,345	1,722,516	2,162,861
Information technology	462,575	3,128,559	3,591,134
Supplies	4,190,340	366,915	4,557,255
Medical supplies and services	6,259,547	-	6,259,547
Food and beverage	9,134,506	81,209	9,215,715
Other operating	-	2,202,538	2,202,538
Depreciation and amortization	29,930,041	174,606	30,104,647
Interest	14,691,674	1,782,845	16,474,519
Total cost of services provided and supporting activities	$ 218,373,051	$ 33,215,402	$ 251,588,453

	2023		
	Resident Services	**General and Administrative**	**Total**
Salaries and wages	$ 68,554,052	$ 5,096,898	$ 73,650,950
Employee benefits	9,515,322	758,875	10,274,197
Payroll taxes	5,030,729	342,519	5,373,248
Purchased services	25,491,984	470,327	25,962,311
Occupancy	12,804,324	189,549	12,993,873
Taxes and insurance	7,665,409	377,837	8,043,246
Management services	1,052,332	15,469,740	16,522,072
Office and telephone	266,302	1,675,006	1,941,308
Information technology	410,318	2,868,865	3,279,183
Supplies	3,684,377	310,119	3,994,496
Medical supplies and services	5,968,350	-	5,968,350
Food and beverage	8,012,643	51,705	8,064,348
Other operating	171,767	3,045,343	3,217,110
Depreciation and amortization	26,196,828	152,827	26,349,655
Interest	10,823,106	1,355,475	12,178,581
Total cost of services provided and supporting activities	$ 185,647,843	$ 32,165,085	$ 217,812,928

17. Commitments and Contingencies

Senior Living Services Industry

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

Litigation

The Obligated Group is involved in several legal proceedings arising from its activities in the health care industry. Although it is not possible to presently determine the final outcome of these matters, management believes the aggregate liability, if any, resulting from such proceedings will not have a material adverse effect on the Obligated Group's assets, liabilities, net assets, operations or cash flows.

Presbyterian Homes Obligated Group

Combining Schedule of Financial Position
December 31, 2024

	Presbyterian Homes, Inc.	Presbyterian Homes in the Presbytery of Huntingdon	PHI Investment Management Services, Inc.	The Long Community, Inc.	Quincy Retirement Community	Cathedral Village	Pine Run Village	Obligated Group Subtotal	Eliminating Entries	Obligated Group Total
Assets										
Assets										
Cash and cash equivalents	$ 10,143,155	$ 19,467	$ 199	$ 363,317	$ 47,766	$ 1,000	$ 3,300	$ 10,578,204	$ -	$ 10,578,204
Investments	19,276,263	19,695,308	65,284,734	5,484,115	8,490,169	19,910,687	-	138,141,276	-	138,141,276
Statutory liquid reserves	5,520,282	1,039,663	-	-	1,261,398	2,085,665	3,879,563	13,786,571	-	13,786,571
Accounts receivable, net	6,309,825	2,637,770	-	103,281	1,769,946	1,195,378	2,910,949	14,927,149	-	14,927,149
Assets whose use is limited	16,735,873	4,172,279	4,442,633	274,316	1,926,901	293,040	741,772	28,586,814	-	28,586,814
Property and equipment, net	228,426,070	29,464,991	-	29,685,235	34,786,540	62,426,897	82,290,826	467,080,559	-	467,080,559
Due from affiliates, net	37,649,700	23,127,097	6,964,565	-	12,406,143	14,102,842	6,690,480	100,940,827	(17,772,117)	83,168,710
Funds held in trust by others	9,071,272	781,783	-	865,282	6,673,723	2,561,428	-	19,953,488	-	19,953,488
Goodwill	-	-	-	-	-	141,301	26,093,372	26,234,673	-	26,234,673
Other assets	3,434,240	985,804	-	246,639	616,321	265,936	721,113	6,270,053	-	6,270,053
Beneficial interest in assets	2,952,113	-	-	-	-	-	-	2,952,113	(2,952,113)	-
Total assets	$ 339,518,793	$ 81,924,162	$ 76,692,131	$ 37,022,185	$ 67,978,907	$ 102,984,174	$ 123,331,375	$ 829,451,727	$ (20,724,230)	$ 808,727,497
Liabilities and Net Assets						-				
Liabilities										
Accounts payable	$ 3,830,603	$ 883,910	$ 941,343	$ 136,327	$ 874,085	$ 1,275,941	$ 1,054,810	$ 8,997,019	$ -	$ 8,997,019
Accrued expenses	10,614,228	2,660,528	74,600	524,497	1,015,608	3,652,762	1,791,087	20,333,310	-	20,333,310
Lines of credit	6,306,477	-	-	-	-	-	-	6,306,477	-	6,306,477
Resident deposits	1,388,007	250,280	-	38,000	294,998	706,222	779,585	3,457,092	-	3,457,092
Entrance fees payable	4,007,443	263,323	-	-	1,197,124	614,750	6,504,160	12,586,800	-	12,586,800
Other liabilities	2,379,865	501,363	-	116,894	480,555	1,698,179	152,135	5,328,991	-	5,328,991
Long-term debt	169,251,001	19,286,669	-	21,008,360	22,939,946	29,932,186	78,879,797	341,297,959	-	341,297,959
Deferred revenues from entrance fees	76,972,131	10,970,757	-	-	17,302,975	32,528,071	28,815,412	166,589,346	-	166,589,346
Due to affiliates	-	-	-	17,772,117	-	-	-	17,772,117	(17,772,117)	-
Total liabilities	274,749,755	34,816,830	1,015,943	39,596,195	44,105,291	70,408,111	117,976,986	582,669,111	(17,772,117)	564,896,994
Net Assets										
Without donor restrictions	50,503,933	43,601,572	72,724,075	(3,526,366)	16,768,225	29,579,842	4,653,509	214,304,790	-	214,304,790
With donor restrictions	14,265,105	3,505,760	2,952,113	952,356	7,105,391	2,996,221	700,880	32,477,826	(2,952,113)	29,525,713
Total net assets	64,769,038	47,107,332	75,676,188	(2,574,010)	23,873,616	32,576,063	5,354,389	246,782,616	(2,952,113)	243,830,503
Total liabilities and net assets	$ 339,518,793	$ 81,924,162	$ 76,692,131	$ 37,022,185	$ 67,978,907	$ 102,984,174	$ 123,331,375	$ 829,451,727	$ (20,724,230)	$ 808,727,497

Presbyterian Homes Obligated Group

Combining Schedule of Operations and Changes in Net Assets
Year Ended December 31, 2024

	Presbyterian Homes, Inc.	Presbyterian Homes in the Presbytery of Huntingdon	PHI Investment Management Services, Inc.	The Long Community, Inc.	Quincy Retirement Community	Cathedral Village	Pine Run Village	Obligated Group Subtotal	Eliminating Entries	Obligated Group Total
Net Assets Without Donor Restrictions										
Revenues, gains and other support:										
Resident services:										
Resident services	$ 98,476,636	$ 30,164,768	$ -	$ 6,360,873	$ 21,713,663	$ 25,998,817	$ 41,791,130	$ 224,505,887	$ -	$ 224,505,887
Amortization of entrance fees	9,662,323	1,639,858	-	-	1,978,553	4,949,551	3,644,323	21,874,608	-	21,874,608
Total resident services	108,138,959	31,804,626	-	6,360,873	23,692,216	30,948,368	45,435,453	246,380,495	-	246,380,495
Contributions, gifts and bequests	802,070	118,704	-	17,601	512,185	198,441	5,570	1,654,571	-	1,654,571
Government grants	511,386	113,141	-	-	65,338	31,711	-	721,576	-	721,576
Net assets released from restrictions	233,414	155,790	-	5,305	104,110	13,067	3,855	515,541	-	515,541
Total operating revenues and other support	109,685,829	32,192,261	-	6,383,779	24,373,849	31,191,587	45,444,878	249,272,183	-	249,272,183
Expenses:										
Nursing services	29,896,689	12,781,914	-	1,038,668	8,020,453	7,421,126	11,131,408	70,290,258	-	70,290,258
Rehabilitation	4,061,002	1,714,939	-	-	1,695,898	906,048	1,614,970	9,992,857	-	9,992,857
Recreation and special services	1,762,823	652,595	-	98,858	435,657	590,382	980,074	4,520,389	-	4,520,389
Pharmacy	874,637	679,349	-	12,852	264,640	164,227	433,533	2,429,238	-	2,429,238
Social services	470,447	194,247	-	-	101,626	88,121	148,896	1,003,337	-	1,003,337
Physician services	182,490	83,152	-	9,000	30,000	28,188	32,275	365,105	-	365,105
Food Services	11,746,049	3,823,702	-	602,570	2,215,818	3,907,640	5,761,498	28,057,277	-	28,057,277
Building operations and maintenance	14,604,021	3,727,101	-	1,315,613	3,740,021	4,651,643	5,893,713	33,932,112	-	33,932,112
Housekeeping	2,023,722	514,604	-	26,203	299,703	702,440	892,528	4,459,200	-	4,459,200
Laundry and linen	481,218	256,596	-	-	186,055	197,811	276,707	1,398,387	-	1,398,387
Management and general	16,175,187	5,173,569	1,781	976,669	3,966,058	4,338,089	5,007,426	35,638,779	-	35,638,779
Employee benefits	5,789,837	1,769,896	-	182,110	1,245,423	1,141,238	2,233,746	12,362,250	-	12,362,250
Interest	7,717,802	816,078	-	1,193,609	968,221	1,073,958	4,722,238	16,491,906	(17,387)	16,474,519
Depreciation	14,650,835	2,109,425	-	1,190,427	2,427,697	4,127,742	2,305,146	26,811,272	-	26,811,272
Amortization	-	-	-	-	-	282,601	3,010,774	3,293,375	-	3,293,375
Fundraising	258,167	69,967	-	15,968	61,826	70,861	83,309	560,098	-	560,098
Total expenses before nonrecurring expenses	110,694,926	34,367,134	1,781	6,662,547	25,659,096	29,692,115	44,528,241	251,605,840	(17,387)	251,588,453
Operating (loss) income before other gains and losses	(1,009,097)	(2,174,873)	(1,781)	(278,768)	(1,285,247)	1,499,472	916,637	(2,333,657)	17,387	(2,316,270)
Gain on sale of community and disposals of property and equipment	300	419,730	-	-	-	6,800	-	426,830	-	426,830
Loss on impairment of asset	(102,723)	-	-	-	-	-	-	(102,723)	-	(102,723)
Operating (loss) income	(1,111,520)	(1,755,143)	(1,781)	(278,768)	(1,285,247)	1,506,272	916,637	(2,009,550)	17,387	(1,992,163)
Other income:										
Investment income	3,204,966	591,927	730,182	236,962	639,169	651,463	194,617	6,249,286	(86,940)	6,162,346
Realized gain on investments	15,457	60,298	928,646	15,401	22,366	6	1	1,042,175	(8,172)	1,034,003
Unrealized gain on investments	761,962	1,248,392	1,199,207	449,732	678,335	2,050,847	271,353	6,659,828	77,725	6,737,553
Total other income	3,982,385	1,900,617	2,858,035	702,095	1,339,870	2,702,316	465,971	13,951,289	(17,387)	13,933,902
Revenues in excess of expenses	2,870,865	145,474	2,856,254	423,327	54,623	4,208,588	1,382,608	11,941,739	-	11,941,739
Change in net assets without donor restrictions	2,870,865	145,474	2,856,254	423,327	54,623	4,208,588	1,382,608	11,941,739	-	11,941,739
Net Assets With Donor Restrictions										
Contributions, gifts and bequests	484,044	98,493	-	3,787	56,297	69,825	201,018	913,464	-	913,464
Investment income, net of investment expense	63,768	276	-	-	845	5,559	-	70,448	-	70,448
Unrealized gain on investments	879,819	55,692	324,521	33,879	316,049	124,795	-	1,734,755	(324,521)	1,410,234
Net assets released from restrictions	(233,414)	(155,790)	-	(5,305)	(104,110)	(13,067)	(3,855)	(515,541)	-	(515,541)
Change in net assets with donor restrictions	1,194,217	(1,329)	324,521	32,361	269,081	187,112	197,163	2,203,126	(324,521)	1,878,605
Change in net assets	4,065,082	144,145	3,180,775	455,688	323,704	4,395,700	1,579,771	14,144,865	(324,521)	13,820,344
Net Assets, Beginning	60,703,956	46,963,187	72,495,413	(3,029,698)	23,549,912	28,180,363	3,774,618	232,637,751	(2,627,592)	230,010,159
Net Assets, Ending	$ 64,769,038	$ 47,107,332	$ 75,676,188	$ (2,574,010)	$ 23,873,616	$ 32,576,063	$ 5,354,389	$ 246,782,616	$ (2,952,113)	$ 243,830,503

Presbyterian Homes Obligated Group

Statutory Minimum Liquid Reserves Schedule
December 31, 2024

	Presbyterian Homes, Inc.	Presbyterian Homes in the Presbytery of Huntingdon	Quincy Retirement Community	Cathedral Village	Pine Run Village	Obligated Group Subtotal
2025 Budgeted operating expenses	$ 115,281,394	$ 26,382,244	$ 25,858,383	$ 30,577,430	$ 46,879,736	$ 244,979,187
Less depreciation expense	15,374,677	2,204,028	2,499,162	4,506,624	2,417,203	27,001,694
Expenses subject to minimum liquid assets requirement	99,906,717	24,178,216	23,359,221	26,070,806	44,462,533	217,977,493
Percentage of residents subject to continuing-care agreements as of December 31, 2024	50%	43%	54%	80%	62%	
	49,953,359	10,396,633	12,613,979	20,856,645	27,566,770	121,387,386
Statutory requirement	10%	10%	10%	10%	10%	
Statutory minimum liquid reserve requirement, operating expenses (a)	$ 4,995,336	$ 1,039,663	$ 1,261,398	$ 2,085,665	$ 2,756,677	$ 12,138,739
Next 12 months debt service payments:						
Total debt service for next 12 months	$ 11,040,564	$ 1,289,792	$ 1,551,866	$ 2,290,524	$ 6,257,360	$ 22,430,106
Percentage of residents subject to residence and care agreements as of December 31, 2024	50%	43%	54%	80%	62%	
Statutory minimum liquid reserve requirement, debt service (b)	$ 5,520,282	$ 554,611	$ 838,008	$ 1,832,419	$ 3,879,563	$ 12,624,883
Statutory minimum liquid reserve, greater of (a) or (b)	$ 5,520,282	$ 1,039,663	$ 1,261,398	$ 2,085,665	$ 3,879,563	$ 13,786,571