

BEAUMONT RETIREMENT  
COMMUNITY, INC.  
AND  
BEAUMONT RETIREMENT  
SERVICES, INC.  
(A Pennsylvania Cooperative Housing Corporation)  
COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2023 and 2022  
(with combining supplementary information)

**BEAUMONT RETIREMENT COMMUNITY, INC. AND  
BEAUMONT RETIREMENT SERVICES, INC.**

(a Pennsylvania cooperative housing corporation)

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Beaumont Retirement Community, Inc. and Beaumont Retirement Services, Inc.

### **Report on the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Beaumont Retirement Community, Inc. and Beaumont Retirement Services, Inc. (the "Organization"), which comprise the combined statements of financial position as of December 31, 2023 and 2022, and the related combined statements of activities, changes in net assets (deficiencies), functional expenses, and cash flows for each of the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Beaumont Retirement Community, Inc. and Beaumont Retirement Services, Inc. as of December 31, 2023 and 2022, and the changes in their net assets (deficiencies) and their cash flows for each of the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

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

Management is responsible for the preparation and fair presentation of these 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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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

Our objectives are to obtain reasonable assurance about whether the 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 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 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 the Organization'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 the Organization'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.



EISNERAMPER LLP  
Philadelphia, Pennsylvania  
April 25, 2024



**BEAUMONT RETIREMENT COMMUNITY, INC. AND  
BEAUMONT RETIREMENT SERVICES, INC.**

(a Pennsylvania cooperative housing corporation)

**Combined Statements of Financial Position**

	December 31,	
	2023	2022
<b>ASSETS</b>		
Cash and cash equivalents (see Note B[3])	\$ 19,695,235	\$ 18,676,767
Accounts receivable:		
Care facility	319,733	288,253
Building envelope	1,870,957	-
Service charges and other accounts receivable	104,877	259,355
Investments (see Note D)	8,923,692	7,419,594
Property and equipment, net (see Note G)	43,160,398	18,543,570
Construction-in-progress (see Note H)	212,419	20,258,917
Prepaid expenses and other assets	1,254,084	1,171,432
	<b>\$ 75,541,395</b>	<b>\$ 66,617,888</b>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 2,150,641	\$ 2,790,250
Accrued payroll and benefits	1,114,174	1,135,823
Borrowings from line-of-credit	4,583,691	-
Refundable deposits (see Note I)	603,000	633,000
Paycheck Protection Program ("PPP") loan (see Note B[8])	-	2,250,000
Building envelope deferred revenue (see Note B[10])	36,389	20,693,505
	<b>8,487,895</b>	<b>27,502,578</b>
Total liabilities		
Commitments		
<b>NET ASSETS</b>		
Net assets - without donor restrictions:		
Certificate holders' equity (see Note J)	105,074,547	78,500,154
Board-designated for Medical Reserve Fund (see Note O)	6,587,735	5,668,027
Board-designated for Beaumont Fund (see Note O)	1,458,625	1,176,328
Board-designated for Capital Fund (see Note O)	8,526,288	8,027,246
Undesignated	(56,470,646)	(56,214,564)
	<b>65,176,549</b>	<b>37,157,191</b>
Total net assets - without donor restrictions		
Net assets - with donor restrictions (see Notes N and O)	1,876,951	1,958,119
	<b>67,053,500</b>	<b>39,115,310</b>
Total net assets		
	<b>\$ 75,541,395</b>	<b>\$ 66,617,888</b>

See notes to financial statements

**BEAUMONT RETIREMENT COMMUNITY, INC. AND  
BEAUMONT RETIREMENT SERVICES, INC.**  
(a Pennsylvania cooperative housing corporation)

**Combined Statements of Activities  
Year Ended December 31, 2023**

	Net Assets Without Donor Restrictions				Net Assets With Donor Restrictions	Total
	Undesignated	Medical Reserve Fund	Beaumont Fund	Capital Fund		
<b>Revenues and gains:</b>						
Service charges	\$ 15,229,050	\$ -	\$ -	\$ -	\$ -	\$ 15,229,050
Resident billings	-	2,749,713	-	3,622,762	-	6,372,475
Care facility:						
Private	3,420,236	-	-	-	-	3,420,236
Medicare	627,433	-	-	-	-	627,433
Medical reserve	3,219,326	(3,219,326)	-	-	-	-
Personal care facility:						
Private	923,319	-	-	-	-	923,319
Medical reserve	271,484	(271,484)	-	-	-	-
	<u>23,690,848</u>	<u>(741,097)</u>	<u>-</u>	<u>3,622,762</u>	<u>-</u>	<u>26,572,513</u>
Admission fees	-	646,950	-	-	-	646,950
Contributions	-	-	59,543	-	83,691	143,234
Investment income	164,696	1,013,855	164,781	502,110	113,006	1,958,448
Building envelope assessment	-	-	-	23,134,936	-	23,134,936
Other	530,914	-	-	-	-	530,914
Net assets released from restrictions	270,023	-	-	-	(270,023)	-
	<u>965,633</u>	<u>1,660,805</u>	<u>224,324</u>	<u>23,637,046</u>	<u>(73,326)</u>	<u>26,414,482</u>
	<u>24,656,481</u>	<u>919,708</u>	<u>224,324</u>	<u>27,259,808</u>	<u>(73,326)</u>	<u>52,986,995</u>
<b>Expenses:</b>						
Program services, resident care	18,494,550	-	-	-	-	18,494,550
Administrative and general	3,574,731	-	-	-	-	3,574,731
Administrative and general, Beaumont Retirement Community, Inc.	2,179,017	-	-	-	-	2,179,017
	<u>5,753,748</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,753,748</u>
	<u>24,248,298</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,248,298</u>
Change in net assets before depreciation, loss on disposals of assets, interest expense, gain on forgiveness of PPP loan and Capital Fund purchases	408,183	919,708	224,324	27,259,808	(73,326)	28,738,697
Depreciation	(1,961,223)	-	-	-	-	(1,961,223)
Loss on disposal of assets	(902,911)	-	-	-	-	(902,911)
Interest expense	(27,616)	-	-	(134,936)	-	(162,552)
Gain on forgiveness of PPP loan	2,277,616	-	-	-	-	2,277,616
Capital Fund purchases	-	-	-	(26,625,830)	-	(26,625,830)
<b>Change in net assets</b>	<u>\$ (205,951)</u>	<u>\$ 919,708</u>	<u>\$ 224,324</u>	<u>\$ 499,042</u>	<u>\$ (73,326)</u>	<u>\$ 1,363,797</u>

See notes to financial statements

**BEAUMONT RETIREMENT COMMUNITY, INC. AND  
BEAUMONT RETIREMENT SERVICES, INC.**  
(a Pennsylvania cooperative housing corporation)

**Combined Statement of Activities  
Year Ended December 31, 2022**

	Net Assets Without Donor Restrictions					Net Assets With Donor Restrictions	Total
	Undesignated	Medical Reserve Fund	Beaumont Fund	Capital Fund	Total		
<b>Revenues and gains:</b>							
Service charges	\$ 14,363,720	\$ -	\$ -	\$ -	\$ 14,363,720	\$ -	\$ 14,363,720
Resident billings	-	2,765,388	-	2,327,756	5,093,144	-	5,093,144
Care facility:							
Private	3,341,041	-	-	-	3,341,041	-	3,341,041
Medicare	500,566	-	-	-	500,566	-	500,566
Medical reserve	2,921,034	(2,921,034)	-	-	-	-	-
Personal care facility:							
Private	805,770	-	-	-	805,770	-	805,770
Medical reserve	219,843	(219,843)	-	-	-	-	-
	<u>22,151,974</u>	<u>(375,489)</u>	<u>-</u>	<u>2,327,756</u>	<u>24,104,241</u>	<u>-</u>	<u>24,104,241</u>
Admission fees	-	350,657	-	-	350,657	-	350,657
Contributions	-	-	123,345	-	123,345	650,090	773,435
Investment income (loss)	(149,402)	(1,113,265)	(38,382)	123,834	(1,177,215)	(112,127)	(1,289,342)
Other	449,634	-	-	-	449,634	-	449,634
Net assets released from restrictions	241,071	-	-	-	241,071	(241,071)	-
	<u>541,303</u>	<u>(762,608)</u>	<u>84,963</u>	<u>123,834</u>	<u>(12,508)</u>	<u>296,892</u>	<u>284,384</u>
	<u>22,693,277</u>	<u>(1,138,097)</u>	<u>84,963</u>	<u>2,451,590</u>	<u>24,091,733</u>	<u>296,892</u>	<u>24,388,625</u>
<b>Expenses:</b>							
Program services, resident care	17,091,989	-	-	-	17,091,989	-	17,091,989
Administrative and general	3,159,870	-	-	-	3,159,870	-	3,159,870
Administrative and general, Beaumont Retirement Community, Inc.	2,011,644	-	-	-	2,011,644	-	2,011,644
	<u>5,171,514</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,171,514</u>	<u>-</u>	<u>5,171,514</u>
	<u>22,263,503</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,263,503</u>	<u>-</u>	<u>22,263,503</u>
Change in net assets before depreciation, loss on disposal of assets, and Capital Fund purchases	429,774	(1,138,097)	84,963	2,451,590	1,828,230	296,892	2,125,122
Depreciation	(1,804,461)	-	-	-	(1,804,461)	-	(1,804,461)
Loss on disposal of assets	(156,043)	-	-	-	(156,043)	-	(156,043)
Capital Fund purchases	-	-	-	(1,854,283)	(1,854,283)	-	(1,854,283)
<b>Change in net assets</b>	<u>\$ (1,530,730)</u>	<u>\$ (1,138,097)</u>	<u>\$ 84,963</u>	<u>\$ 597,307</u>	<u>\$ (1,986,557)</u>	<u>\$ 296,892</u>	<u>\$ (1,689,665)</u>

See notes to financial statements

**BEAUMONT RETIREMENT COMMUNITY, INC. AND  
BEAUMONT RETIREMENT SERVICES, INC.**

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**Combined Statements of Changes in Net Assets (Deficiencies)**

	Net Assets Without Donor Restrictions						Net Assets With Donor Restrictions	Total
	Certificate Holders' Equity	Undesignated	Medical Reserve Fund	Beaumont Fund	Capital Fund	Total		
<b>Balance at January 1, 2022</b>	\$ 76,648,871	\$ (53,831,135)	\$ 7,316,124	\$ 264,815	\$ 6,919,939	\$ 37,318,614	\$ 1,635,078	\$ 38,953,692
Change in net assets	-	(1,530,730)	(1,138,097)	84,963	597,307	(1,986,557)	296,892	(1,689,665)
Transfers	-	(852,699)	(510,000)	826,550	510,000	(26,149)	26,149	-
Property and equipment purchased through:								
Capital Fund	1,851,283	-	-	-	-	1,851,283	-	1,851,283
<b>Balance at December 31, 2022</b>	78,500,154	(56,214,564)	5,668,027	1,176,328	8,027,246	37,157,191	1,958,119	39,115,310
Change in net assets	-	(205,951)	919,708	224,324	499,042	1,437,123	(73,326)	1,363,797
Transfers	-	(50,131)	-	57,973	-	7,842	(7,842)	-
Property and equipment purchased through:								
Capital Fund	26,574,393	-	-	-	-	26,574,393	-	26,574,393
<b>Balance at December 31, 2023</b>	<b>\$ 105,074,547</b>	<b>\$ (56,470,646)</b>	<b>\$ 6,587,735</b>	<b>\$ 1,458,625</b>	<b>\$ 8,526,288</b>	<b>\$ 65,176,549</b>	<b>\$ 1,876,951</b>	<b>\$ 67,053,500</b>

See notes to financial statements



**BEAUMONT RETIREMENT COMMUNITY, INC. AND  
BEAUMONT RETIREMENT SERVICES, INC.**  
(a Pennsylvania cooperative housing corporation)

**Combined Statements of Functional Expenses**

Year Ended December 31,										
2023						2022				
Beaumont Retirement Services, Inc.		Beaumont Retirement Community, Inc.		Beaumont Retirement Services, Inc.		Beaumont Retirement Community, Inc.				
Program Services, Resident Care	Administrative and General	Administrative and General	Administrative and General Subtotal	Total	Program Services, Resident Care	Administrative and General	Administrative and General	Administrative and General Subtotal	Total	
<b>Expenses:</b>										
Salaries	\$ 10,288,713	\$ 1,666,450	\$ -	\$ 1,666,450	\$ 11,955,163	\$ 9,546,374	\$ 1,512,199	\$ -	\$ 1,512,199	\$ 11,058,573
Benefits	1,554,836	163,674	-	163,674	1,718,510	1,518,327	168,014	-	168,014	1,686,341
Payroll taxes	774,909	133,030	-	133,030	907,939	723,991	112,998	-	112,998	836,989
Advertising	-	299,741	-	299,741	299,741	-	321,194	-	321,194	321,194
Auto and vehicles	72,195	-	-	-	72,195	84,236	-	-	-	84,236
Medication	338,937	-	-	-	338,937	271,883	-	-	-	271,883
Food cost	1,436,861	-	-	-	1,436,861	1,320,673	-	-	-	1,320,673
Insurance	72,105	288,423	241,292	529,715	601,820	63,791	262,199	262,563	524,762	588,553
Postage	-	14,741	-	14,741	14,741	-	18,567	-	18,567	18,567
Professional development	2,674	-	22,000	22,000	24,674	2,221,537	340,282	21,068	361,350	2,582,887
Purchased services	2,337,779	488,809	1,322,615	1,811,424	4,149,203	-	-	1,231,140	1,231,140	1,231,140
Repairs and maintenance	82,283	-	-	-	82,283	35,841	-	-	-	35,841
Supplies	705,671	28,584	-	28,584	734,255	689,174	34,100	-	34,100	723,274
Uniforms	23,571	-	-	-	23,571	16,509	-	-	-	16,509
Utilities	194,115	-	593,110	593,110	787,225	172,045	-	496,873	496,873	668,918
Other expenses	609,901	491,279	-	491,279	1,101,180	427,608	390,317	-	390,317	817,925
Total expenses before depreciation and interest expense	18,494,550	3,574,731	2,179,017	5,753,748	24,248,298	17,091,989	3,159,870	2,011,644	5,171,514	22,263,503
Depreciation	301,157	-	1,660,066	1,660,066	1,961,223	300,834	-	1,503,627	1,503,627	1,804,461
Interest	162,552	-	-	-	162,552	-	-	-	-	-
	<u>\$ 18,958,259</u>	<u>\$ 3,574,731</u>	<u>\$ 3,839,083</u>	<u>\$ 7,413,814</u>	<u>\$ 26,372,073</u>	<u>\$ 17,392,823</u>	<u>\$ 3,159,870</u>	<u>\$ 3,515,271</u>	<u>\$ 6,675,141</u>	<u>\$ 24,067,964</u>

See notes to financial statements

**BEAUMONT RETIREMENT COMMUNITY, INC. AND  
BEAUMONT RETIREMENT SERVICES, INC.**

(a Pennsylvania cooperative housing corporation)

**Combined Statements of Cash Flows**

	<b>Year Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 1,363,797	\$ (1,689,665)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,961,223	1,804,461
Transfer from construction-in-progress to Beaumont Retirement Community, Inc. capital assessments	26,574,393	1,854,283
Net realized and unrealized (gains) loss on investments	(1,150,605)	1,600,135
Gain on forgiveness of PPP loan payable	(2,250,000)	-
Loss on disposal of assets	902,911	156,043
(Increase) decrease in assets:		
Accounts receivable	(1,747,959)	96,169
Prepaid expenses and other assets	(82,652)	(163,083)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	542,836	(340,216)
Accrued payroll and benefits	(21,649)	54,174
Building envelope deferred revenue	(21,225,933)	-
Refundable deposits	(30,000)	(13,500)
Net cash provided by operating activities	<u>4,836,362</u>	<u>3,358,801</u>
<b>Cash flows from investing activities:</b>		
Payments for property and equipment	(906,569)	-
Payments for construction-in-progress	(7,710,340)	(11,722,883)
Purchase of investments	(456,600)	(144,364)
Proceeds from sale of investments	103,107	141,451
Net cash used in investing activities	<u>(8,970,402)</u>	<u>(11,725,796)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from line-of-credit	5,000,000	-
Repayment of line-of-credit	(416,309)	-
Proceeds from residents for building envelope project	568,817	1,423,587
Net cash provided by financing activities	<u>5,152,508</u>	<u>1,423,587</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,018,468</b>	<b>(6,943,408)</b>
Cash and cash equivalents at beginning of year	<u>18,676,767</u>	<u>25,620,175</u>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 19,695,235</b>	<b>\$ 18,676,767</b>
<b>Supplemental disclosures of cash flow information:</b>		
Write-off of fully depreciated assets	\$ 187,576	\$ 600,694
Construction-in-progress acquired through accounts payable and accrued expenses	\$ -	\$ 1,182,445

See notes to financial statements

**BEAUMONT RETIREMENT COMMUNITY, INC. AND  
BEAUMONT RETIREMENT SERVICES, INC.**

(a Pennsylvania cooperative housing corporation)

**Notes to Financial Statements  
December 31, 2023 and 2022**

**NOTE A - ORGANIZATION AND BASIS FOR COMBINATION**

**[1] Organization:**

Beaumont Retirement Community, Inc. ("Community" or "Organization") is a Pennsylvania nonprofit corporation established in 1984. Community owns 50 acres of land located at 601 North Ithan Avenue, Bryn Mawr, Pennsylvania, on which 131 residential apartments, 68 villas, a gate house, a 44-bed care facility, an 18-bed personal care facility, and common facilities have been constructed. Residents of Community purchase a membership certificate in the Community. This certificate entitles a resident to occupy a villa or apartment within the facility. Each membership certificate is allocated one vote within the Community.

Each certificate holder enters into a proprietary lease agreement that conveys the right to occupy a certain unit. The lease calls for the payment of a monthly maintenance charge to cover utilities, real estate taxes and insurance. Real estate taxes and insurance are billed to residents based on respective certificate values, and utilities are billed based on a historical analysis of consumption. Community retains excess operating funds, if any, at the end of the operating year for use in future operating periods. Residents are charged monthly for services provided.

Community is accredited by CARF - Continuing Care Accreditation Commission ("CARF-CCAC"). CARF-CCAC is a nationally recognized agency headquartered in Tucson, Arizona. Community participates in the accreditation process voluntarily.

Community has a 99-year Maintenance and Service Agreement that was effective April 1986 and amended in September 1987, with Beaumont Retirement Services, Inc. ("Services"), a not-for-profit organization that exists exclusively to serve the residents and manage the 44-bed care facility and 18-bed personal care facility of Community. These services include billing and collection of monthly maintenance and service charges, management of dietary, housekeeping and laundry costs, and plant operations, and other resident programs. Funds collected by Services, pertinent to Community, are remitted to Community. In addition, Services enters into a Care Agreement with each resident residing in a unit. Pursuant to this Care Agreement, Services provides each resident with a variety of services for which Services bills the residents directly. As a precondition to obtaining status as a tax-exempt organization, Services will take steps to assure the continued occupancy of each resident in the event that such fees cannot be paid.

Services also acts as the custodian for the Capital Fund charges assessed to certificate holders of Community upon the sale of their residential units.

**[2] Basis for combination:**

The accompanying combined financial statements present the activities of Services and Community (collectively, "Beaumont" or the "Organization"). The entities do not meet the criteria for consolidation because of the lack of controlling interest. However, they do meet the criteria for combination because of their common management. All significant intercompany transactions are eliminated in the combination.

**BEAUMONT RETIREMENT COMMUNITY, INC. AND  
BEAUMONT RETIREMENT SERVICES, INC.**

(a Pennsylvania cooperative housing corporation)

**Notes to Financial Statements  
December 31, 2023 and 2022**

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**[1] Basis of presentation:**

The accompanying combined financial statements have been prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

**[2] Financial statement presentation:**

Services reports information regarding its financial position and activities based on the existence or absence of donor-imposed or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*(i) Net assets without donor restrictions:*

Net assets without donor restrictions represent funds available for use in general operations and not subject to donor restrictions. The Board of Directors (the "Board") has established three Board-designated endowment funds, which include the Medical Reserve Fund, Beaumont Fund and Capital Fund.

The Board has designated the Medical Reserve Fund to pay for certain covered medical care costs for residents in the skilled nursing facility, the personal care facility or wellness center outpatient costs, including the first six months of occupancy after Medicare coverage terminates in the skilled nursing facility or the personal care facility. A resident occupying any one of the facilities for a period in excess of six months becomes a permanent resident of the facility. For the years ended December 31, 2023 and 2022, the charge for care was a daily rate of \$235 and \$223 for permanent residents, respectively (see Note O).

The Board has designated the Beaumont Fund to subsidize, to the extent these funds are available, a resident who suffers financial difficulties and to fund employee scholarships, loan forgiveness and continuing education/training, certain capital purchases and Health Center facilities and activities (see Note O).

The Board has designated the Capital Fund to pay for future common property replacement, Services' debt repayments and certain expenses approved by the Board (see Note O).

*(ii) Net assets with donor restrictions:*

Net assets with donor restrictions represent net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both or through appropriation of endowment income or corpus pursuant to an endowment spending rate policy.

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**[3] Cash and cash equivalents:**

The Organization considers all highly liquid investments available for current use with initial maturities of three months or less to be cash equivalents.

Included in the cash and cash equivalents balance is \$1,585,982 and \$2,789,045 of funds designated for the building envelope project as of December 31, 2023 and 2022, respectively (see Note B[10]).

**[4] Investments:**

The Organization reports investments in marketable securities with readily determinable fair values and all investments in debt securities at their quoted market prices at the end of the year. Realized and unrealized gains and losses and dividends and interest income are included in investment income net of investment fees in the combined statements of activities and changes in net assets (deficiencies). Dividend and interest income is recorded as earned.

**[5] Property and equipment and depreciation:**

Property and equipment are stated at cost less accumulated depreciation. The Organization capitalizes items greater than \$5,000, with an estimated life greater than one year. Expenditures for normal maintenance and repairs are charged to expense as incurred. Depreciation is being provided by the straight-line method over the estimated useful lives of the related assets, as follows:

Building and improvements	15 - 39 years
Leasehold improvements	15 years
Land improvements	5 - 15 years
Furniture and equipment	5 - 7 years

During the years ended December 31, 2023 and 2022, Community disposed of \$1,828,027 in assets (\$187,576 fully depreciated) and \$1,037,561 in assets (\$600,694 fully depreciated), respectively. Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes impairment, if any, in the year of determination. Long-lived assets were tested for impairment as of December 31, 2023 and 2022, and in the opinion of management, there was no impairment. It is reasonably possible that relevant conditions could change and necessitate a change in management's estimate of the recoverability of these assets.

**[6] Use of estimates:**

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual amounts could differ from these estimates.

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**[7] Accounts receivable and allowance for credit losses:**

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management determines the allowance for doubtful accounts by regularly evaluating receivables and assessing the status of accounts. The allowance estimate is derived from a review of Services' historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by Services. Services believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the company's portfolio segments have remained constant since Services' inception. The total amount of write-offs was immaterial to the combined financial statements as a whole for the years ending December 31, 2023 and 2022. Based on management's analysis, an allowance for credit losses is deemed to be immaterial as of December 31, 2023.

**[8] PPP loan:**

On March 27, 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). The Paycheck Protection Program ("PPP") established by the CARES Act, implemented by the U.S. Small Business Administration ("SBA"), provided businesses, including certain not-for-profit organizations, with funds to pay payroll and other costs during the coronavirus ("COVID-19") outbreak. Services elected to record the PPP funds as loans under the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 470, Debt. During fiscal year 2020, Services applied for and received PPP funds of \$2,250,000, which was outstanding as of June 30, 2022. During 2023, Services received forgiveness of the PPP loan that was received. The total amount that was fully forgiven by the bank and SBA was \$2,277,616, which included initial proceeds of \$2,250,000 and related accrued interest. Amounts are included on the combined statements of activities as gain on forgiveness of PPP loan.

**[9] Revenue recognition - contributions:**

Funding for Services' activities is achieved partially through contributions, including unconditional promises to give. These donations provide funding to be used to support the mission of Services. As the donors are not receiving a direct benefit as a result of these transactions, the donations are considered to be contributions to Services, and are recorded as revenue at the time the contributions are received or unconditionally promised. Some contributions require that funds be expended for a specific purpose, and are considered to be net assets with donor restrictions.

Services recognizes unconditional contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**[10] Revenue recognition - services:**

*(i) Service charges:*

Each resident of Community enters into a Care Agreement with Services, which is ongoing until the agreement is terminated upon the resident selling their unit. The Care Agreement provides a resident access to meals and other ancillary services continuously over the life of the agreement. The obligation of delivering these services is simultaneously received and consumed by the resident; therefore, revenue is recognized ratably over the course of the year. The fee associated with service charges is based on annual budgets determined by the Boards of Directors of Services and Community. Residents are charged monthly at a fixed rate (determined at the beginning of each year), and payment is expected shortly after the bill is received.

*(ii) Resident billings:*

In addition to service charges, the Care Agreement also calls for the payment of a monthly fee from residents related to the medical reserve. Revenue associated with funding the medical reserve is included in resident billings on the combined statements of activities. The medical reserve funding is used to fund the care facility. The residents receive a direct benefit by having access to the care facility for services outlined in the Care Agreement. Services provided in excess of the Care Agreement are recognized as revenue at a point in time when provided. The performance obligation is to ensure that residents have access to a certain level of care, as outlined in the Care Agreement. As a performance obligation is not tied to a specific medical need, revenue is recognized at the time the medical reserve is funded.

Resident billings also include a monthly fee for residents related to funding for future capital purchases, and other costs associated with the operation and maintenance of the retirement community. Revenue associated with funding future capital purchases is included in resident billings on the combined statements of activities and changes in net assets (deficiencies). Residents receive benefit from these capital projects because they maintain the functionality and value of the facilities that the residents use. The performance obligation is to ensure the Capital Fund has sufficient funding for future unspecified purposes. As a performance obligation is not tied to a specific capital project, revenue is recognized at the time the Capital Fund is funded.

Resident billings are based on annual budgets determined by the Boards of Directors of Services and Community. Residents are charged monthly to fund the medical reserve and capital funds, and payments are expected shortly after the bill is received.

*(iii) Care facility and personal care facility:*

Care facility revenue includes payments from residents for room and board, prescription medication, medical services and other ancillary services in the 44-bed skilled nursing facility. Personal care revenue includes payments from residents for room and board, prescription medication, medical services and other ancillary services in the 18-bed personal care facility. Care and personal care facility revenue is recognized at a point in time when the resident uses these facilities, as that is the point when the performance obligation transfers to the residents. The amount recognized is the amount that reflects the consideration expected to be received in exchange for providing services for care and personal care facility residents. The care and personal care facility fees are based on predetermined daily rates and the number of days residents use of these facilities, as set by Services, and are due from residents as part of monthly billings. Fees for the use of these facilities are billed monthly with payment expected shortly after the bill is received.

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**[10] Revenue recognition - services: (continued)**

*(iv) Admission fees:*

A one-time nonrefundable health admission fee is charged to new residents age 76 and older. The fee is based on the resident's age. Residents who are not eligible to receive services under the Care Agreement are not charged this fee. For new residents aged 85 and older, the fee is capped at \$25,000 in 2023 and will be capped at \$26,500 in 2024. As admission fees do not represent the transfer of services to residents, revenue is recognized at the time the resident moves in.

*(v) Building envelope assessment:*

An independent study to assess the condition of the building envelope was completed in 2019. The results indicated that a campus-wide replacement of the building envelope was required. The total estimated cost of the project was approximately \$24 million. The project was funded by the residents of Beaumont Retirement Community. In November 2020, Services entered into a contract with each resident of Beaumont Retirement Community. Each resident opted either to pay their entire share upfront or to pay their share incrementally over a period of 120 months. The building envelope project began in April 2021 and proceeds received will be recognized as revenue as the recladding of individual buildings is completed in accordance with the performance obligation set by the contracts with residents. The performance obligations associated with the contracts were satisfied during the year ended December 31, 2023 and revenue of \$23,134,936 was recognized, which is included on the combined statement of activities. As of December 31, 2023 and 2022, receivables related to the building envelope project was \$1,870,957, and \$-0-, respectively, and represent future payments from residents that opted for the incremental payments over 120 months.

Collections from the residents in advance of performance obligations being met as of December 31, 2023 and 2022 totaled \$36,389 and \$20,693,505, respectively, and are included in building envelope deferred revenue on the combined statements of financial position.

*(vi) Other:*

Other revenue includes guest meals and beverages, guest suites, use of the fitness room, and other services incurred by the residents or their guests for services provided to them by Services. Other revenue is recognized at a point in time when the resident uses these services, as that is the point when the performance obligation transfers control of the goods or services to the residents. The amount recognized is the amount that reflects the consideration expected to be received in exchange for providing these services. Residents are charged monthly for the services provided.

Service charges, resident billings, care facility and personal care facility, admission fees, and other charges received in advance of the period to which they relate are deferred as a contract liability.

*(vii) Maintenance charges:*

Community pays for utilities, real estate taxes, insurance and general maintenance on behalf of its residents. Residents are considered to realize the benefit of these amounts paid on their behalf evenly on a daily basis. Community considers this service as one performance obligation. The residents are charged a fixed monthly fee based on annual budgets determined by the Boards of Directors of Services and Community. Since the residents consume the benefit throughout the course of the year, revenue is recognized ratably over the year. Residents are billed monthly, and payment is expected shortly after the bill is received.



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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**[11] Transfer of fund balances:**

Transfer of fund amounts represent allocations within the different categories of net assets without donor restrictions, including Board-designated funds, as well as net assets with donor restrictions.

**[12] Functional allocation of expenses:**

Directly identifiable expenses are charged to program services, resident care, and administrative and general. Salaries, benefits, and payroll taxes are charged to the different functions based on the employees' actual functions performed. Expenses related to more than one function are allocated among the program services, resident care, and administrative and general benefited. Insurance, professional development, purchased services, supplies, and other expenses are allocated to program and supporting services based on direct expenses incurred by each function.

**[13] Income taxes:**

The Internal Revenue Service has classified Services as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("Code"), as an organization, contributions to which are deductible under Section 170(c) of the Code, and as an organization that is not a private foundation as defined in Section 509(a) of the Code. Therefore, no provision for income taxes has been included in these financial statements. Management has evaluated the tax positions taken by Services, and has concluded that as of December 31, 2023 and 2022, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

Community is subject to federal income taxes and exempt from Pennsylvania state income taxes due to its status as a Cooperative Housing Corporation. As of December 31, 2023, Community had available net operating loss ("NOL") carryforwards of approximately \$38,000,000 for federal tax reporting purposes which are available to offset future federal taxable income, if any, through 2040. Under the current structure for Community and Services, Community is not expecting to be able to utilize its NOL carryforwards and, therefore, approximately \$8,190,000 and \$7,980,000 of deferred tax assets as of December 31, 2023 and 2022, respectively, are fully offset by a valuation allowance.

**[14] Recently adopted accounting guidance:**

**Allowance for Credit Losses**

Effective January 1, 2023, Services adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016- 13, Financial Instruments – Credit Losses (Topic 326) – Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"), as amended. ASU 2016-13 replaces the "incurred loss" credit losses framework with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology which requires management's measurement of the allowance for credit losses to be based on a broader range of reasonable and supportable information for lifetime credit loss estimates. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized costs.

The Organization adopted ASU 2016-13 using the modified retrospective method for all financial assets measured as amortized cost which consisted of accounts receivable. Results for the year ended December 31, 2022 continue to be reported in accordance with previously applicable U.S. GAAP. The adoption and application of the standard had no material effect on these combined financial statements and primarily resulted in enhanced disclosures only.

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**[15] Reclassification:**

Certain amounts in the 2022 financial statements have been reclassified to conform with the current year presentation.

**NOTE C - LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the combined statements of financial position date, comprise the following as of December 31, 2023 and 2022:

	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
Financial assets:		
Cash and cash equivalents	<b>\$ 19,695,235</b>	\$ 18,676,767
Care facility receivable	<b>319,733</b>	288,253
Building envelope	<b>1,870,957</b>	-
Service charges and other accounts receivable	<b>104,877</b>	259,355
Investments	<b>8,923,692</b>	7,419,594
Total financial assets	<b>30,914,494</b>	26,643,969
Less: amounts not available to be used within one year:		
Net assets with donor restrictions subject to expenditures for specified purpose	<b>(1,131,211)</b>	(1,280,394)
Net assets with donor restrictions subject to Services' spending policy and appropriation	<b>(745,740)</b>	(677,725)
Board-designated for Medical Reserve Fund	<b>(6,587,735)</b>	(5,668,027)
Board-designated for Beaumont Fund	<b>(1,458,625)</b>	(1,176,328)
Board-designated for Capital Fund	<b>(8,526,288)</b>	(8,027,246)
Designated for building envelope project	<b>(1,585,982)</b>	(2,789,045)
Designated for tax-deferred benefit plan	<b>(441,968)</b>	(388,449)
Add: Board-designated funds from Capital Fund designated for expenditure in 2024 and 2023, respectively	<b>7,814,847</b>	5,011,495
	<b>(12,662,702)</b>	(14,995,719)
	<b>\$ 18,251,792</b>	\$ 11,648,250

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**NOTE C - LIQUIDITY AND AVAILABILITY (CONTINUED)**

The Organization's total investments consist of operating investments, donor-restricted endowments and funds designated by the Board as endowments. Income from donor-restricted endowments is restricted for specific purposes. Donor-restricted endowment funds were \$501,359 and \$500,358 for each of the years ended December 31, 2023 and 2022, respectively, and the income thereon, is not available for general expenditure.

As part of the 2023 and 2022 capital budget process, the Community's Board of Directors designated funds for expenditure in 2024 and 2023 from the Capital Fund.

As part of the Organization's liquidity management plan, the Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Financial assets in excess of daily cash requirements are invested in certificates of deposit, money market funds and other short-term investments.

**NOTE D - INVESTMENTS**

The following is a summary of investments at fair value as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Stock mutual funds	\$ 6,710,124	\$ 5,523,565
Bond mutual funds	<u>2,213,568</u>	<u>1,896,029</u>
	<u>\$ 8,923,692</u>	<u>\$ 7,419,594</u>

**NOTE E - FAIR VALUE MEASUREMENTS**

In determining fair value, the Organization uses various valuation approaches. The Organization uses a hierarchy that prioritizes the inputs of valuation techniques used to measure fair value and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to unobservable inputs (Level 3 measurements). The level of the fair value hierarchy that is relevant to the Organization is described below:

Level 1 - Values are based on unadjusted quoted prices in active markets for identical assets or liabilities.

Services uses quoted market prices to determine the fair value of investment securities. Services had no level 2 or 3 investments as of December 31, 2023 or 2022.

The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying assets and liabilities.

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**NOTE F - CONCENTRATIONS OF CREDIT AND MARKET RISK**

The Organization maintains cash-in-bank deposit accounts which, at times, may exceed the \$250,000 federally insured limit. The Organization has not experienced any losses in such accounts. Some of the Organization's cash is held in an Insured Cash Sweep account with a local financial institution. The cash is placed in accounts at other network banks in amounts below the standard federal insurance limit of \$250,000, making the funds eligible for protection. All funds in this sweep account can be 100% FDIC insured up to \$150 million. Excess cash is also invested in several money market mutual funds. The respective mutual fund companies do not insure these accounts against losses. However, the individual investments within the fund portfolios are either insured by a government agency or rated highly by Standard and Poor's. As of December 31, 2023, Services' uninsured balances approximated \$13,085,000 and Community's uninsured balances approximated \$564,000. Management believes that the Organization is not exposed to any significant credit risk in its cash or cash equivalent investments.

The Organization invests in various investment securities that are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect account balances and the amounts reported in the combined statements of financial position. The Board has implemented investment guidelines intended to mitigate the investments' risk (see Note D for investment information).

**NOTE G - PROPERTY AND EQUIPMENT**

Property and equipment as of December 31, 2023 and 2022 are as follows:

	<b>2023</b>	<b>2022</b>
Land	<b>\$ 3,600,260</b>	\$ 3,600,260
Land improvements	<b>4,121,536</b>	2,789,635
Buildings and improvements	<b>75,725,443</b>	51,946,253
Leasehold improvements	<b>6,180,048</b>	6,180,048
Furniture and equipment	<b>12,476,830</b>	11,934,987
	<b>102,104,117</b>	76,451,183
Less: accumulated depreciation	<b>58,943,719</b>	57,907,613
Net property and equipment	<b>\$ 43,160,398</b>	\$ 18,543,570

Depreciation was \$1,961,223 and \$1,804,461 for the years ended December 31, 2023 and 2022, respectively.

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**NOTE H - CONSTRUCTION-IN-PROGRESS**

Construction-in-progress as of December 31, 2023 and 2022 consists of renovations and improvements that will be placed into service in subsequent years. For the years ended December 31, 2023 and 2022, \$2,265,690 and \$1,854,283, respectively, of construction-in-progress costs related to the grounds, common areas and Health Center were placed in service and transferred to Community. For the years ended December 31, 2023 and 2022, \$24,308,700 and \$-0-, respectively, of construction-in-progress costs related to the building envelope project were placed in service and transferred to Community. Construction-in-progress as of December 31, 2023 and 2022 was \$212,419 and \$20,258,917, respectively. As of December 31, 2023 and 2022, \$-0- and \$19,962,653 of the construction-in-progress balance was related to the building envelope project, respectively.

**NOTE I - REFUNDABLE DEPOSITS**

Community maintains a waiting list of applicants seeking acceptance as qualified residents of the retirement community. A refundable \$1,500 noninterest-bearing deposit is required at the time an application is received. At any time, an applicant can request a refund of the deposit. As of December 31, 2023 and 2022, 402 and 422 applicants, respectively, were on the waiting list. These refundable deposits are reflected as a liability on the combined statements of financial position.

**NOTE J - NET ASSETS AND CERTIFICATE HOLDERS' EQUITY**

Community's certificate holders' equity consists of the following:

**[1] Paid-in capital:**

Paid-in capital represents the total amount paid for share certificates by the original purchasers of the 131 residential apartments, gate house and 68 villas. All subsequent unit sales take place directly between buyer and seller.

**[2] Capital assessments:**

Residents selling their units in Community ("certificate holders") are charged an assessment by Services which is allocated to the Capital Fund held by Services for the benefit of Community (see Note K). This fund is used for additions to and replacements of the common property components of the retirement community and for payment of long-term debt. For the years ended December 31, 2023 and 2022, Community's total capital additions of \$26,574,393 and \$1,851,283, respectively, were funded through these assessments and a special assessment for the building envelope project. The balance of the capital assessments account includes the total amount of improvements paid through Services' Capital Fund that was transferred to Community.

Total net assets and certificate holders' equity as of December 31, 2023 and 2022 consists of the following:

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**NOTE J - NET ASSETS AND CERTIFICATE HOLDERS' EQUITY (CONTINUED)**

	<u>2023</u>	<u>2022</u>
Community:		
Paid-in capital	\$ 42,926,311	\$42,926,311
Capital assessments	<u>62,148,236</u>	<u>35,573,843</u>
	105,074,547	78,500,154
Accumulated deficit	<u>(61,867,655)</u>	<u>(59,415,996)</u>
	43,206,892	19,084,158
Services - total net assets	<u>23,846,608</u>	<u>20,031,152</u>
	<u>\$ 67,053,500</u>	<u>\$ 39,115,310</u>

**NOTE K - FUTURE MAJOR REPAIRS AND REPLACEMENTS**

Periodically, Community engages an independent engineer to conduct a study to estimate the remaining useful lives and replacement costs of the facility's common property components. These reports do not include items which are the certificate holders' responsibility. Community uses these reports to budget major repairs and replacements. A capital study was completed by an independent engineering firm in 2016 which reviewed the Organization's Capital Fund requirements for the next 20 years. The study estimated the useful lives and the replacement costs of the components of common property including exterior building improvements, interior building improvements for the common areas, certain land improvements, furniture, equipment, and HVAC and mechanical systems. Replacement costs were based on the estimated costs to replace the property at the end of their useful lives assuming an annual inflation rate of 3%. In 2023, the independent engineer conducted a review of the capital projection limited in scope to major equipment replacements. Based on this study, Community expects routine capital additions of approximately \$19 million by 2026 and to aggregate approximately \$48 million by 2033. Additionally, an independent study to assess the condition of the building envelope was completed in 2019. The results indicated that a campus-wide replacement of the building envelope was required. The project began in April 2021 and was completed in November 2023 at a cost of \$24,308,697. The building envelope replacement project was fully funded by the residents of the Community. Services holds \$-0- and \$20,693,505 reserved for the building envelope project paid by the residents as of December 31, 2023 and 2022, respectively. Community will conduct its next comprehensive study in 2025.

Capital projects and replacements are primarily funded by an assessment on the selling price of share certificates transferred during the year and by monthly capital assessments of \$350 on each of the 200 units. The capital assessment amounts are collected by Services as the agent of Community, and held in Services' Capital Fund until capital expenditures are made. It is possible that periodic loans may be needed from time to time to supplement Community's capital funding resources. Additionally, the \$350 monthly assessment may be increased or decreased in the future. Capital assessments collected by Services in the Capital Fund were \$3,622,762 and \$2,327,756 for the years ended December 31, 2023 and 2022, respectively. Actual expenditures from the Capital Fund will vary from those estimated by the independent engineer and the variations may be material.

As of December 31, 2023 and 2022, Services held balances of \$8,526,288 and \$8,027,246, respectively, for future common property replacement, Services' future debt repayments and certain future expenses to be approved by Community's board.

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**NOTE L - BENEFIT PLAN**

Services has a 403(b) retirement savings plan covering eligible employees. Under the plan, Services contributes 5% of a participant's salary subject to limits prescribed by the Code. Employees are fully vested after three full years of participation. All benefits are fully funded on a current basis. For the years ended December 31, 2023 and 2022, Services' contribution was \$421,020 and \$400,686, respectively.

Several Services' employees participate in a tax-deferred plan qualified under Section 457(b) of the Code. The plan is available to a select group of management employees, and is funded by employee and employer contributions. The assets of the plan are the legal assets of Services until they are distributed to the participants, and, therefore, the plan assets and a corresponding liability of \$441,968 and \$388,449 as of December 31, 2023 and 2022, respectively, are reported as accounts payable and accrued expenses in the combined statements of financial position. For the years ended December 31, 2023 and 2022, Services' contribution was \$27,700 and \$38,671, respectively.

**NOTE M - LINE-OF-CREDIT**

In March 2021, Services entered into a commercial non-revolving loan with a local bank, to help finance the building envelope project. The bank agreed to advance Services a maximum principal balance of \$5,000,000. Interest shall accrue at a rate of 3.125% per annum on the outstanding principal balance. Outstanding principal and interest will be repaid in equal payments of \$59,031 through maturity on March 2031. The loan is secured by the proceeds Services collects from the residents related to the envelope project. The outstanding balance on the loan as of December 31, 2023 and 2022 was \$4,583,691 and \$-0-, respectively.

Scheduled maturities of notes payable as of December 30, 2023 are as follows:

<b><u>Year Ending December 31,</u></b>	
2024	\$ 571,008
2025	589,763
2026	608,724
2027	628,293
2028	648,306
Thereafter	<u>1,537,597</u>
	<u><u>\$4,583,691</u></u>

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**NOTE N - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
<b>Subject to expenditures for specified purpose:</b>		
Employee scholarship, loan forgiveness and education	\$ 153,746	\$ 220,539
Capital projects	590,026	590,026
Resident programs	57,656	73,031
Health center	201,510	290,627
Other	128,273	106,171
	<u>1,131,211</u>	<u>1,280,394</u>
<b>Endowments:</b>		
<b>Subject to appropriation and expenditure when a specified event occurs:</b>		
Employee scholarship, loan forgiveness and education	198,180	145,099
Other	46,201	32,268
	<u>244,381</u>	<u>177,367</u>
<b>Perpetual in nature, earnings from which are subject to endowment spending policy and appropriation:</b>		
Employee scholarship, loan forgiveness and education	421,073	420,072
Other	80,286	80,286
	<u>501,359</u>	<u>500,358</u>
<b>Total endowments</b>	<u>745,740</u>	<u>677,725</u>
	<u><u>\$ 1,876,951</u></u>	<u><u>\$ 1,958,119</u></u>



**BEAUMONT RETIREMENT COMMUNITY, INC. AND  
BEAUMONT RETIREMENT SERVICES, INC.**

(a Pennsylvania cooperative housing corporation)

**Notes to Financial Statements  
December 31, 2023 and 2022**

**NOTE N - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by the donors as follows for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
<b>Satisfaction of purpose restrictions:</b>		
Employee scholarship, loan forgiveness and education	\$ 106,632	\$ 52,520
Capital projects released when asset is placed in service	-	16
Resident programs	1,936	8,931
Health center	94,804	22,302
Other	<u>39,862</u>	<u>121,873</u>
	243,234	205,642
 <b>Restricted purpose spending-rate distributions and appropriations:</b>		
Employee scholarship, loan forgiveness, education and transfer of fund balance	<u>26,789</u>	<u>35,429</u>
	<u>\$ 270,023</u>	<u>\$ 241,071</u>

**NOTE O - BOARD-DESIGNATED AND DONOR-RESTRICTED ENDOWMENT FUND**

Services has a Board-designated endowment consisting of three basic funds: Beaumont Fund, Capital Fund and Medical Reserve Fund, as shown in the combined statements of activities and changes in net assets (deficiencies). Services also has donor-restricted endowment funds which are included in net assets with donor restrictions.

The Board has interpreted the Pennsylvania regulations regarding endowment funds under Commonwealth of Pennsylvania Act No. 141 ("Act 141"). Under Act 141, Services can spend a percentage of the total value from the endowments up to a maximum of 7%. Services has elected a 5% Total Return Policy under Act 141. In accordance with Act 141, Services classifies as investments in perpetuity: (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the endowment. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in accordance with Act 141. Services has adopted investment and spending policies for endowment assets that attempt to: (1) preserve corpus of donor-designated gifts; (2) sustain programs established from donor-designated gifts; (3) provide annual cash flow sufficient to pay for the medical care of Community residents; and (4) provide funds for future capital improvements and replacements. The Finance Committee sets policies for all investments and meets at least annually with one investment advisor managing the funds to discuss current trends and to review the investment policy. The investment policy is approved by the Board.

**BEAUMONT RETIREMENT COMMUNITY, INC. AND  
BEAUMONT RETIREMENT SERVICES, INC.**

(a Pennsylvania cooperative housing corporation)

**Notes to Financial Statements  
December 31, 2023 and 2022**

**NOTE O - BOARD-DESIGNATED AND DONOR-RESTRICTED ENDOWMENT FUND (CONTINUED)**

From time to time, the fair value of assets associated with donor-designated endowment funds may fall below the original gift (underwater endowments). Such deficiencies are recorded as net assets with donor restriction. In the event that an endowment fund is underwater, all income in excess of the approved appropriation will be reinvested into the endowment fund until the market value of the endowment fund has recovered. As of December 31, 2023 and 2022, there were no funds with deficiencies.

Endowment funds as of December 31, 2023 and 2022 comprise the following:

	<b>2023</b>		
	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>Total</b>
Board-designated endowment funds	<b>\$ 16,572,648</b>	<b>\$ -</b>	<b>\$ 16,572,648</b>
Donor-restricted endowment funds:			
Original donor-restricted gift amount	-	<b>501,359</b>	<b>501,359</b>
Accumulated investment gains	-	<b>244,381</b>	<b>244,381</b>
	<b>\$ 16,572,648</b>	<b>\$ 745,740</b>	<b>\$ 17,318,388</b>
	<b>2022</b>		
	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>Total</b>
Board-designated endowment funds	<b>\$ 14,871,601</b>	<b>\$ -</b>	<b>\$ 14,871,601</b>
Donor-restricted endowment funds:			
Original donor-restricted gift amount	-	<b>500,358</b>	<b>500,358</b>
Accumulated investment gains	-	<b>177,367</b>	<b>177,367</b>
	<b>\$ 14,871,601</b>	<b>\$ 677,725</b>	<b>\$ 15,549,326</b>

**BEAUMONT RETIREMENT COMMUNITY, INC. AND  
BEAUMONT RETIREMENT SERVICES, INC.**

(a Pennsylvania cooperative housing corporation)

**Notes to Financial Statements  
December 31, 2023 and 2022**

**NOTE O - BOARD-DESIGNATED AND DONOR-RESTRICTED ENDOWMENT FUND (CONTINUED)**

Services' endowment had the following activity for the years ended December 31, 2023 and 2022:

	2023						
	Net Assets Without Donor Restrictions			Net Assets With Donor Restrictions			
	Medical Reserve Fund	Beaumont Fund	Capital Fund	Subject to Appropriation	Perpetual in Nature	Subtotal	Total
Endowment net assets at beginning of year	\$ 5,668,027	\$ 1,176,328	\$ 8,027,246	\$ 177,367	\$ 500,358	\$ 677,725	\$ 15,549,326
Investment return, net	1,013,855	164,781	502,110	93,803	-	93,803	1,774,549
Contributions and other additions	3,396,663	59,543	26,757,698	-	1,001	1,001	30,214,905
Transfer of fund balance	-	(458)	-	-	-	-	(458)
Transfer of fund balance from operations	-	250,000	-	-	-	-	250,000
Distribution from Board-designation endowment pursuant to distribution policy	(3,490,810)	(191,569)	(26,760,766)	-	-	-	(30,443,145)
Appropriation of endowment assets pursuant to spending-rate policy	-	-	-	(26,789)	-	(26,789)	(26,789)
Change in net assets	919,708	282,297	499,042	67,014	1,001	68,015	1,769,062
Endowment net assets at end of year	\$ 6,587,735	\$ 1,458,625	\$ 8,526,288	\$ 244,381	\$ 501,359	\$ 745,740	\$ 17,318,388

	2022						
	Net Assets Without Donor Restrictions			Net Assets With Donor Restrictions			
	Medical Reserve Fund	Beaumont Fund	Capital Fund	Subject to Appropriation	Perpetual in Nature	Subtotal	Total
Endowment net assets at beginning of year	\$ 7,316,124	\$ 264,815	\$ 6,919,939	\$ 295,746	\$ 500,358	\$ 796,104	\$ 15,296,982
Investment return (loss), net	(1,113,265)	(38,382)	123,834	(88,234)	-	(88,234)	(1,116,047)
Contributions and other additions	3,116,045	123,345	2,327,756	-	-	-	5,567,146
Transfer of fund balance	(510,000)	-	510,000	-	-	-	-
Transfer of fund balance	-	(40,449)	-	5,283	-	5,283	(35,166)
Transfer of fund balance from operations	-	897,000	-	-	-	-	897,000
Distribution from Board-designation endowment pursuant to distribution policy	(3,140,877)	(30,001)	(1,854,283)	-	-	-	(5,025,161)
Appropriation of endowment assets pursuant to spending-rate policy	-	-	-	(35,428)	-	(35,428)	(35,428)
Change in net assets	(1,648,097)	911,513	1,107,307	(118,379)	-	(118,379)	252,344
Endowment net assets at end of year	\$ 5,668,027	\$ 1,176,328	\$ 8,027,246	\$ 177,367	\$ 500,358	\$ 677,725	\$ 15,549,326

**NOTE P - SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through April 25, 2024, which is the date the combined financial statements were available to be issued.

## **COMBINING SUPPLEMENTARY INFORMATION**

**INDEPENDENT AUDITORS' REPORT ON COMBINING SUPPLEMENTARY INFORMATION**

To the Board of Directors of  
Beaumont Retirement Community, Inc. and Beaumont Retirement Services, Inc.

We have audited the financial statements of Beaumont Retirement Community, Inc. and Beaumont Retirement Services, Inc. as of and for the years ended December 31, 2023 and 2022, and our report thereon dated April 25, 2024, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The combining supplementary information is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.



EISNERAMPER LLP  
Philadelphia, Pennsylvania  
April 25, 2024

**BEAUMONT RETIREMENT COMMUNITY, INC. AND  
BEAUMONT RETIREMENT SERVICES, INC.**  
(a Pennsylvania cooperative housing corporation)

**Combining Schedule of Financial Position  
December 31, 2023**

	<b>Beaumont Retirement Community, Inc.</b>	<b>Beaumont Retirement Services, Inc.</b>	<b>Eliminations</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,330,063	\$ 18,365,172	\$ -	\$ 19,695,235
Accounts receivable:				
Care facility	-	319,733	-	319,733
Building envelope	-	1,870,957	-	1,870,957
Service charges and other accounts receivable	-	104,877	-	104,877
Investments	593,812	8,329,880	-	8,923,692
Due from Beaumont Retirement Services, Inc.	-	7,298	(7,298)	-
Property and equipment, net	41,515,080	1,645,318	-	43,160,398
Construction-in-progress	-	212,419	-	212,419
Prepaid expenses and other assets	584,272	669,812	-	1,254,084
	<u>\$ 44,023,227</u>	<u>\$ 31,525,466</u>	<u>\$ (7,298)</u>	<u>\$ 75,541,395</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 206,037	\$ 1,944,604	\$ -	\$ 2,150,641
Accrued payroll and benefits	-	1,114,174	-	1,114,174
Borrowings from line-of-credit	-	4,583,691	-	4,583,691
Due to Beaumont Retirement Community, Inc.	7,298	-	(7,298)	-
Refundable deposits	603,000	-	-	603,000
Paycheck Protection Program ("PPP") loan	-	-	-	-
Building envelope deferred revenue	-	36,389	-	36,389
	<u>816,335</u>	<u>7,678,858</u>	<u>(7,298)</u>	<u>8,487,895</u>
<b>NET ASSETS</b>				
Net assets - without donor restrictions:				
Certificate holders' equity	105,074,547	-	-	105,074,547
Board-designated for Medical Reserve Fund	-	6,587,735	-	6,587,735
Board-designated for Beaumont Fund	-	1,458,625	-	1,458,625
Board-designated for Capital Fund	-	8,526,288	-	8,526,288
Undesignated	(61,867,655)	5,397,009	-	(56,470,646)
	<u>43,206,892</u>	<u>21,969,657</u>	<u>-</u>	<u>65,176,549</u>
Net assets - with donor restrictions	-	1,876,951	-	1,876,951
	<u>43,206,892</u>	<u>23,846,608</u>	<u>-</u>	<u>67,053,500</u>
	<u>\$ 44,023,227</u>	<u>\$ 31,525,466</u>	<u>\$ (7,298)</u>	<u>\$ 75,541,395</u>

See independent auditors' report on combining supplementary information

**BEAUMONT RETIREMENT COMMUNITY, INC. AND  
BEAUMONT RETIREMENT SERVICES, INC.**  
(a Pennsylvania cooperative housing corporation)

**Combining Schedule of Financial Position  
December 31, 2022**

	<b>Beaumont Retirement Community, Inc.</b>	<b>Beaumont Retirement Services, Inc.</b>	<b>Eliminations</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,109,951	\$ 16,566,816	\$ -	\$ 18,676,767
Accounts receivable:				
Care facility	-	288,253	-	288,253
Service charges and other accounts receivable	-	259,355	-	259,355
Investments	534,966	6,884,628	-	7,419,594
Due from Beaumont Retirement Services, Inc.	-	17,691	(17,691)	-
Property and equipment, net	16,597,095	1,946,475	-	18,543,570
Construction-in-progress	-	20,258,917	-	20,258,917
Prepaid expenses and other assets	573,024	598,408	-	1,171,432
	<u>\$ 19,815,036</u>	<u>\$ 46,820,543</u>	<u>\$ (17,691)</u>	<u>\$ 66,617,888</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 80,187	\$ 2,710,063	\$ -	\$ 2,790,250
Accrued payroll and benefits	-	1,135,823	-	1,135,823
Due to Beaumont Retirement Community, Inc.	633,000	-	-	633,000
Refundable deposits	17,691	-	(17,691)	-
Paycheck Protection Program ("PPP") loan	-	2,250,000	-	2,250,000
Building envelope deferred revenue	-	20,693,505	-	20,693,505
	<u>730,878</u>	<u>26,789,391</u>	<u>(17,691)</u>	<u>27,502,578</u>
<b>NET ASSETS</b>				
Net assets - without donor restrictions:				
Certificate holders' equity	78,500,154	-	-	78,500,154
Board-designated for Medical Reserve Fund	-	5,668,027	-	5,668,027
Board-designated for Beaumont Fund	-	1,176,328	-	1,176,328
Board-designated for Capital Fund	-	8,027,246	-	8,027,246
Undesignated	(59,415,996)	3,201,432	-	(56,214,564)
	<u>19,084,158</u>	<u>18,073,033</u>	<u>-</u>	<u>37,157,191</u>
Net assets - with donor restrictions	-	1,958,119	-	1,958,119
	<u>19,084,158</u>	<u>20,031,152</u>	<u>-</u>	<u>39,115,310</u>
	<u>\$ 19,815,036</u>	<u>\$ 46,820,543</u>	<u>\$ (17,691)</u>	<u>\$ 66,617,888</u>

See independent auditors' report on combining supplementary information

**BEAUMONT RETIREMENT COMMUNITY, INC. AND  
BEAUMONT RETIREMENT SERVICES, INC.**  
(a Pennsylvania cooperative housing corporation)

**Combining Schedule of Activities and Changes in Net Assets (Deficiencies)  
Year Ended December 31, 2023**

	Beaumont Retirement Community, Inc.									
	Beaumont Retirement Services, Inc.									
	Net Assets Without Donor Restrictions					Net Assets With Donor Restrictions				
	Undesignated	Undesignated	Medical Reserve Fund	Beaumont Fund	Capital Fund	Total	Restrictions	Total	Eliminations	Total
Revenues and gains:										
Service and maintenance charges	\$ 2,143,703	\$ 13,085,347	\$ -	\$ -	\$ -	\$ 13,085,347	\$ -	\$ 13,085,347	\$ -	\$ 15,229,050
Resident billings	-	-	2,749,713	-	3,622,762	6,372,475	-	6,372,475	-	6,372,475
Care facility:										
Private	-	3,420,236	-	-	-	3,420,236	-	3,420,236	-	3,420,236
Medicare	-	627,433	-	-	-	627,433	-	627,433	-	627,433
Medical reserve	-	3,219,326	(3,219,326)	-	-	-	-	-	-	-
Personal care facility:										
Private	-	923,319	-	-	-	923,319	-	923,319	-	923,319
Medical reserve	-	271,484	(271,484)	-	-	-	-	-	-	-
	<u>2,143,703</u>	<u>21,547,145</u>	<u>(741,097)</u>	<u>-</u>	<u>3,622,762</u>	<u>24,428,810</u>	<u>-</u>	<u>24,428,810</u>	<u>-</u>	<u>26,572,513</u>
Admission fees	-	-	646,950	-	-	646,950	-	646,950	-	646,950
Contributions	-	-	-	59,543	-	59,543	83,691	143,234	-	143,234
Investment income	106,343	58,353	1,013,855	164,781	502,110	1,739,099	113,006	1,852,105	-	1,958,448
Building envelope assessment	-	-	-	-	23,134,936	23,134,936	-	23,134,936	-	23,134,936
Other	40,289	490,625	-	-	-	490,625	-	490,625	-	530,914
Net assets released from restrictions	-	270,023	-	-	-	270,023	(270,023)	-	-	-
	<u>146,632</u>	<u>819,001</u>	<u>1,660,805</u>	<u>224,324</u>	<u>23,637,046</u>	<u>26,341,176</u>	<u>(73,326)</u>	<u>26,267,850</u>	<u>-</u>	<u>26,414,482</u>
	<u>2,290,335</u>	<u>22,366,146</u>	<u>919,708</u>	<u>224,324</u>	<u>27,259,808</u>	<u>50,769,986</u>	<u>(73,326)</u>	<u>50,696,660</u>	<u>-</u>	<u>52,986,995</u>
Expenses:										
Program services, resident care	-	18,494,550	-	-	-	18,494,550	-	18,494,550	-	18,494,550
Administrative and general	-	3,574,731	-	-	-	3,574,731	-	3,574,731	-	3,574,731
Administrative and general, Beaumont Retirement Community, Inc.	<u>2,179,017</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,179,017</u>
	<u>2,179,017</u>	<u>3,574,731</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,574,731</u>	<u>-</u>	<u>3,574,731</u>	<u>-</u>	<u>5,753,748</u>
	<u>2,179,017</u>	<u>22,069,281</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,069,281</u>	<u>-</u>	<u>22,069,281</u>	<u>-</u>	<u>24,248,298</u>
Change in net assets before depreciation, loss on disposals of assets, gain on forgiveness of PPP loan and Capital Fund purchases	111,318	296,865	919,708	224,324	27,259,808	28,700,705	(73,326)	28,627,379	-	28,738,697
Depreciation	(1,660,066)	(301,157)	-	-	-	(301,157)	-	(301,157)	-	(1,961,223)
Loss on disposal of assets	(902,911)	-	-	-	-	-	-	-	-	(902,911)
Interest expense	-	(27,616)	-	-	(134,936)	(162,552)	-	(162,552)	-	(162,552)
Gain on forgiveness of PPP loan	-	2,277,616	-	-	-	2,277,616	-	2,277,616	-	2,277,616
Capital Fund purchases	-	-	-	-	(26,625,830)	(26,625,830)	-	(26,625,830)	-	(26,625,830)
Change in net assets	<u>\$ (2,451,659)</u>	<u>\$ 2,245,708</u>	<u>\$ 919,708</u>	<u>\$ 224,324</u>	<u>\$ 499,042</u>	<u>\$ 3,888,782</u>	<u>\$ (73,326)</u>	<u>\$ 3,815,456</u>	<u>\$ -</u>	<u>\$ 1,363,797</u>

See independent auditors' report on combining supplementary information



**BEAUMONT RETIREMENT COMMUNITY, INC. AND  
BEAUMONT RETIREMENT SERVICES, INC.**  
(a Pennsylvania cooperative housing corporation)

**Combining Schedule of Activities and Changes in Net Assets (Deficiencies)  
Year Ended December 31, 2022**

	Beaumont Retirement Community, Inc.		Beaumont Retirement Services, Inc.							
	Net Assets Without Donor Restrictions						Net Assets With Donor Restrictions			
	Undesignated	Undesignated	Medical Reserve Fund	Beaumont Fund	Capital Fund	Total		Total	Eliminations	Total
Revenues and gains:										
Service and maintenance charges	\$ 2,051,520	\$ 12,312,200	\$ -	\$ -	\$ -	\$ 12,312,200	\$ -	\$ 12,312,200	\$ -	\$ 14,363,720
Resident billings	-	-	2,765,388	-	2,327,756	5,093,144	-	5,093,144	-	5,093,144
Care facility:										
Private	-	3,341,041	-	-	-	3,341,041	-	3,341,041	-	3,341,041
Medicare	-	500,566	-	-	-	500,566	-	500,566	-	500,566
Medical reserve	-	2,921,034	(2,921,034)	-	-	-	-	-	-	-
Personal care facility:										
Private	-	805,770	-	-	-	805,770	-	805,770	-	805,770
Medical reserve	-	219,843	(219,843)	-	-	-	-	-	-	-
	2,051,520	20,100,454	(375,489)	-	2,327,756	22,052,721	-	22,052,721	-	24,104,241
Admission fees	-	-	350,657	-	-	350,657	-	350,657	-	350,657
Contributions	-	-	-	123,345	-	123,345	650,090	773,435	-	773,435
Investment income (loss)	(79,116)	(70,286)	(1,113,265)	(38,382)	123,834	(1,098,099)	(112,127)	(1,210,226)	-	(1,289,342)
Other	38,954	410,680	-	-	-	410,680	-	410,680	-	449,634
Net assets released from restrictions	-	241,071	-	-	-	241,071	(241,071)	-	-	-
	(40,162)	581,465	(762,608)	84,963	123,834	27,654	296,892	324,546	-	284,384
	2,011,358	20,681,919	(1,138,097)	84,963	2,451,590	22,080,375	296,892	22,377,267	-	24,388,625
Expenses:										
Program services, resident care	-	17,091,989	-	-	-	17,091,989	-	17,091,989	-	17,091,989
Administrative and general	-	3,159,870	-	-	-	3,159,870	-	3,159,870	-	3,159,870
Administrative and general, Beaumont Retirement Community, Inc.	2,011,644	-	-	-	-	-	-	-	-	2,011,644
	2,011,644	3,159,870	-	-	-	3,159,870	-	3,159,870	-	5,171,514
	2,011,644	20,251,859	-	-	-	20,251,859	-	20,251,859	-	22,263,503
Change in net assets before depreciation, loss on disposals of assets, and Capital Fund purchases	(286)	430,060	(1,138,097)	84,963	2,451,590	1,828,516	296,892	2,125,408	-	2,125,122
Depreciation	(1,503,627)	(300,834)	-	-	-	(300,834)	-	(300,834)	-	(1,804,461)
Loss on disposal of assets	(156,043)	-	-	-	-	-	-	-	-	(156,043)
Capital Fund purchases	-	-	-	-	(1,854,283)	(1,854,283)	-	(1,854,283)	-	(1,854,283)
Change in net assets	\$ (1,659,956)	\$ 129,226	\$ (1,138,097)	\$ 84,963	\$ 597,307	\$ (326,601)	\$ 296,892	\$ (29,709)	\$ -	\$ (1,689,665)

See independent auditors' report on combining supplementary information

**BEAUMONT RETIREMENT COMMUNITY, INC. AND  
BEAUMONT RETIREMENT SERVICES, INC.**  
(a Pennsylvania cooperative housing corporation)

**Combining Schedule of Cash Flows  
Year Ended December 31, 2023**

	<b>Beaumont Retirement Community, Inc.</b>	<b>Beaumont Retirement Services, Inc.</b>	<b>Eliminations</b>	<b>Total</b>
<b>Cash flows from operating activities:</b>				
Change in net assets	\$ (2,451,659)	\$ 3,815,456	\$ -	\$ 1,363,797
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation	1,660,066	301,157	-	1,961,223
Transfer from construction-in-progress to				
Beaumont Retirement Community, Inc. capital assessments	-	26,574,393	-	26,574,393
Net realized and unrealized gain on investments	(41,126)	(1,109,479)	-	(1,150,605)
Gain on forgiveness of PPP loan payable	-	(2,250,000)	-	(2,250,000)
Loss on disposal of assets	902,911	-	-	902,911
(Increase) decrease in assets:				
Accounts receivable	-	(1,747,959)	-	(1,747,959)
Due from (to) Beaumont Retirement Community, Inc.	-	10,393	(10,393)	-
Prepaid expenses and other assets	(11,248)	(71,404)	-	(82,652)
Increase (decrease) in liabilities:				
Accounts payable and accrued expenses	125,850	416,986	-	542,836
Accrued payroll and benefits	-	(21,649)	-	(21,649)
Building envelope deferred revenue	-	(21,225,933)	-	(21,225,933)
Refundable deposits	(30,000)	-	-	(30,000)
Due (from) to Beaumont Retirement Community, Inc.	(10,393)	-	10,393	-
Net cash provided by operating activities	<u>144,401</u>	<u>4,691,961</u>	<u>-</u>	<u>4,836,362</u>
<b>Cash flows from investing activities:</b>				
Payments for property and equipment	(906,569)	-	-	(906,569)
Payments for construction-in-progress	-	(7,710,340)	-	(7,710,340)
Purchase of investments	(17,720)	(438,880)	-	(456,600)
Proceeds from sale of investments	-	103,107	-	103,107
Net cash used in investing activities	<u>(924,289)</u>	<u>(8,046,113)</u>	<u>-</u>	<u>(8,970,402)</u>
<b>Cash flows from financing activities:</b>				
Proceeds from line-of-credit	-	5,000,000	-	5,000,000
Repayment of line-of-credit	-	(416,309)	-	(416,309)
Proceeds from residents for building envelope project	-	568,817	-	568,817
Net cash provided by financing activities	<u>-</u>	<u>5,152,508</u>	<u>-</u>	<u>5,152,508</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(779,888)</u>	<u>1,798,356</u>	<u>-</u>	<u>1,018,468</u>
Cash and cash equivalents at beginning of year	<u>2,109,951</u>	<u>16,566,816</u>	<u>-</u>	<u>18,676,767</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 1,330,063</u>	<u>\$ 18,365,172</u>	<u>\$ -</u>	<u>\$ 19,695,235</u>
<b>Supplemental disclosures of cash flow information:</b>				
Property and equipment purchased by Capital Fund	\$ 26,574,393	\$ -	\$ (26,574,393)	\$ -
Write-off of fully depreciated assets	\$ 187,576	\$ -	\$ -	\$ 187,576

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**Combining Schedule of Cash Flows  
Year Ended December 31, 2022**

	<b>Beaumont Retirement Community, Inc.</b>	<b>Beaumont Retirement Services, Inc.</b>	<b>Eliminations</b>	<b>Total</b>
<b>Cash flows from operating activities:</b>				
Change in net assets	\$ (1,659,956)	\$ (29,709)	\$ -	\$ (1,689,665)
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation	1,503,627	300,834	-	1,804,461
Transfer from construction-in-progress to Beaumont Retirement Community, Inc. capital assessments	-	1,854,283	-	1,854,283
Net realized and unrealized loss on investments	109,782	1,490,353	-	1,600,135
Loss on disposal of assets	156,043	-	-	156,043
(Increase) decrease in assets:				
Accounts receivable	-	96,169	-	96,169
Contributions receivable	-	-	-	-
Due (to) from Beaumont Retirement Community, Inc.	-	(5,113)	5,113	-
Prepaid expenses and other assets	(12,823)	(150,260)	-	(163,083)
Increase (decrease) in liabilities:				
Accounts payable and accrued expenses	(24,874)	(315,342)	-	(340,216)
Accrued payroll and benefits	-	54,174	-	54,174
Refundable deposits	(13,500)	-	-	(13,500)
Due to (from) Beaumont Retirement Community, Inc.	5,113	-	(5,113)	-
Deferred revenue	-	-	-	-
Net cash provided by operating activities	63,412	3,295,389	-	3,358,801
<b>Cash flows from investing activities:</b>				
Payments for construction-in-progress	-	(11,722,883)	-	(11,722,883)
Purchase of investments	(15,615)	(128,749)	-	(144,364)
Proceeds from sale of investments	86,995	54,456	-	141,451
Net cash provided by (used in) investing activities	71,380	(11,797,176)	-	(11,725,796)
<b>Cash flows from financing activities:</b>				
Proceeds from residents for building envelope project	-	1,423,587	-	1,423,587
Net cash provided by financing activities	-	1,423,587	-	1,423,587
<b>Net increase (decrease) in cash and cash equivalents</b>	134,792	(7,078,200)	-	(6,943,408)
Cash and cash equivalents at beginning of year	1,975,159	23,645,016	-	25,620,175
<b>Cash and cash equivalents at end of year</b>	<b>\$ 2,109,951</b>	<b>\$ 16,566,816</b>	<b>\$ -</b>	<b>\$ 18,676,767</b>
<b>Supplemental disclosures of cash flow information:</b>				
Property and equipment purchased by Capital Fund	\$ 1,851,283	\$ -	\$ (1,851,283)	\$ -
Write-off of fully depreciated assets	\$ 600,694	\$ -	\$ -	\$ 600,694
Construction-in-progress acquired through accounts payable and accrued expense	\$ -	\$ 1,182,445	\$ -	\$ 1,182,445

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