



## The Ohio Masonic Home 2009 FINANCIAL REPORT:

The Ohio Masonic Home was impacted greatly by the 2008 economic crisis which continued into the first several months of 2009. As a result of the ongoing mortgage crisis and credit crunch in late 2008, the Home's debt costs increased dramatically. Seizing the opportunity to take advantage of historically low interest rates and consolidate debt, we refinanced all of our bond debt in February of 2009.

The declines in investment markets continued into spring of 2009 before rebounding significantly at year's end. Through actions of our combined investment committees, we were able to strategically allocate resources and protect against the worst of the losses experienced by many individuals and organizations.

While the decline in investment value will affect investment income and support for the next few years, the dramatic increase of value of the portfolio from the low in February was reassuring. The volatility in the markets and the economy in general has kept us mindful of our need to set a course for reducing our reliance on support from our investments. Considering the ongoing recession, our contributions and bequests were down from 2008 levels but are expected to increase again in the future.

Although 2008 and 2009 have been challenging years financially, the Home maintains a very strong balance sheet and is improving its operations. Our liabilities, at \$82.9 million, were the lowest in the past 5 years. Our total net assets of \$254 million are \$30 million higher than in 2008. More important to note is that our ratio of liabilities to net assets has remained consistent over the past 5 years. Our S&P credit rating remains at "A-" which is in the top tier in our industry.

We have begun to see successes in reducing operating losses as a result of improved operations and decreased expenses. We are seeing improvements in our operating margin and expect to continue to see additional improvements going forward. Looking ahead, we will continue to find better ways of doing things in order to prudently manage our resources and ensure success in achieving our mission.

The accounting records of The Ohio Masonic Home affiliated organizations were audited by Howard, Wershbale & Co., Certified Public Accountants and Advisors, of Cleveland, Ohio. Our audited financial records can be viewed upon request by contacting my office in Springfield.

**John White**

Interim Chief Financial Officer



*John B. White*

## CONSOLIDATED STATEMENT

of Changes in Net Assets for Years Ended December 31

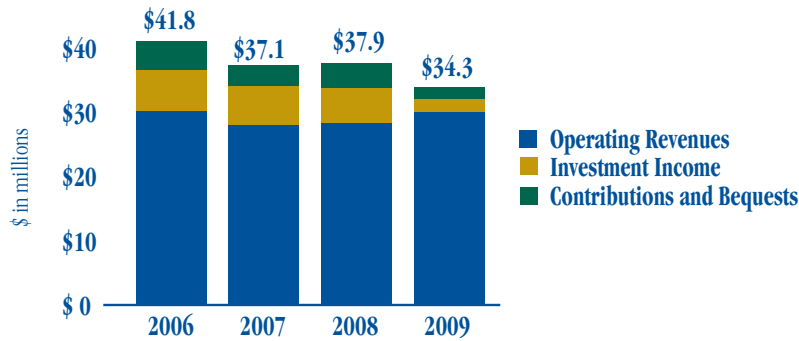
(shown in thousands of dollars)	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Revenues and Support	\$ 46,784	\$ 38,784	\$ 36,592	\$ 40,584
Total Expenses	48,936	47,954	45,108	48,054
Income (Loss) From Continuing Operations	(2,200)	(9,170)	(8,516)	(7,470)
Nonoperating gains/(losses)	(6,075)	(35,346)	14,465	48,577
<b>Excess (deficit) of Revenues, Support and Gains over Expenses and Losses</b>	<b>(8,276)</b>	<b>(44,516)</b>	<b>5,949</b>	<b>41,107</b>
Other Changes in Net Assets	(50,659)	(74,258)	(3,236)	(24,623)
Change in Unrestricted Net Assets	(58,935)	(118,774)	2,713	16,484
Changes in Restricted and Temporarily Restricted Net Assets	88,757	(4,104)	1,308	2,103
<b>Total Change in Net Assets</b>	<b>\$ 29,822</b>	<b>\$ (122,878)</b>	<b>\$ 4,021</b>	<b>\$ 18,587</b>

## CONSOLIDATED BALANCE SHEETS

as of December 31

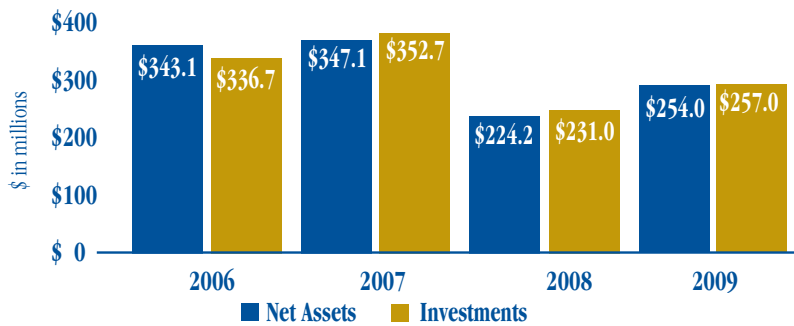
(shown in thousands of dollars)	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Assets</b>				
Cash and Cash Equivalents, Receivables, Inventories and Prepaid Expenses	\$ 5,682	\$ 3,600	\$ 3,239	\$ 3,110
Assets held for sale	-	-	-	-
Investments (at market)	257,043	231,030	352,650	336,687
Beneficial interest in trusts	6,173	5,789	7,942	7,666
Bond Issuance Costs, Net	315	2,163	2,301	2,439
Assets limited as to use	1,020	2,298	976	2,171
Intangible assets	685	790	427	1,158
Property and equipment, net	66,033	67,027	70,700	85,565
<b>Total Assets</b>	<b>\$ 336,951</b>	<b>\$ 313,782</b>	<b>\$ 438,235</b>	<b>\$ 438,796</b>
<b>Liabilities and Net Assets</b>				
Accounts Payable, Accrued Expenses and Other Liabilities	\$ 4,678	\$ 7,974	\$ 6,120	\$ 5,422
Long Term Debt and Loan Payable	63,760	65,411	66,895	70,145
Resident Deposits and Deferred Revenues	10,711	11,854	12,421	13,940
Obligation to Provide Future Care	3,760	4,320	5,700	6,210
<b>Total Liabilities</b>	<b>82,909</b>	<b>89,559</b>	<b>91,136</b>	<b>95,717</b>
<b>Net Assets</b>	<b>254,043</b>	<b>224,222</b>	<b>347,099</b>	<b>343,079</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 336,952</b>	<b>\$ 313,781</b>	<b>\$ 438,235</b>	<b>\$ 438,796</b>

## TOTAL REVENUES AND SUPPORT



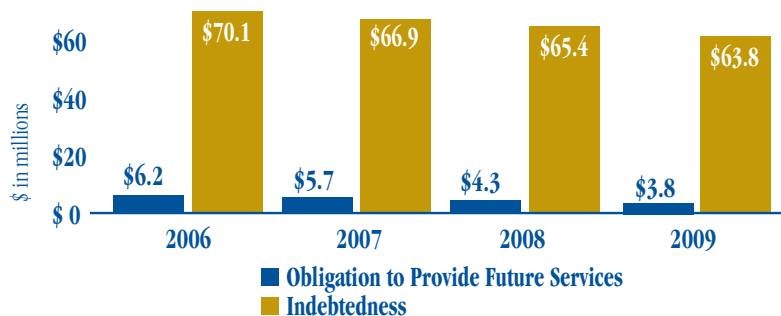
This chart shows unrestricted, temporarily restricted and permanently restricted sources of revenue and support. The income from operations increased while there was a decline in income from investments and contributions and bequests. The Combined 'Total Revenues and Support' was lower in 2009 than prior years.

## NET ASSETS AND INVESTMENTS



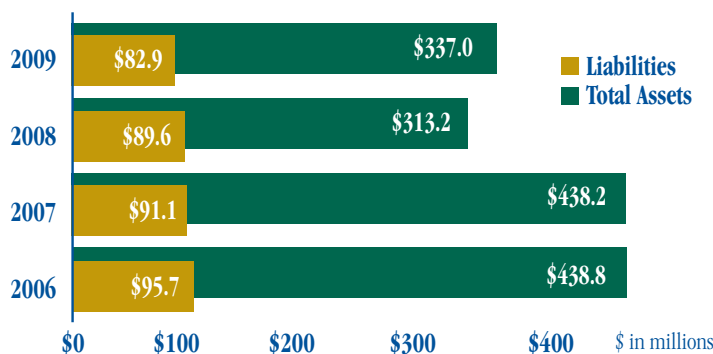
Net Assets, the excess of total assets over total liabilities, rebounded in 2009 from a drop in 2008. This was primarily due to a turnaround in our investment values beginning in the spring and continuing through year end.

## INDEBTEDNESS and OBLIGATION TO PROVIDE FUTURE SERVICES



The total amount of debt, including bond debt and a term note, decreased to \$63.8 million at the end of 2009 from a high of \$72.3 million in 2005. The Obligation to Provide Future Services is primarily composed of declining balance entry fee contracts and has declined over time.

## ASSETS AND LIABILITIES



Our total liabilities decreased from 2008 to 2009 while our total assets increased. The decrease in liabilities is primarily due to refinancing of our debt to take advantage of lower rates. The increase in assets from 2008 to 2009 is the result of successful management of our investment portfolio to maximize our returns.