Statements of Financial Position

July 31, 2018 and December 31, 2017

Assets	_	July 31, 2018	December 31, 2017
Cash and cash equivalents	\$	59,623	74,754
Investments		1,100,000	1,100,000
Restricted deposits and funded reserves		1,850,973	1,779,683
Accounts receivable, net		681,593	800,255
Prepaid expenses and other current assets		347,773	201,962
Assets whose use is limited		740,693	759,998
Property and equipment (net of accumulated depreciation of \$36,040,975 and \$34,807,129 respectively)		28,292,182	28,790,424
Assets under capital leases (net of accumulated depreciation of \$87,039 and \$81,878, respectively)			5,161
Total assets	\$	33,072,836	33,512,237

Statements of Financial Position

July 31, 2018 and December 31, 2017

Liabilities and Net Liabilities	_	July 31, 2018	December 31, 2017
Accounts payable	\$	531,975	382,322
Accrued expenses		371,998	502,482
Resident deposits		58,707	36,260
Entrance fee payable		14,280,886	14,190,801
Deferred revenue – entrance fees		4,460,659	4,522,954
Annuities payable		27,027	27,488
Obligations under capital lease		_	5,371
Long-term debt		12,429,227	12,810,511
Due to affiliated entities		23,896,536	24,881,042
Total liabilities		56,057,015	57,359,231
Net liabilties:			
Without donor restriction		(23,619,290)	(24,468,652)
With donor restriction		635,112	621,658
Total net liabilities		(22,984,179)	(23,846,994)
Total liabilities and net liabilities	\$	33,072,836	33,512,237

Consolidated Statements of Operations and Changes in Net Assets (Liabilities)

Periods ended July 31, 2018 and year ended December 31, 2017

Operating revenues, gains, and other support: Resident services, including amoritzation of entrance fees of \$517,862 and \$987,162, respectively \$ 8,495,742 13,682,559 Interest and dividend income 20,629 93,866 Realized gain on investments 7,256 302,719 Girls and bequests 23,381 52,386 Net assets released from restrictions - 5,584 Total operating revenues, gains, and other support 8,547,007 14,137,114 Expenses: - 1,302,882 2,346,649 Rehabilitation 315,58 560,086 Recreation and special services 281,589 440,177 Pharmacy 57,037 125,858 Social services 40,296 64,247 Physician services 1,667 25,000 Food services 1,145,313 1,859,847 Building operations and maintenance 1,371,805 2,315,917 Housekeping 16,685 333,866 Laundry and linen 32,933 51,344 General and administrative 2,050 67,288		July 31, 2018	December 31, 2017
entrance fees of \$517,862 and \$987,162, respectively \$ 8,495,742 13,682,559 Interest and dividend income 20,629 93,866 Realized gain on investments 7,256 302,719 Gifts and bequests 23,381 52,386 Net assets released from restrictions - 5,584 Total operating revenues, gains, and other support 8,547,007 14,137,114 Expenses: - 5,584 Nursing services 1,302,882 2,346,649 Rehabilitation 351,855 560,086 Recreation and special services 281,859 446,177 Pharmacy 57,037 125,858 Social services 16,667 25,000 Physician services 1,45,313 1,859,847 Building operations and maintenance 1,371,805 2,315,917 Housekeeping 16,667 2,500 Housekeeping 16,667 2,300 Employee benefits 286,870 657,288 Interest 322,179 539,642 Depreciation 1,239,008	Operating revenues, gains, and other support:		
Interest and dividend income 20,629 93,866 Realized gain on investments 7,256 302,719 Gifts and bequests 23,381 52,386 Net assets released from restrictions – 5,584 Total operating revenues, gains, and other support 8,547,007 14,137,114 Expenses: *** 1,302,882 2,346,649 Rehabilitation 351,585 560,086 Recreation and special services 281,589 446,177 Pharmacy 57,037 125,888 Social services 40,296 64,247 Physician services 1,145,313 1,859,847 Building operations and maintenance 1,371,805 2,315,917 Housekeeping 166,853 333,866 Laundry and linen 32,933 51,344 General and administrative 1,099,789 2,139,667 Employee benefits 286,870 657,288 Interest 22,532 45,769 Total expenses 7,737,336 13,587,341 Income from continuing operations	Resident services, including amortization of		
Realized gain on investments 7,256 302,719 Gifts and bequests 23,381 52,386 Net assets released from restrictions - 5,584 Total operating revenues, gains, and other support 8,547,007 14,137,114 Expenses: - - Nursing services 1,302,882 2,346,649 Rechabilitation 351,585 560,086 Recreation and special services 281,589 446,177 Pharmacy 57,037 125,888 Social services 40,296 64,247 Physician services 16,667 25,000 Food services 1,145,313 1,859,847 Building operations and maintenance 1,371,805 2,315,917 Housekeeping 166,853 333,866 Laundry and linen 32,933 51,344 General and administrative 1,099,789 2,139,667 Employee benefits 286,870 657,288 Interest 322,179 539,642 Depreciation 1,239,008 2,075,984	entrance fees of \$517,862 and \$987,162, respectively	\$ 8,495,742	13,682,559
Gifts and bequests 23,381 52,386 Net assets released from restrictions - 5,584 Total operating revenues, gains, and other support 8,547,007 14,137,114 Expenses: - - Nursing services 1,302,882 2,346,649 Rehabilitation 351,585 560,086 Recreation and special services 281,589 446,177 Pharmacy 57,037 125,888 Social services 40,296 64,247 Physician services 1,6667 25,000 Food services 1,145,313 1,859,847 Building operations and maintenance 1,371,805 2,315,917 Housekeeping 166,853 333,866 Laundry and linen 32,933 51,344 General and administrative 1,099,789 2,139,667 Employee benefits 286,870 657,288 Interest 322,179 539,642 Depreciation 1,239,008 2,075,984 Fundraising and investment fee 22,532 45,769	Interest and dividend income	20,629	93,866
Net assets released from restrictions - 5.584 Total operating revenues, gains, and other support 8.547,007 14,137,114 Expenses: - - Nursing services 1,302,882 2,346,649 Rehabilitation 351,585 560,086 Recreation and special services 281,589 446,177 Pharmacy 57,037 125,858 Social services 40,296 64,247 Physician services 16,667 25,000 Food services 1,145,313 1,859,847 Building operations and maintenance 1,371,805 2,315,917 Housekeeping 166,853 333,866 Laundry and linen 32,933 51,344 General and administrative 1,099,789 2,139,667 Employee benefits 326,870 657,288 Interest 322,179 539,642 Depreciation 1,239,008 2,075,984 Fundraising and investment fee 22,532 45,769 Total expenses 7,737,336 13,587,341	Realized gain on investments	7,256	302,719
Expenses: 8,547,007 14,137,114 Expenses: 1,302,882 2,346,649 Rehabilitation 351,585 560,086 Recreation and special services 281,589 446,177 Pharmacy 57,037 125,888 Social services 40,296 64,247 Physician services 1,145,313 1,859,847 Pod services 1,145,313 1,859,847 Building operations and maintenance 1,371,805 2,315,917 Housekeeping 166,853 333,866 Laundry and linen 32,933 51,344 General and administrative 1,099,789 2,139,667 Employee benefits 286,870 657,288 Interest 322,179 539,642 Depreciation 1,239,008 2,075,984 Fundraising and investment fee 22,532 45,769 Total expenses 7,737,336 13,587,341 Income from continuing operations 809,671 549,773 Excess of operating revenues, gains and other support over expenses 809,671		23,381	52,386
Expenses: Invising services 1,302,882 2,346,649 Rehabilitation 351,585 560,086 Recreation and special services 281,589 446,177 Pharmacy 57,037 125,858 Social services 40,296 64,247 Physician services 16,667 25,000 Food services 1,145,313 1,859,847 Building operations and maintenance 1,371,805 2,315,917 Housekeeping 166,853 333,866 Laundry and linen 32,933 51,344 General and administrative 1,099,789 2,139,667 Employee benefits 286,870 657,288 Interest 322,179 539,642 Depreciation 1,239,008 2,075,984 Fundraising and investment fee 22,532 45,769 Total expenses 7,737,336 13,587,341 Income from continuing operations 809,671 549,773 Excess of operating revenues, gains and other support over expenses 809,671 370,021 Other changes:	Net assets released from restrictions	 	5,584
Nursing services 1,302,882 2,346,649 Rehabilitation 351,585 560,086 Recreation and special services 281,589 446,177 Pharmacy 57,037 125,858 Social services 40,296 64,247 Physician services 16,667 25,000 Food services 1,145,313 1,859,847 Building operations and maintenance 1,371,805 2,315,917 Housekeeping 166,853 333,866 Laundry and linen 32,933 51,344 General and administrative 1,099,789 2,139,667 Employee benefits 286,870 657,288 Interest 322,179 539,642 Depreciation 1,239,008 2,075,984 Fundraising and investment fee 22,532 45,769 Total expenses 7,737,336 13,587,341 Income from continuing operations 809,671 549,773 Loss on early extinguishment of debt - (179,752) Excess of operating revenues, gains and other support over expenses 809,6	Total operating revenues, gains, and other support	 8,547,007	14,137,114
Rehabilitation 351,585 560,086 Recreation and special services 281,589 446,177 Pharmacy 57,037 125,858 Social services 40,296 64,247 Physician services 16,667 25,000 Food services 1,145,313 1,859,847 Building operations and maintenance 1,371,805 2,315,917 Housekeeping 166,853 333,866 Laundry and linen 32,933 51,344 General and administrative 1,099,789 2,139,667 Employee benefits 286,870 657,288 Interest 322,179 539,642 Depreciation 1,239,008 2,075,984 Fundraising and investment fee 22,532 45,769 Total expenses 7,737,336 13,587,341 Income from continuing operations 809,671 549,773 Excess of operating revenues, gains and other support over expenses 809,671 370,021 Other changes: Unrealized gain on investments 39,691 50,564 Total other cha	Expenses:		
Recreation and special services 281,589 446,177 Pharmacy 57,037 125,858 Social services 40,296 64,247 Physician services 16,667 25,000 Food services 1,145,313 1,859,847 Building operations and maintenance 1,371,805 2,315,917 Housekeeping 166,853 333,866 Laundry and linen 32,933 51,344 General and administrative 1,099,789 2,139,667 Employee benefits 286,870 657,288 Interest 322,179 539,642 Depreciation 1,239,008 2,075,984 Fundraising and investment fee 22,532 45,769 Total expenses 7,737,336 13,587,341 Income from continuing operations 809,671 549,773 Loss on early extinguishment of debt — (179,752) Excess of operating revenues, gains and other support over expenses 809,671 370,021 Other changes: Unrealized gain on investments 39,691 50,564 <	Nursing services	1,302,882	2,346,649
Pharmacy 57,037 125,858 Social services 40,296 64,247 Physician services 16,667 25,000 Food services 1,145,313 1,859,847 Building operations and maintenance 1,371,805 2,315,917 Housekeeping 166,853 333,866 Laundry and linen 32,933 51,344 General and administrative 1,099,789 2,139,667 Employee benefits 286,870 657,288 Interest 322,179 539,642 Depreciation 1,239,008 2,075,984 Fundraising and investment fee 22,532 45,769 Total expenses 7,737,336 13,587,341 Income from continuing operations 809,671 549,773 Loss on early extinguishment of debt — (179,752) Excess of operating revenues, gains and other support over expenses 809,671 370,021 Other changes: Unrealized gain on investments 39,691 50,564 Total other changes 39,691 50,564	Rehabilitation	351,585	560,086
Social services 40,296 64,247 Physician services 16,667 25,000 Food services 1,145,313 1,859,847 Building operations and maintenance 1,371,805 2,315,917 Housekeeping 166,853 333,866 Laundry and linen 32,933 51,344 General and administrative 1,099,789 2,139,667 Employee benefits 286,870 657,288 Interest 322,179 539,642 Depreciation 1,239,008 2,075,984 Fundraising and investment fee 22,532 45,769 Total expenses 7,737,336 13,587,341 Income from continuing operations 809,671 549,773 Excess of operating revenues, gains and other support over expenses 809,671 370,021 Other changes: Unrealized gain on investments 39,691 50,564 Total other changes 39,691 50,564	Recreation and special services	281,589	446,177
Physician services 16,667 25,000 Food services 1,145,313 1,859,847 Building operations and maintenance 1,371,805 2,315,917 Housekeeping 166,853 333,866 Laundry and linen 32,933 51,346 General and administrative 1,099,789 2,139,667 Employee benefits 286,870 657,288 Interest 322,179 539,642 Depreciation 1,239,008 2,075,984 Fundraising and investment fee 22,532 45,769 Total expenses 7,737,336 13,587,341 Income from continuing operations 809,671 549,773 Loss on early extinguishment of debt - (179,752) Excess of operating revenues, gains and other support over expenses 809,671 370,021 Other changes: Unrealized gain on investments 39,691 50,564 Total other changes 39,691 50,564	Pharmacy	57,037	125,858
Food services 1,145,313 1,859,847 Building operations and maintenance 1,371,805 2,315,917 Housekeeping 166,853 333,866 Laundry and linen 32,933 51,344 General and administrative 1,099,789 2,139,667 Employee benefits 286,870 657,288 Interest 322,179 539,642 Depreciation 1,239,008 2,075,984 Fundraising and investment fee 22,532 45,769 Total expenses 7,737,336 13,587,341 Income from continuing operations 809,671 549,773 Loss on early extinguishment of debt - (179,752) Excess of operating revenues, gains and other support over expenses 809,671 370,021 Other changes: Unrealized gain on investments 39,691 50,564 Total other changes 39,691 50,564	Social services	40,296	64,247
Building operations and maintenance 1,371,805 2,315,917 Housekeeping 166,853 333,866 Laundry and linen 32,933 51,344 General and administrative 1,099,789 2,139,667 Employee benefits 286,870 657,288 Interest 322,179 539,642 Depreciation 1,239,008 2,075,984 Fundraising and investment fee 22,532 45,769 Total expenses 7,737,336 13,587,341 Income from continuing operations 809,671 549,773 Loss on early extinguishment of debt - (179,752) Excess of operating revenues, gains and other support over expenses 809,671 370,021 Other changes: Unrealized gain on investments 39,691 50,564 Total other changes 39,691 50,564	Physician services	16,667	25,000
Housekeeping 166,853 333,866 Laundry and linen 32,933 51,344 General and administrative 1,099,789 2,139,667 Employee benefits 286,870 657,288 Interest 322,179 539,642 Depreciation 1,239,008 2,075,984 Fundraising and investment fee 22,532 45,769 Total expenses 7,737,336 13,587,341 Income from continuing operations 809,671 549,773 Loss on early extinguishment of debt - (179,752) Excess of operating revenues, gains and other support over expenses 809,671 370,021 Other changes: Unrealized gain on investments 39,691 50,564 Total other changes 39,691 50,564	Food services	1,145,313	1,859,847
Laundry and linen 32,933 51,344 General and administrative 1,099,789 2,139,667 Employee benefits 286,870 657,288 Interest 322,179 539,642 Depreciation 1,239,008 2,075,984 Fundraising and investment fee 22,532 45,769 Total expenses 7,737,336 13,587,341 Income from continuing operations 809,671 549,773 Loss on early extinguishment of debt - (179,752) Excess of operating revenues, gains and other support over expenses 809,671 370,021 Other changes: Unrealized gain on investments 39,691 50,564 Total other changes 39,691 50,564	Building operations and maintenance	1,371,805	2,315,917
General and administrative 1,099,789 2,139,667 Employee benefits 286,870 657,288 Interest 322,179 539,642 Depreciation 1,239,008 2,075,984 Fundraising and investment fee 22,532 45,769 Total expenses 7,737,336 13,587,341 Income from continuing operations 809,671 549,773 Loss on early extinguishment of debt - (179,752) Excess of operating revenues, gains and other support over expenses 809,671 370,021 Other changes: Unrealized gain on investments 39,691 50,564 Total other changes 39,691 50,564	Housekeeping	166,853	333,866
Employee benefits 286,870 657,288 Interest 322,179 539,642 Depreciation 1,239,008 2,075,984 Fundraising and investment fee 22,532 45,769 Total expenses 7,737,336 13,587,341 Income from continuing operations 809,671 549,773 Loss on early extinguishment of debt - (179,752) Excess of operating revenues, gains and other support over expenses 809,671 370,021 Other changes: Unrealized gain on investments 39,691 50,564 Total other changes 39,691 50,564	Laundry and linen	32,933	51,344
Interest 322,179 539,642 Depreciation 1,239,008 2,075,984 Fundraising and investment fee 22,532 45,769 Total expenses 7,737,336 13,587,341 Income from continuing operations 809,671 549,773 Loss on early extinguishment of debt - (179,752) Excess of operating revenues, gains and other support over expenses 809,671 370,021 Other changes: Value of the changes of the change of the cha	General and administrative	1,099,789	2,139,667
Depreciation 1,239,008 2,075,984 Fundraising and investment fee 22,532 45,769 Total expenses 7,737,336 13,587,341 Income from continuing operations 809,671 549,773 Loss on early extinguishment of debt - (179,752) Excess of operating revenues, gains and other support over expenses 809,671 370,021 Other changes: Unrealized gain on investments 39,691 50,564 Total other changes 39,691 50,564	Employee benefits	286,870	657,288
Fundraising and investment fee 22,532 45,769 Total expenses 7,737,336 13,587,341 Income from continuing operations 809,671 549,773 Loss on early extinguishment of debt - (179,752) Excess of operating revenues, gains and other support over expenses 809,671 370,021 Other changes: Unrealized gain on investments 39,691 50,564 Total other changes 39,691 50,564	Interest	322,179	539,642
Total expenses 7,737,336 13,587,341 Income from continuing operations 809,671 549,773 Loss on early extinguishment of debt - (179,752) Excess of operating revenues, gains and other support over expenses 809,671 370,021 Other changes:	Depreciation	1,239,008	2,075,984
Income from continuing operations 809,671 549,773 Loss on early extinguishment of debt - (179,752) Excess of operating revenues, gains and other support over expenses 809,671 370,021 Other changes: Unrealized gain on investments 39,691 50,564 Total other changes 39,691 50,564	Fundraising and investment fee	 22,532	45,769
Loss on early extinguishment of debt — (179,752) Excess of operating revenues, gains and other support over expenses 809,671 370,021 Other changes: Unrealized gain on investments 39,691 50,564 Total other changes 39,691 50,564	Total expenses	 7,737,336	13,587,341
Excess of operating revenues, gains and other support over expenses 809,671 370,021 Other changes: Unrealized gain on investments 39,691 50,564 Total other changes 39,691 50,564	Income from continuing operations	809,671	549,773
Other changes: 39,691 50,564 Unrealized gain on investments 39,691 50,564 Total other changes 39,691 50,564	Loss on early extinguishment of debt	 _	(179,752)
Unrealized gain on investments 39,691 50,564 Total other changes 39,691 50,564	Excess of operating revenues, gains and other support over expenses	809,671	370,021
Unrealized gain on investments 39,691 50,564 Total other changes 39,691 50,564	Other changes:		
	•	 39,691	50,564
Change in net liabilities without donor restrictions 849,362 420,585	Total other changes	 39,691	50,564
	Change in net liabilities without donor restrictions	849,362	420,585

Consolidated Statements of Operations and Changes in Net Assets (Liabilities)

Periods ended July 31, 2018 and year ended December 31, 2017

	 July 31, 2018	December 31, 2017
Net assets with donor restrictions:		
Contributions, grants and bequests	1,051	1,658
Interest and dividend income	12,403	18,383
Net assets released from restrictions	 	(5,584)
Change in net assets with donor restrictions	 13,453	14,457
Change in net assets	862,815	435,042
Net liabilities, beginning of year	 (23,846,994)	(24,282,036)
Net liabilities, end of year	\$ (22,984,179)	(23,846,994)

Statements of Cash Flows

Periods ended July 31, 2018 and year ended December 31, 2017

	July 31, 2018	December 31, 2017
Cash flows from operating activities:		
Change in net assets \$	862,815	435,042
Adjustments to reconcile change in net liabilities to net cash		
provided by operating activities:		
Depreciation	1,239,008	2,075,984
Provision for bad debt	6,059	43,912
Proceeds from refundable entrance fees and deposits	1,585,095	4,866,554
Amortization of entrance fees	(517,862)	(987,162)
Loss on extinguishment of debt	_	179,752
Unrealized gain on investments	(39,691)	(50,564)
Realized gain on investments	(7,256)	(302,719)
Amortization on deferred financing costs	9,419	16,167
Change in assets and liabilities:		
Accounts receivable	3,336	82,499
Entrance fees receivable	109,268	(11,801)
Prepaid expenses and other current assets	(145,811)	35,082
Accounts payable	149,653	(237,600)
Accrued expenses and deferred revenue other	(130,484)	15,621
Net cash provided by operating activities	3,123,548	6,160,767
Cash flows from investing activities:		
Acquisition of property and equipment	(735,604)	(2,016,325)
Net proceeds from investments	(5,038)	1,025,870
Net cash used in investing activities	(740,642)	(990,455)
Cash flows from financing activities:		
Refunds of entrance fees and deposits	(1,107,081)	(3,565,790)
Change in entrance fee payable	90,085	(785,788)
Principal payments on long-term debt	(390,703)	(440,137)
Proceeds on the issuance of bonds	(370,703)	13,400,000
Refunding, refinancing or payoff of long-term debt	_	(13,855,000)
Financing costs incurred	_	(15,855,000)
Repayments on capital lease obligations	(5,371)	, , , ,
		(15,844)
Change in annuities payable	(461)	(1,206)
Due to affiliated entity	(984,506)	112,879
Net cash used in financing activities	(2,398,037)	(5,312,348)
Net decrease in cash and cash equivalents	(15,131)	(142,036)
Cash and cash equivalents, beginning of year	74,754	216,790
Cash and cash equivalents, end of year \$	59,623	74,754