

**PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON**

Statements of Financial Position

December 31, 2018 and 2017

<b>Assets</b>	<b>2018</b>	<b>2017</b>
Cash and cash equivalents	\$ 46,992	36,811
Investments	8,920,553	10,404,340
Statutory liquid reserves	801,975	800,439
Accounts receivable, net	4,142,574	4,593,314
Prepaid expenses	167,170	185,108
Assets whose use is limited	2,191,546	2,163,976
Pledges receivable	6,100	—
Property and equipment (net of accumulated depreciation of \$39,001,215 and \$36,852,312 respectively)	43,386,843	44,350,740
Assets under capital lease (net of accumulated depreciation of \$359,326 and \$295,809)	172,509	84,992
Due from affiliated entites	21,563,614	14,081,592
Assets held in trust by others	675,979	730,242
Total assets	\$ <u>82,075,854</u>	<u>77,431,554</u>

**PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON**

Statements of Financial Position

December 31, 2018 and 2017

<b>Liabilities and Net Assets</b>	<b>2018</b>	<b>2017</b>
Accounts payable	\$ 1,274,983	1,043,540
Accrued expenses	3,137,583	3,312,798
Accrued interest	7,620	9,520
Resident deposits	155,050	101,500
Entrance fee payable	664,199	783,596
Deferred revenue – entrance fees	10,742,801	9,797,914
Annuities payable	14,138	15,702
Obligations under capital lease	177,653	88,022
Long-term debt	19,115,652	16,745,736
Total liabilities	<u>35,289,679</u>	<u>31,898,328</u>
Net assets:		
Without donor restrictions	43,830,505	42,572,039
With donor restrictions	2,955,670	2,961,187
Total net assets	<u>46,786,176</u>	<u>45,533,226</u>
Total liabilities and net assets	<u>\$ 82,075,854</u>	<u>77,431,554</u>

**PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON**

Consolidated Statements of Operations and Changes in Net Assets

Years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Revenues and other support:		
Resident services, including amortization of entrance fees of \$1,645,030 and \$1,104,534	\$ 36,107,013	34,386,883
Gain on sale of property and equipment	–	19,930
Contributions, gifts and bequests	67,696	292,545
Net assets released from restrictions	<u>37,649</u>	<u>80,574</u>
Total revenues and other support	36,212,358	34,779,932
Cost of services provided		
Nursing services	10,387,161	10,004,827
Rehabilitation	3,637,368	2,794,806
Recreation and special services	801,569	844,290
Pharmacy	769,134	833,906
Social services	185,108	180,693
Physician services	148,352	147,556
Food services	3,850,098	3,848,745
Building operations and maintenance	2,937,767	2,857,247
Housekeeping	580,621	649,388
Laundry and linen	236,252	299,307
General and administrative	6,020,038	5,761,386
Employee benefits	1,778,267	2,653,000
Interest	524,577	339,375
Depreciation	2,434,160	2,205,864
Fundraising	<u>126,316</u>	<u>95,085</u>
Total cost of services provided	<u>34,416,788</u>	<u>33,515,475</u>
Excess of revenues and other support over expenses	1,795,570	1,264,457
Other (expense) income		
Investment income, net of investment expense	330,425	303,290
Realized (loss) gain on investments	(880,869)	746,485
Unrealized gain on investments	<u>13,340</u>	<u>322,505</u>
Total other (expense) income	<u>(537,104)</u>	<u>1,372,280</u>
Excess of revenue, gains and other support over expenses and losses	1,258,466	2,636,737

**PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON**

Consolidated Statements of Operations and Changes in Net Assets

Years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Net assets without donor restrictions:		
Excess of revenue, gains and other support over expenses and losses	1,258,466	2,636,737
Change in net assets without donor restrictions	1,258,466	2,636,737
Net assets with donor restrictions		
Contributions, gifts and bequests	80,548	79,977
Investment income	90	349
Unrealized (loss) gain on investments	(48,505)	5,403
Net assets released from restrictions	(37,649)	(80,574)
Change in net assets with donor restrictions	(5,517)	62,542
Change in net assets	1,252,950	2,699,279
Net assets, beginning of year	45,533,226	42,833,947
Net assets, end of year	\$ <u>46,786,176</u>	<u>45,533,226</u>

**PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON**

Statements of Cash Flows

Years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,252,950	2,699,279
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,434,160	2,205,864
Provision for bad debt	588,157	581,688
Proceeds from refundable entrance fees and deposits	3,087,184	4,158,246
Amortization of entrance fees	(1,645,030)	(1,104,534)
Unrealized loss (gain) on investments	35,165	(385,296)
Realized loss (gain) on investments	880,869	(746,485)
Realized gain on sale of assets	—	(19,930)
Contributions restricted for long-term purposes	—	(27,627)
Amortization	3,496	3,762
Change in assets and liabilities:		
Accounts receivable	(459,167)	(722,432)
Entrance fee payable	321,750	(29,400)
Pledges receivable	(6,100)	200
Other assets	18,204	(47,861)
Other receivables	—	—
Accounts payable	231,443	(2,346,786)
Accrued expenses and deferred revenue other	(177,115)	(357,602)
Net cash provided by operating activities	<u>6,565,966</u>	<u>3,861,087</u>
Cash flows from investing activities:		
Acquisition of property and equipment	(1,557,779)	(5,803,693)
Net proceeds from sale of investments	<u>592,910</u>	<u>5,001,014</u>
Net cash used in investing activities	(964,870)	(802,679)
Cash flows for financing activities:		
Refunds of entrance fees and deposits	(443,718)	(305,598)
Change in entrance fee payable	(119,397)	(206,745)
Principal payments on long-term debt	(974,619)	(554,274)
Allocation of previous bond proceeds	3,340,772	—
Contributions restricted for long-term purposes	—	27,627
Decrease in annuities payable	(1,564)	(748)
Borrowings through capital lease obligations	160,529	33,601
Repayments on capital lease obligations	(70,898)	(67,450)
Due from affiliated entity	(7,482,022)	(2,004,392)
Net cash used in financing activities	<u>(5,590,915)</u>	<u>(3,077,979)</u>
Net increase (decrease) in cash and cash equivalents	10,181	(19,571)
Cash and cash equivalents, beginning of year	<u>36,811</u>	<u>56,382</u>
Cash and cash equivalents, end of year	\$ <u><u>46,992</u></u>	\$ <u><u>36,811</u></u>