

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Statements of Financial Position

January 31, 2019 and December 31, 2018

| Assets | January 31, 2019 | December 31, 2018 |
|---|-----------------------------|------------------------------|
| Cash and cash equivalents | \$ 46,910 | 46,992 |
| Investments | 9,045,787 | 7,701,512 |
| Statutory liquid reserves | 801,975 | 2,021,016 |
| Accounts receivable, net | 4,222,462 | 4,142,573 |
| Prepaid expenses | 193,841 | 167,171 |
| Assets whose use is limited | 2,191,546 | 2,191,546 |
| Pledges receivable | 6,100 | 6,100 |
| Property and equipment (net of accumulated depreciation of \$39,420,893 and \$39,213,459 respectively) | 43,227,124 | 43,396,843 |
| Assets under capital lease (net of accumulated depreciation of \$376,019 and \$368,821) | 165,311 | 172,509 |
| Due from affiliated entites | 21,454,552 | 21,563,614 |
| Assets held in trust by others | <u>706,165</u> | <u>675,979</u> |
| Total assets | <u>\$ 82,061,773</u> | <u>82,085,855</u> |

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Statements of Financial Position

January 31, 2019 and December 31, 2018

| Liabilities and Net Assets | January 31, 2019 | December 31, 2018 |
|-----------------------------------|-----------------------------|------------------------------|
| Accounts payable | \$ 736,853 | 1,274,983 |
| Accrued expenses | 3,359,365 | 3,147,583 |
| Accrued interest | 6,808 | 7,620 |
| Resident deposits | 148,750 | 155,050 |
| Entrance fee payable | 663,584 | 664,199 |
| Deferred revenue – entrance fees | 10,896,687 | 10,742,801 |
| Annuities payable | 13,743 | 14,138 |
| Obligations under capital lease | 191,912 | 177,654 |
| Long-term debt | 18,965,911 | 19,115,354 |
| Total liabilities | <u>34,983,612</u> | <u>35,299,382</u> |
| Net assets: | | |
| Without donor restrictions | 44,092,304 | 43,830,803 |
| With donor restrictions | 2,985,857 | 2,955,670 |
| Total net assets | <u>47,078,161</u> | <u>46,786,473</u> |
| Total liabilities and net assets | <u>\$ 82,061,773</u> | <u>82,085,855</u> |

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Consolidated Statements of Operations and Changes in Net Assets

Month ended January 31, 2019 and year ended December 31, 2018

| | January 31, 2019 | December 31, 2018 |
|--|-----------------------------|------------------------------|
| | <hr/> | <hr/> |
| Revenues and other support: | | |
| Resident services, including amortization of entrance fees of \$123,742 and \$1,645,030 | \$ 3,035,313 | 36,107,013 |
| Contributions, gifts and bequests | 23,324 | 67,696 |
| Net assets released from restrictions | - | 71,581 |
| | <hr/> | <hr/> |
| Total revenues and other support | 3,058,637 | 36,246,290 |
| Cost of services provided | | |
| Nursing services | 882,688 | 10,387,161 |
| Rehabilitation | 342,110 | 3,637,368 |
| Recreation and special services | 68,479 | 801,569 |
| Pharmacy | 45,054 | 769,134 |
| Social services | 16,477 | 185,108 |
| Physician services | 12,357 | 148,352 |
| Food services | 305,300 | 3,850,098 |
| Building operations and maintenance | 259,286 | 2,937,767 |
| Housekeeping | 45,819 | 580,621 |
| Laundry and linen | 19,915 | 236,252 |
| General and administrative | 474,068 | 6,020,159 |
| Employee benefits | 177,171 | 1,778,267 |
| Interest | 55,353 | 524,279 |
| Depreciation | 214,631 | 2,434,160 |
| Amortization | - | |
| Fundraising | 10,758 | 126,195 |
| | <hr/> | <hr/> |
| Total cost of services provided | 2,929,467 | 34,416,490 |
| Excess of revenues and other support over expenses | 129,171 | 1,829,800 |
| Other (expense) income | | |
| Investment income, net of investment expense | 10,007 | 330,425 |
| Realized loss on investments | - | (880,869) |
| Unrealized gain on investments | 122,324 | 13,340 |
| | <hr/> | <hr/> |
| Total other income (expense) | 132,331 | (537,104) |
| Excess of revenue, gains and other support over expenses and losses | 261,502 | 1,292,696 |

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Consolidated Statements of Operations and Changes in Net Assets

Month ended January 31, 2019 and year ended December 31, 2018

| | January 31, 2019 | December 31, 2018 |
|---|-----------------------------|------------------------------|
| Net assets without donor restrictions: | | |
| Excess of revenue, gains and other support over expenses and losses | 261,502 | 1,292,696 |
| Change in net assets without donor restrictions | 261,502 | 1,292,696 |
| Net assets with donor restrictions | | |
| Contributions, gifts and bequests | - | 80,548 |
| Investment income | - | 90 |
| Unrealized gain (loss) on investments | 30,186 | (48,505) |
| Net assets released from restrictions | - | (71,581) |
| Change in net assets with donor restrictions | 30,186 | (39,448) |
| Change in net assets | 291,688 | 1,253,248 |
| Net assets, beginning of year | 46,786,473 | 45,533,225 |
| Net assets, end of year | \$ 47,078,161 | 46,786,473 |

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Statements of Cash Flows

Month ended January 31, 2019 and year ended December 31, 2018

| | <u>January 31, 2019</u> | <u>December 31, 2018</u> |
|---|-----------------------------|------------------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ 291,688 | 1,253,248 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 214,631 | 2,434,160 |
| Provision for bad debt | 40,411 | 588,157 |
| Proceeds from refundable entrance fees and deposits | 271,943 | 3,087,184 |
| Amortization of entrance fees | (123,742) | (1,645,030) |
| Unrealized (gain) loss on investments | (152,510) | 35,165 |
| Realized loss on investments | — | 880,869 |
| Realized gain on sale of assets | — | — |
| Contributions restricted for long-term purposes | — | — |
| Amortization | 172 | 3,198 |
| Change in assets and liabilities: | | |
| Accounts receivable | (69,100) | (459,167) |
| Entrance fee payable | (51,200) | 321,750 |
| Pledges receivable | — | (6,100) |
| Other assets | (26,648) | 18,204 |
| Other receivables | — | — |
| Accounts payable | (538,130) | 231,443 |
| Accrued expenses and deferred revenue other | 210,970 | (167,115) |
| Net cash provided by operating activities | <u>68,484</u> | <u>6,575,965</u> |
| Cash flows from investing activities: | | |
| Acquisition of property and equipment | (37,714) | (1,567,779) |
| Net proceeds from purchase (sale) of investments | <u>(2,909)</u> | <u>592,910</u> |
| Net cash used in investing activities | <u>(40,624)</u> | <u>(974,870)</u> |
| Cash flows for financing activities: | | |
| Refunds of entrance fees and deposits | (615) | (443,718) |
| Change in entrance fee payable | (615) | (119,397) |
| Principal payments on long-term debt | (149,637) | (974,619) |
| Allocation of previous bond proceeds | — | 3,340,772 |
| Decrease in annuities payable | (395) | (1,564) |
| Borrowings through capital lease obligations | 22,522 | 160,529 |
| Repayments on capital lease obligations | (8,264) | (70,898) |
| Due to (from) affiliated entity | 109,062 | (7,482,022) |
| Net cash used in financing activities | <u>(27,942)</u> | <u>(5,590,915)</u> |
| Net (decrease) increase in cash and cash equivalents | <u>(82)</u> | <u>10,180</u> |
| Cash and cash equivalents, beginning of year | <u>46,992</u> | <u>36,811</u> |
| Cash and cash equivalents, end of year | \$ <u><u>46,910</u></u> | <u><u>46,992</u></u> |