

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Statements of Financial Position

June 30, 2018 and December 31, 2017

Assets	June 30, 2018	December 31, 2017
Cash and cash equivalents	\$ 42,789	36,811
Investments	9,476,880	10,404,340
Statutory liquid reserves	800,964	800,439
Accounts receivable, net	4,556,867	4,593,314
Prepaid expenses	187,865	185,108
Assets whose use is limited	2,163,976	2,163,976
Property and equipment (net of accumulated depreciation of \$37,961,311 and \$36,852,312 respectively)	43,975,757	44,350,740
Assets under capital lease (net of accumulated depreciation of \$323,265 and \$295,809)	57,536	84,992
Due from affiliated entites	16,164,040	14,081,592
Assets held in trust by others	722,018	730,242
Total assets	\$ <u>78,148,691</u>	<u>77,431,554</u>

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Statements of Financial Position

June 30, 2018 and December 31, 2017

Liabilities and Net Assets	June 30, 2018	December 31, 2017
Accounts payable	\$ 933,459	1,043,540
Accrued expenses	3,118,073	3,312,798
Accrued interest	8,211	9,520
Resident deposits	309,200	101,500
Entrance fee payable	716,398	783,596
Deferred revenue – entrance fees	10,033,001	9,797,914
Annuities payable	14,818	15,702
Obligations under capital lease	156,250	88,022
Long-term debt	<u>16,156,500</u>	<u>16,745,736</u>
Total liabilities	<u>31,445,909</u>	<u>31,898,328</u>
Net assets:		
Without donor restrictions	43,716,930	42,538,107
With donor restrictions	<u>2,985,852</u>	<u>2,995,119</u>
Total net assets	<u>46,702,782</u>	<u>45,533,226</u>
Total liabilities and net assets	<u>\$ 78,148,691</u>	<u>77,431,554</u>

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Consolidated Statements of Operations and Changes in Net Assets

Quarters ended June 30, 2018 and year ended December 31, 2017

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
Operating revenues, gains, and other support:		
Resident services, including amortization of entrance fees of \$884,493 and \$1,104,534	\$ 18,002,475	34,386,883
Interest and dividend income	79,643	348,598
Realized (loss) gain on investments	(80,704)	746,485
Gain on sale of property and equipment	-	19,930
Contributions, gifts and bequests	61,310	292,545
Net assets released from restrictions	14,364	46,642
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Total operating revenues, gains, and other support	18,077,087	35,841,083
Expenses:		
Nursing services	5,115,490	10,004,827
Rehabilitation	1,722,371	2,794,806
Recreation and special services	399,184	844,290
Pharmacy	396,586	833,906
Social services	91,607	180,693
Physician services	74,077	147,556
Food services	1,915,285	3,848,745
Building operations and maintenance	1,414,020	2,857,247
Housekeeping	285,011	649,388
Laundry and linen	124,918	299,307
General and administrative	2,961,981	5,761,386
Employee benefits	1,032,842	2,653,000
Interest	195,804	339,375
Depreciation	1,136,455	2,205,864
Fundraising and investment fee	50,615	140,393
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Total expenses	16,916,245	33,560,783
Operating income	1,160,843	2,280,300
Other changes:		
Unrealized gain on investments	17,981	322,505
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Total other changes	17,981	322,505
Increase in net assets without donor restrictions	1,178,824	2,602,805

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Consolidated Statements of Operations and Changes in Net Assets

Quarters ended June 30, 2018 and year ended December 31, 2017

	June 30, 2018	December 31, 2017
Net assets with donor restrictions		
Contributions, gifts and bequests	16,708	79,977
Interest and dividend income	90	349
Unrealized (loss) gain on investments	(11,702)	5,403
Net assets released from restrictions	(14,364)	(46,642)
Change in net assets with donor restrictions	(9,268)	96,474
Change in net assets	1,169,556	2,699,279
Net assets, beginning of year	45,533,226	42,833,947
Net assets, end of year	\$ 46,702,782	45,533,226

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Statements of Cash Flows

Quarters ended June 30, 2018 and year ended December 31, 2017

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,169,556	2,699,279
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,136,455	2,205,864
Provision for bad debt	283,143	581,688
Proceeds from refundable entrance fees and deposits	1,540,253	4,158,246
Amortization of entrance fees	(884,493)	(1,104,534)
Unrealized gain on investments	(6,279)	(385,296)
Realized loss (gain) on investments	80,704	(746,485)
Realized gain on sale of assets	—	(19,930)
Contributions restricted for long-term purposes		(27,627)
Amortization	1,748	3,762
Change in assets and liabilities:		
Accounts receivable	(412,446)	(722,432)
Entrance fee payable	165,750	(29,400)
Pledges receivable	0	200
Other assets	(2,623)	(47,861)
Accounts payable	(110,081)	(2,346,786)
Accrued expenses and deferred revenue other	(196,035)	(357,602)
Net cash provided by operating activities	<u>2,765,652</u>	<u>3,861,087</u>
Cash flows from investing activities:		
Acquisition of property and equipment	(734,015)	(5,803,693)
Net purchases of investments	<u>860,734</u>	<u>5,001,014</u>
Net cash provided by (used in) investing activities	126,719	(802,679)
Cash flows for financing activities:		
Refunds of entrance fees and deposits	(212,973)	(305,598)
Change in entrance fee payable	(67,198)	(206,745)
Principal payments on long-term debt	(591,118)	(554,274)
Contributions restricted for long-term purposes	—	27,627
Decrease in annuities payable	(884)	(748)
Borrowings through capital lease obligations	100,952	33,601
Repayments on capital lease obligations	(32,725)	(67,450)
Due from affiliated entity	<u>(2,082,448)</u>	<u>(2,004,392)</u>
Net cash used in financing activities	<u>(2,886,393)</u>	<u>(3,077,979)</u>
Net increase (decrease) in cash and cash equivalents	5,978	(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>42,789</u></u>	\$ <u><u>36,811</u></u>