

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Statements of Financial Position

June 30, 2020 and December 31, 2019

Assets	June 30, 2020	December 31, 2019
Cash and cash equivalents	\$ 48,077	45,243
Investments	9,594,677	9,876,685
Statutory liquid reserves	1,309,437	1,258,405
Accounts receivable, net	2,903,110	3,509,358
Prepaid expenses	271,084	259,402
Assets whose use is limited	2,239,416	2,239,416
Promises to give, net	4,493	1,027
Assets held for sale	2,350,618	2,350,230
Property and equipment (net of accumulated depreciation of \$42,923,447 and \$41,700,269, respectively)	38,763,176	39,808,637
Financing leases (net of accumulated depreciation of \$260,776 and \$189,911, respectively)	451,429	373,616
Assets under operating leases	9,194	11,143
Due from affiliated entities	29,974,406	24,408,920
Assets held in trust by others	755,376	775,594
Other assets	121,446	—
Total assets	<u>\$ 88,795,939</u>	<u>84,917,676</u>

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Statements of Financial Position

June 30, 2020 and December 31, 2019

Liabilities and Net Assets	June 30, 2020	December 31, 2019
Accounts payable	\$ 1,833,719	968,324
Accrued expenses	3,899,253	3,555,937
Accrued interest	4,170	6,594
Resident deposits	181,300	137,500
Entrance fee payable	529,606	569,680
Deferred revenue – other	581,116	—
Deferred revenue – entrance fees	11,442,675	11,975,234
Annuities payable	1,965	13,995
Obligations under financing leases	462,504	381,081
Obligations under operating leases	9,194	11,143
Long-term debt	<u>17,591,965</u>	<u>18,074,104</u>
Total liabilities	<u>36,537,467</u>	<u>35,693,592</u>
Net assets:		
Without donor restrictions	49,144,806	46,117,490
With donor restrictions	<u>3,113,666</u>	<u>3,106,594</u>
Total net assets	<u>52,258,472</u>	<u>49,224,084</u>
Total liabilities and net assets	<u>\$ 88,795,939</u>	<u>84,917,676</u>

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Consolidated Statements of Operations and Changes in Net Assets

Quarters ended June 30, 2020 and year ended December 31, 2019

	June 30, 2020	December 31, 2019
	<hr/>	<hr/>
Revenues and other support:		
Resident services		
Resident services	\$ 16,795,810	35,415,542
Amortization of entrance fees	814,315	1,798,614
Implicit price concession	(288,895)	(566,667)
Total resident services	<hr/> 17,321,230	<hr/> 36,647,489
Contributions, gifts and bequests	24,154	87,053
Government stimulus	886,336	-
Net assets released from restrictions	<hr/> 15,265	<hr/> 50,249
Total revenues and other support	18,246,985	36,784,791
Cost of services provided		
Nursing services	5,358,514	10,795,369
Rehabilitation	1,944,056	4,040,532
Recreation and special services	307,926	858,316
Pharmacy	344,506	678,827
Social services	94,967	197,455
Physician services	74,161	143,930
Food services	2,003,471	3,912,490
Building operations and maintenance	1,653,384	3,163,313
Housekeeping	289,158	567,053
Laundry and linen	117,561	241,869
General and administrative	3,315,251	5,392,058
Employee benefits	1,041,243	2,248,188
Interest	288,206	633,166
Depreciation	1,294,042	2,576,822
Fundraising	<hr/> 51,757	<hr/> 131,016
Total cost of services provided	<hr/> 18,178,203	<hr/> 35,580,404
Excess of revenues and other support over expenses	68,783	1,204,387
Other (expense) income:		
Investment income, net of investment expense	105,245	290,771
Realized (loss) gain on investments	(9,573)	141,130
Unrealized (loss) gain on investments	<hr/> (297,438)	<hr/> 650,400
Total other (expense) income	<hr/> (201,766)	<hr/> 1,082,301
(Deficit) excess of revenue, gains and other support over expenses and losses	(132,984)	2,286,688

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Consolidated Statements of Operations and Changes in Net Assets

Quarters ended June 30, 2020 and year ended December 31, 2019

	June 30, 2020	December 31, 2019
Net assets without donor restrictions:		
(Deficit) excess of revenue, gains and other support over expenses and losses	(132,984)	2,286,688
Loan forgiveness	3,160,300	-
Change in net assets without donor restrictions	3,027,316	2,286,688
Net assets with donor restrictions		
Contributions, gifts and bequests	43,559	109,752
Investment income, net of investment expense	373	362
Unrealized (loss) gain on investments	(21,595)	91,058
Net assets released from restrictions	(15,265)	(50,249)
Change in net assets with donor restrictions	7,072	150,923
Change in net assets	3,034,388	2,437,611
Net assets, beginning of year	49,224,084	46,786,473
Net assets, end of year	\$ 52,258,472	49,224,084

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Statements of Cash Flows

Quarters ended June 30, 2020 and year ended December 31, 2019

	June 30, 2020	December 31, 2019
	<hr/>	<hr/>
Cash flows from operating activities:		
Change in net assets	\$ 3,034,388	2,437,611
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,294,042	2,576,822
Provision for implicit price concession and bad debt	513,209	626,795
Proceeds from refundable entrance fees and deposits	573,067	3,871,231
Amortization of entrance fees	(814,315)	(1,798,614)
Loan forgiveness	(3,160,300)	—
Unrealized loss (gain) on investments	319,033	(741,459)
Realized loss (gain) on investments	9,573	(141,130)
Amortization	1,029	2,058
Change in assets and liabilities:		
Accounts receivable	133,039	(108,330)
Entrance fee payable	(40,000)	114,750
Promises to give	(3,466)	5,073
Other assets	(11,549)	(91,964)
Accounts payable	865,395	(306,659)
Accrued expenses and deferred revenue other	922,008	407,328
Net cash provided by operating activities	<hr/> 3,513,708	<hr/> 6,853,513
Cash flows from investing activities:		
Acquisition of property and equipment	(326,782)	(1,539,953)
Net purchase of investments	<hr/> (77,412)	<hr/> (677,457)
Net cash used in investing activities	(404,193)	(2,217,411)
Cash flows for financing activities:		
Refunds of entrance fees and deposits	(247,512)	(857,734)
Change in entrance fee payable	(40,074)	(94,519)
Principal payments on long-term debt	(483,302)	(1,043,575)
Proceeds on the issuance of unsecured debt	3,160,300	—
Decrease in annuities payable	(12,030)	(143)
Borrowings under finance leases	148,678	291,119
Repayments on finance lease obligations	(67,255)	(87,693)
Due from affiliated entity	<hr/> (5,565,486)	<hr/> (2,845,306)
Net cash used in financing activities	<hr/> (3,106,680)	<hr/> (4,637,850)
Net increase (decrease) in cash and cash equivalents	2,834	(1,748)
Cash and cash equivalents, beginning of year	<hr/> 45,243	<hr/> 46,992
Cash and cash equivalents, end of year	<hr/> <hr/> \$ 48,077	<hr/> <hr/> 45,243