

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Statements of Financial Position

November 30, 2018 and December 30, 2017

Assets	November 30, 2018	December 30, 2017
Cash and cash equivalents	\$ 43,153	36,811
Investments	9,400,505	10,404,340
Statutory liquid reserves	801,397	800,439
Accounts receivable, net	4,169,119	4,593,314
Prepaid expenses	192,312	185,108
Assets whose use is limited	2,163,976	2,163,976
Pledges receivable	5,600	—
Property and equipment (net of accumulated depreciation of \$39,001,215 and \$36,852,312 respectively)	43,435,860	44,350,740
Assets under capital lease (net of accumulated depreciation of \$359,326 and \$295,809)	182,005	84,992
Due from affiliated entites	17,885,489	14,081,592
Assets held in trust by others	711,613	730,242
Other assets	25,279	—
Total assets	\$ <u>79,016,308</u>	<u>77,431,554</u>

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Statements of Financial Position

November 30, 2018 and December 30, 2017

Liabilities and Net Assets	November 30, 2018	December 30, 2017
Accounts payable	\$ 935,562	1,043,540
Accrued expenses	3,319,101	3,312,798
Accrued interest	8,207	9,520
Resident deposits	122,550	101,500
Entrance fee payable	664,927	783,596
Deferred revenue – entrance fees	10,791,719	9,797,914
Annuities payable	14,138	15,702
Obligations under capital lease	182,574	88,022
Long-term debt	15,811,598	16,745,736
Total liabilities	<u>31,850,376</u>	<u>31,898,328</u>
Net assets:		
Without donor restrictions	44,205,519	42,572,039
With donor restrictions	2,960,413	2,961,187
Total net assets	<u>47,165,932</u>	<u>45,533,226</u>
Total liabilities and net assets	<u>\$ 79,016,308</u>	<u>77,431,554</u>

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Consolidated Statements of Operations and Changes in Net Assets

Periods ended November 30, 2018 and year ended December 30, 2017

	November 30, 2018	December 30, 2017
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Operating revenues, gains, and other support:		
Resident services, including amortization of entrance fees of \$1,508,112 and \$1,104,534	\$ 33,120,912	34,386,883
Interest and dividend income	191,303	348,598
Realized (loss) gain on investments	(90,332)	746,485
Gain on sale of property and equipment	-	19,930
Contributions, gifts and bequests	95,165	292,545
Net assets released from restrictions	17,772	80,574
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Total operating revenues, gains, and other support	33,334,820	35,875,015
Expenses:		
Nursing services	9,470,941	10,004,827
Rehabilitation	3,322,562	2,794,806
Recreation and special services	735,321	844,290
Pharmacy	719,753	833,906
Social services	169,396	180,693
Physician services	135,531	147,556
Food services	3,527,277	3,848,745
Building operations and maintenance	2,668,491	2,857,247
Housekeeping	522,443	649,388
Laundry and linen	216,684	299,307
General and administrative	5,439,392	5,761,386
Employee benefits	1,847,736	2,653,000
Interest	469,887	339,375
Depreciation	2,212,420	2,205,864
Fundraising and investment fee	101,796	140,393
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Total expenses	31,559,632	33,560,783
Operating income	1,775,188	2,314,232
Other changes:		
Unrealized (loss) gain on investments	(141,708)	322,505
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Total other changes	(141,708)	322,505
Increase in net assets without donor restrictions	1,633,480	2,636,737

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Consolidated Statements of Operations and Changes in Net Assets

Periods ended November 30, 2018 and year ended December 30, 2017

	November 30, 2018	December 30, 2017
Net assets with donor restrictions		
Contributions, gifts and bequests	37,335	79,977
Interest and dividend income	90	349
Unrealized (loss) gain on investments	(20,428)	5,403
Net assets released from restrictions	<u>(17,772)</u>	<u>(80,574)</u>
Change in net assets with donor restrictions	(774)	62,542
Change in net assets	1,632,706	2,699,279
Net assets, beginning of year	<u>45,533,226</u>	<u>42,833,947</u>
Net assets, end of year	<u>\$ 47,165,932</u>	<u>45,533,226</u>

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Statements of Cash Flows

Periods ended November 30, 2018 and year ended December 30, 2017

	<u>November 30,</u> <u>2018</u>	<u>December 30,</u> <u>2017</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,632,706	2,699,279
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,212,420	2,205,864
Provision for bad debt	536,794	581,688
Proceeds from refundable entrance fees and deposits	2,965,956	4,158,246
Amortization of entrance fees	(1,508,112)	(1,104,534)
Unrealized loss (gain) on investments	162,135	(385,296)
Realized loss (gain) on investments	90,332	(746,485)
Realized gain on sale of assets	—	(19,930)
Contributions restricted for long-term purposes	—	(27,627)
Amortization	3,204	3,762
Change in assets and liabilities:		
Accounts receivable	(434,349)	(722,432)
Entrance fee payable	321,750	(29,400)
Pledges receivable	(5,600)	200
Other assets	(6,960)	(47,861)
Other receivables	(25,279)	—
Accounts payable	(107,978)	(2,346,786)
Accrued expenses and deferred revenue other	4,990	(357,602)
Net cash provided by operating activities	<u>5,842,009</u>	<u>3,861,087</u>
Cash flows from investing activities:		
Acquisition of property and equipment	(1,394,552)	(5,803,693)
Net proceeds from sale of investments	769,039	5,001,014
Net cash used in investing activities	<u>(625,513)</u>	<u>(802,679)</u>
Cash flows for financing activities:		
Refunds of entrance fees and deposits	(442,989)	(305,598)
Change in entrance fee payable	(118,669)	(206,745)
Principal payments on long-term debt	(937,587)	(554,274)
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	(65,978)	(67,450)
Due from affiliated entity	(3,803,897)	(2,004,392)
Net cash used in financing activities	<u>(5,210,154)</u>	<u>(3,077,979)</u>
Net increase (decrease) in cash and cash equivalents	6,341	(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>43,153</u></u>	<u><u>36,811</u></u>