

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Statements of Financial Position

October 31, 2018 and December 30, 2017

Assets	October 31, 2018	December 30, 2017
Cash and cash equivalents	\$ 42,127	36,811
Investments	9,311,122	10,404,340
Statutory liquid reserves	801,397	800,439
Accounts receivable, net	4,168,175	4,593,314
Prepaid expenses	217,624	185,108
Assets whose use is limited	2,163,976	2,163,976
Property and equipment (net of accumulated depreciation of \$38,794,060 and \$36,852,312 respectively)	43,644,278	44,350,740
Assets under capital lease (net of accumulated depreciation of \$352,128 and \$295,809)	147,838	84,992
Due from affiliated entites	17,609,873	14,081,592
Assets held in trust by others	703,599	730,242
Other assets	23,393	—
Total assets	\$ <u>78,833,402</u>	<u>77,431,554</u>

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Statements of Financial Position

October 31, 2018 and December 30, 2017

Liabilities and Net Assets	October 31, 2018	December 30, 2017
Accounts payable	\$ 863,143	1,043,540
Accrued expenses	3,339,062	3,312,798
Accrued interest	8,473	9,520
Resident deposits	165,300	101,500
Entrance fee payable	665,604	783,596
Deferred revenue – entrance fees	10,657,452	9,797,914
Annuities payable	14,423	15,702
Obligations under capital lease	189,648	88,022
Long-term debt	15,873,902	16,745,736
Total liabilities	<u>31,777,007</u>	<u>31,898,328</u>
Net assets:		
Without donor restrictions	44,103,997	42,572,039
With donor restrictions	2,952,399	2,961,187
Total net assets	<u>47,056,396</u>	<u>45,533,226</u>
Total liabilities and net assets	<u>\$ 78,833,402</u>	<u>77,431,554</u>

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Consolidated Statements of Operations and Changes in Net Assets

Periods ended October 31, 2018 and year ended December 30, 2017

	October 31, 2018	December 30, 2017
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Operating revenues, gains, and other support:		
Resident services, including amortization of entrance fees of \$1,378,651 and \$1,104,534	\$ 30,200,168	34,386,883
Interest and dividend income	186,983	348,598
Realized (loss) gain on investments	(90,644)	746,485
Gain on sale of property and equipment	-	19,930
Contributions, gifts and bequests	81,760	292,545
Net assets released from restrictions	17,772	80,574
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Total operating revenues, gains, and other support	30,396,039	35,875,015
Expenses:		
Nursing services	8,589,576	10,004,827
Rehabilitation	3,030,594	2,794,806
Recreation and special services	670,156	844,290
Pharmacy	671,396	833,906
Social services	154,017	180,693
Physician services	123,240	147,556
Food services	3,210,793	3,848,745
Building operations and maintenance	2,438,615	2,857,247
Housekeeping	473,879	649,388
Laundry and linen	199,214	299,307
General and administrative	4,911,559	5,761,386
Employee benefits	1,656,613	2,653,000
Interest	414,697	339,375
Depreciation	1,998,067	2,205,864
Fundraising and investment fee	95,091	140,393
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Total expenses	28,637,508	33,560,783
Operating income	1,758,530	2,314,232
Other changes:		
Unrealized (loss) gain on investments	(226,573)	322,505
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Total other changes	(226,573)	322,505
Increase in net assets without donor restrictions	1,531,958	2,636,737

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Consolidated Statements of Operations and Changes in Net Assets

Periods ended October 31, 2018 and year ended December 30, 2017

	October 31, 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	(28,441)	5,403
Net assets released from restrictions	<u>(17,772)</u>	<u>(80,574)</u>
Change in net assets with donor restrictions	(8,788)	62,542
Change in net assets	1,523,170	2,699,279
Net assets, beginning of year	<u>45,533,226</u>	<u>42,833,947</u>
Net assets, end of year	<u>\$ 47,056,396</u>	<u>45,533,226</u>

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Statements of Cash Flows

Periods ended October 31, 2018 and year ended December 30, 2017

	<u>October 31,</u> <u>2018</u>	<u>December 30,</u> <u>2017</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,523,170	2,699,279
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,998,067	2,205,864
Provision for bad debt	440,982	581,688
Proceeds from refundable entrance fees and deposits	2,744,301	4,158,246
Amortization of entrance fees	(1,378,651)	(1,104,534)
Unrealized loss (gain) on investments	255,014	(385,296)
Realized loss (gain) on investments	90,644	(746,485)
Realized gain on sale of assets	—	(19,930)
Contributions restricted for long-term purposes	—	(27,627)
Amortization	2,913	3,762
Change in assets and liabilities:		
Accounts receivable	(337,593)	(722,432)
Entrance fee payable	321,750	(29,400)
Pledges receivable	—	200
Other assets	(32,294)	(47,861)
Other receivables	(23,393)	—
Accounts payable	(180,397)	(2,346,786)
Accrued expenses and deferred revenue other	25,217	(357,602)
Net cash provided by operating activities	<u>5,449,730</u>	<u>3,861,087</u>
Cash flows from investing activities:		
Acquisition of property and equipment	(1,354,451)	(5,803,693)
Net purchases of investments	<u>773,246</u>	<u>5,001,014</u>
Net cash used in investing activities	(581,206)	(802,679)
Cash flows for financing activities:		
Refunds of entrance fees and deposits	(442,312)	(305,598)
Change in entrance fee payable	(117,992)	(206,745)
Principal payments on long-term debt	(874,970)	(554,274)
Contributions restricted for long-term purposes	—	27,627
Decrease in annuities payable	(1,279)	(748)
Borrowings through capital lease obligations	160,529	33,601
Repayments on capital lease obligations	(58,904)	(67,450)
Due from affiliated entity	<u>(3,528,281)</u>	<u>(2,004,392)</u>
Net cash used in financing activities	<u>(4,863,209)</u>	<u>(3,077,979)</u>
Net increase (decrease) in cash and cash equivalents	5,315	(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>42,127</u></u>	\$ <u><u>36,811</u></u>