

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Statements of Financial Position

October 31, 2020 and December 31, 2019

| Assets | October 31, 2020 | December 31, 2019 |
|--|-----------------------------|------------------------------|
| Cash and cash equivalents | \$ 47,522 | 45,243 |
| Investments | 10,167,403 | 9,876,685 |
| Statutory liquid reserves | 1,313,014 | 1,258,405 |
| Accounts receivable, net | 1,965,696 | 3,509,358 |
| Prepaid expenses | 304,989 | 259,402 |
| Assets whose use is limited | 2,239,416 | 2,239,416 |
| Promises to give, net | 10,293 | 1,027 |
| Assets held for sale | 2,350,618 | 2,350,230 |
| Property and equipment (net of accumulated depreciation of \$43,728,312 and \$41,700,269, respectively) | 38,003,717 | 39,808,637 |
| Financing leases (net of accumulated depreciation of \$274,217 and \$189,911, respectively) | 389,322 | 373,616 |
| Assets under operating leases | 7,872 | 11,143 |
| Due from affiliated entites | 29,451,401 | 24,408,920 |
| Assets held in trust by others | 782,006 | 775,594 |
| Total assets | \$ <u>87,033,267</u> | <u>84,917,676</u> |

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Statements of Financial Position

October 31, 2020 and December 31, 2019

| Liabilities and Net Assets | October 31, 2020 | December 31, 2019 |
|------------------------------------|-----------------------------|------------------------------|
| Accounts payable | \$ 1,798,285 | 968,324 |
| Accrued expenses | 3,798,325 | 3,555,937 |
| Accrued interest | 4,964 | 6,594 |
| Resident deposits | 92,250 | 137,500 |
| Entrance fee payable | 490,398 | 569,680 |
| Deferred revenue – other | 465,564 | — |
| Deferred revenue – entrance fees | 11,421,090 | 11,975,234 |
| Annuities payable | 1,878 | 13,995 |
| Obligations under financing leases | 401,341 | 381,081 |
| Obligations under operating leases | 7,872 | 11,143 |
| Long-term debt | <u>17,208,604</u> | <u>18,074,104</u> |
| Total liabilities | <u>35,690,571</u> | <u>35,693,592</u> |
| Net assets: | | |
| Without donor restrictions | 48,171,641 | 46,117,490 |
| With donor restrictions | <u>3,171,055</u> | <u>3,106,594</u> |
| Total net assets | <u>51,342,696</u> | <u>49,224,084</u> |
| Total liabilities and net assets | <u>\$ 87,033,267</u> | <u>84,917,676</u> |

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Consolidated Statements of Operations and Changes in Net Assets

Periods ended October 31, 2020 and year ended December 31, 2019

| | October 31, 2020 | December 31, 2019 |
|---|-----------------------------|------------------------------|
| | <hr/> | <hr/> |
| Revenues and other support: | | |
| Resident services | | |
| Resident services | \$ 26,725,596 | 35,415,542 |
| Amortization of entrance fees | 1,387,777 | 1,798,614 |
| Implicit price concession | (498,485) | (566,667) |
| Total resident services | <hr/> 27,614,888 | <hr/> 36,647,489 |
| Contributions, gifts and bequests | 62,518 | 87,053 |
| Government stimulus funding | 2,093,948 | - |
| Net assets released from restriction-Paycheck Protection grant | 3,160,300 | - |
| Net assets released from restrictions | 24,874 | 50,249 |
| | <hr/> | <hr/> |
| Total revenues and other support | 32,956,527 | 36,784,791 |
| Cost of services provided | | |
| Nursing services | 8,839,475 | 10,795,369 |
| Rehabilitation | 3,166,149 | 4,040,532 |
| Recreation and special services | 488,498 | 858,316 |
| Pharmacy | 516,788 | 678,827 |
| Social services | 158,278 | 197,455 |
| Physician services | 123,538 | 143,930 |
| Food services | 3,311,024 | 3,912,490 |
| Building operations and maintenance | 2,699,044 | 3,163,313 |
| Housekeeping | 472,249 | 567,053 |
| Laundry and linen | 193,620 | 241,869 |
| General and administrative | 4,475,665 | 5,392,058 |
| Employee benefits | 1,838,772 | 2,248,188 |
| Interest | 469,300 | 633,166 |
| Depreciation | 2,137,840 | 2,576,822 |
| Fundraising | 86,039 | 131,016 |
| | <hr/> | <hr/> |
| Total cost of services provided | 28,976,279 | 35,580,404 |
| Excess of revenues and other support over expenses | 3,980,248 | 1,204,387 |
| Other (expense) income : | | |
| Investment income, net of investment expense | 161,940 | 290,771 |
| Realized gain on investments | 132,734 | 141,130 |
| Unusual non-recurring expenses - COVID-19 | (2,338,735) | - |
| Unrealized gain on investments | 81,942 | 650,400 |
| Gain on sale of property and equipment | 36,021 | - |
| | <hr/> | <hr/> |
| Total other (expense) income | (1,926,098) | 1,082,301 |
| Excess of revenue, gains and other support over expenses and losses | <hr/> 2,054,150 | <hr/> 2,286,688 |

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Consolidated Statements of Operations and Changes in Net Assets

Periods ended October 31, 2020 and year ended December 31, 2019

| | October 31, 2020 | December 31, 2019 |
|---|-----------------------------|------------------------------|
| Net assets without donor restrictions: | | |
| Excess of revenue, gains and other support over expenses and losses | 2,054,150 | 2,286,688 |
| Change in net assets without donor restrictions | 2,054,150 | 2,286,688 |
| Net assets with donor restrictions | | |
| Contributions, gifts and bequests | 3,244,227 | 109,752 |
| Investment income, net of investment expense | 373 | 362 |
| Unrealized gain on investments | 5,035 | 91,058 |
| Net assets released from restriction-Paycheck Protection grant | (3,160,300) | - |
| Net assets released from restrictions | (24,874) | (50,249) |
| Change in net assets with donor restrictions | 64,462 | 150,923 |
| Change in net assets | 2,118,612 | 2,437,611 |
| Net assets, beginning of year | 49,224,084 | 46,786,473 |
| Net assets, end of year | \$ 51,342,696 | 49,224,084 |

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Statements of Cash Flows

Periods ended October 31, 2020 and year ended December 31, 2019

| | October 31, 2020 | December 31, 2019 |
|---|-----------------------------|------------------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ 2,118,612 | 2,437,611 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 2,137,840 | 2,576,822 |
| Provision for implicit price concession and bad debt | 869,622 | 626,795 |
| Proceeds from refundable entrance fees and deposits | 1,158,382 | 3,871,231 |
| Amortization of entrance fees | (1,387,777) | (1,798,614) |
| Unrealized gain on investments | (86,977) | (741,459) |
| Realized gain on investments | (132,734) | (141,130) |
| Amortization | 1,715 | 2,058 |
| Change in assets and liabilities: | | |
| Accounts receivable | 674,040 | (108,330) |
| Entrance fee payable | — | 114,750 |
| Promises to give | (9,266) | 5,073 |
| Other assets | (45,364) | (91,964) |
| Accounts payable | 829,961 | (306,659) |
| Accrued expenses and deferred revenue other | 706,321 | 407,328 |
| Net cash provided by operating activities | <u>6,798,354</u> | <u>6,853,513</u> |
| Cash flows from investing activities: | | |
| Acquisition of property and equipment | (312,993) | (1,539,953) |
| Net purchase of investments | <u>(132,027)</u> | <u>(677,457)</u> |
| Net cash used in investing activities | (445,020) | (2,217,411) |
| Cash flows for financing activities: | | |
| Refunds of entrance fees and deposits | (369,999) | (857,734) |
| Change in entrance fee payable | (79,282) | (94,519) |
| Principal payments on long-term debt | (867,437) | (1,043,575) |
| Change in annuities payable | (12,117) | (143) |
| Borrowings under finance leases | 148,678 | 291,119 |
| Repayments on finance lease obligations | (128,418) | (87,693) |
| Increase in due from affiliated entity | <u>(5,042,481)</u> | <u>(2,845,306)</u> |
| Net cash used in financing activities | <u>(6,351,055)</u> | <u>(4,637,850)</u> |
| Net increase (decrease) in cash and cash equivalents | 2,279 | (1,749) |
| Cash and cash equivalents, beginning of year | <u>45,243</u> | <u>46,992</u> |
| Cash and cash equivalents, end of year | <u>\$ 47,522</u> | <u>45,243</u> |