

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Statements of Financial Position

September 30, 2018 and December 30, 2017

Assets	September 30, 2018	December 30, 2017
Cash and cash equivalents	\$ 42,754	36,811
Investments	9,786,068	10,404,340
Statutory liquid reserves	801,397	800,439
Accounts receivable, net	4,159,814	4,593,314
Prepaid expenses	253,180	185,108
Assets whose use is limited	2,163,976	2,163,976
Pledges receivable	768	—
Property and equipment (net of accumulated depreciation of \$38,587,102 and \$36,852,312 respectively)	43,626,584	44,350,740
Assets under capital lease (net of accumulated depreciation of \$346,079 and \$295,809)	153,887	84,992
Due from affiliated entites	17,338,705	14,081,592
Assets held in trust by others	740,280	730,242
Total assets	<u>\$ 79,067,412</u>	<u>77,431,554</u>

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Statements of Financial Position

September 30, 2018 and December 30, 2017

Liabilities and Net Assets	September 30, 2018	December 30, 2017
Accounts payable	\$ 802,313	1,043,540
Accrued expenses	3,353,492	3,312,798
Accrued interest	8,237	9,520
Resident deposits	88,750	101,500
Entrance fee payable	665,958	783,596
Deferred revenue – entrance fees	10,552,385	9,797,914
Annuities payable	14,621	15,702
Obligations under capital lease	155,362	88,022
Long-term debt	15,936,356	16,745,736
Total liabilities	<u>31,577,474</u>	<u>31,898,328</u>
Net assets:		
Without donor restrictions	44,500,858	42,572,039
With donor restrictions	2,989,080	2,961,187
Total net assets	<u>47,489,938</u>	<u>45,533,226</u>
Total liabilities and net assets	<u>\$ 79,067,412</u>	<u>77,431,554</u>

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Consolidated Statements of Operations and Changes in Net Assets

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

	<u>September 30,</u> <u>2018</u>	<u>December 30,</u> <u>2017</u>
Operating revenues, gains, and other support:		
Resident services, including amortization of entrance fees of \$1,271,103 and \$1,104,534	\$ 27,083,821	34,386,883
Interest and dividend income	123,249	348,598
Realized (loss) gain on investments	(90,644)	746,485
Gain on sale of property and equipment	-	19,930
Contributions, gifts and bequests	67,037	292,545
Net assets released from restrictions	17,772	80,574
Total operating revenues, gains, and other support	<u>27,201,235</u>	<u>35,875,015</u>
Expenses:		
Nursing services	7,702,615	10,004,827
Rehabilitation	2,690,646	2,794,806
Recreation and special services	593,615	844,290
Pharmacy	572,200	833,906
Social services	137,644	180,693
Physician services	110,949	147,556
Food services	2,871,137	3,848,745
Building operations and maintenance	2,184,055	2,857,247
Housekeeping	427,780	649,388
Laundry and linen	179,867	299,307
General and administrative	4,381,007	5,761,386
Employee benefits	1,499,986	2,653,000
Interest	360,156	339,375
Depreciation	1,785,059	2,205,864
Fundraising and investment fee	80,860	140,393
Total expenses	<u>25,577,578</u>	<u>33,560,783</u>
Operating income	1,623,656	2,314,232
Other changes:		
Unrealized gain on investments	305,163	322,505
Total other changes	<u>305,163</u>	<u>322,505</u>
Increase in net assets without donor restrictions	1,928,819	2,636,737

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Consolidated Statements of Operations and Changes in Net Assets

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

	September 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 gain on investments	8,240	5,403
Net assets released from restrictions	<u>(17,772)</u>	<u>(80,574)</u>
Change in net assets with donor restrictions	27,893	62,542
Change in net assets	1,956,712	2,699,279
Net assets, beginning of year	<u>45,533,226</u>	<u>42,833,947</u>
Net assets, end of year	<u>\$ 47,489,938</u>	<u>45,533,226</u>

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Statements of Cash Flows

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

	<u>September 30,</u> <u>2018</u>	<u>December 30,</u> <u>2017</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,956,712	2,699,279
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,785,059	2,205,864
Provision for bad debt	386,004	581,688
Proceeds from refundable entrance fees and deposits	2,407,960	4,158,246
Amortization of entrance fees	(1,271,103)	(1,104,534)
Unrealized gain on investments	(313,402)	(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	2,622	3,762
Change in assets and liabilities:		
Accounts receivable	(274,253)	(722,432)
Entrance fee payable	321,750	(29,400)
Pledges receivable	(768)	200
Other assets	(67,872)	(47,861)
Accounts payable	(241,227)	(2,346,786)
Accrued expenses and deferred revenue other	39,411	(357,602)
Net cash provided by operating activities	<u>4,821,537</u>	<u>3,861,087</u>
Cash flows from investing activities:		
Acquisition of property and equipment	(1,129,798)	(5,803,693)
Net purchases of investments	830,035	5,001,014
Net cash used in investing activities	<u>(299,764)</u>	<u>(802,679)</u>
Cash flows for financing activities:		
Refunds of entrance fees and deposits	(395,137)	(305,598)
Change in entrance fee payable	(117,638)	(206,745)
Principal payments on long-term debt	(812,202)	(554,274)
Contributions restricted for long-term purposes	—	27,627
Decrease in annuities payable	(1,081)	(748)
Borrowings through capital lease obligations	119,165	33,601
Repayments on capital lease obligations	(51,825)	(67,450)
Due from affiliated entity	(3,257,113)	(2,004,392)
Net cash used in financing activities	<u>(4,515,831)</u>	<u>(3,077,979)</u>
Net increase (decrease) in cash and cash equivalents	5,942	(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>42,754</u></u>	<u><u>36,811</u></u>