

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Statements of Financial Position

July 31, 2017 and December 31, 2016

Assets	July 31, 2017	December 31, 2016
Cash and cash equivalents	\$ 48,269	56,382
Investments	9,811,708	9,067,170
Statutory liquid reserves	700,115	705,407
Accounts receivable, net	4,025,896	4,423,170
Prepaid expenses	297,683	136,981
Assets whose use is limited	2,136,348	2,136,348
Assets whose use is limited, capital assets held by trustee	—	5,392,853
Pledges receivable	(0)	200
Property and equipment (net of accumulated depreciation of \$35,971,395 and \$34,738,392 respectively)	43,645,311	40,699,489
Assets under capital lease (net of accumulated depreciation of \$266,189 and \$228,715)	81,011	118,485
Due from affiliated entites	13,812,028	12,077,200
Assets held in trust by others	705,377	666,451
Total assets	\$ <u>75,263,745</u>	<u>75,480,136</u>

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Statements of Financial Position

July 31, 2017 and December 31, 2016

Liabilities and Net Assets	July 31, 2017	December 31, 2016
Accounts payable	\$ 690,181	3,390,326
Accrued expenses	3,429,716	3,669,192
Accrued interest	8,725	10,728
Resident deposits	187,780	111,500
Entrance fee payable	786,685	990,341
Deferred revenue – entrance fees	8,797,463	7,039,800
Annuities payable	15,504	16,450
Obligations under capital lease	84,237	121,871
Long-term debt	16,926,641	17,295,981
Total liabilities	<u>30,926,933</u>	<u>32,646,189</u>
Net assets:		
Unrestricted	41,394,812	39,935,304
Temporarily restricted	242,563	234,426
Permanently restricted	2,699,437	2,664,217
Total net assets	<u>44,336,812</u>	<u>42,833,947</u>
Total liabilities and net assets	<u>\$ 75,263,745</u>	<u>75,480,136</u>

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Consolidated Statements of Operations and Changes in Net Assets

Periods ended July 31, 2017 and year ended December 31, 2016

	July 31, 2017	December 31, 2016
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Operating revenues, gains, and other support:		
Resident services, including amortization of entrance fees of \$534,209 and \$1,089,800	\$ 19,822,574	32,674,032
Interest and dividend income	87,439	260,766
Realized gain on investments	130,368	93,809
Gain on sale of property and equipment	18,430	-
Contributions, gifts and bequests	46,460	47,260
Net assets released from restrictions	20,362	97,180
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Total operating revenues, gains, and other support	20,125,634	33,173,047
Expenses:		
Nursing services	5,737,002	9,549,226
Rehabilitation	1,486,830	2,560,758
Recreation and special services	491,219	846,807
Pharmacy	487,228	727,708
Social services	105,979	157,339
Physician services	85,101	120,296
Food services	2,236,943	3,678,794
Building operations and maintenance	1,628,378	2,738,809
Housekeeping	372,975	662,691
Laundry and linen	174,862	307,790
General and administrative	3,309,181	5,341,286
Employee benefits	1,545,793	2,756,910
Interest	195,635	334,069
Depreciation	1,270,477	2,136,677
Fundraising and investment fee	75,939	160,748
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Total expenses	19,203,543	32,079,908
Operating income	922,091	1,093,139
Other changes:		
Unrealized gain on investments	537,416	200,043
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Total other changes	537,416	200,043
Increase in unrestricted net assets	1,459,508	1,293,182

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Consolidated Statements of Operations and Changes in Net Assets

Periods ended July 31, 2017 and year ended December 31, 2016

	July 31, 2017	December 31, 2016
Temporarily restricted net assets:		
Contributions, gifts and bequests	23,081	69,619
Interest and dividend income	361	340
Unrealized gain on investments	5,056	11,422
Net assets released from restrictions	(20,362)	(97,179)
Change in temporarily restricted net assets	8,137	(15,798)
Permanently restricted net assets:		
Contributions, gifts and bequests	–	44,995
Change in fair value of assets held in trust by others	35,220	1,046
Change in permanently restricted net assets	35,220	46,041
Change in net assets	1,502,865	1,323,425
Net assets, beginning of year	42,833,947	41,510,522
Net assets, end of year	\$ 44,336,812	42,833,947

PRESBYTERIAN HOMES IN THE PRESBYTERY OF HUNTINGDON

Statements of Cash Flows

Periods ended July 31, 2017 and year ended December 31, 2016

	<u>July 31,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,502,865	1,323,425
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,270,477	2,136,677
Provision for bad debt	339,134	215,293
Proceeds from refundable entrance fees and deposits	2,575,936	1,561,935
Amortization of entrance fees	(534,209)	(1,089,800)
Unrealized gain on investments	(577,693)	(212,511)
Realized gain on investments	(130,368)	(93,809)
Realized gain on sale of assets	(18,430)	—
Contributions restricted for long-term purposes	—	(44,994)
Change in assets and liabilities:		
Accounts receivable	(202,679)	(624,578)
Entrance fee payable	260,819	(285,000)
Pledges receivable	200	35,049
Other assets	(160,547)	34,202
Accounts payable	(2,700,145)	1,445,249
Accrued expenses and deferred revenue other	(241,479)	894,832
Net cash provided by operating activities	<u>1,383,881</u>	<u>5,295,970</u>
Cash flows from investing activities:		
Acquisition of property and equipment	(4,160,394)	(8,564,441)
Net purchases of investments	<u>5,322,743</u>	<u>89,316</u>
Net cash provided by (used in) investing activities	1,162,349	(8,475,125)
Cash flows for financing activities:		
Refunds of entrance fees and deposits	(207,784)	(1,002,447)
Change in entrance fee payable	(203,656)	(294,085)
Principal payments on long-term debt	(369,496)	(525,134)
Proceeds on the issuance of bonds	—	10,000,000
Financing costs incurred	—	(31,000)
Contributions restricted for long-term purposes	—	44,994
Decrease in annuities payable	(946)	(1,207)
Borrowings through capital lease obligations	—	34,121
Repayments on capital lease obligations	(37,634)	(59,889)
Due from affiliated entity	(1,734,828)	(4,975,502)
Net cash (used in) provided by financing activities	<u>(2,554,343)</u>	<u>3,189,851</u>
Net (decrease) increase in cash and cash equivalents	(8,114)	10,695
Cash and cash equivalents, beginning of year	<u>56,382</u>	<u>45,687</u>
Cash and cash equivalents, end of year	\$ <u><u>48,269</u></u>	\$ <u><u>56,382</u></u>