Statements of Financial Position

March 31, 2017 and December 31, 2016

Assets	_	March 31, 2017	December 31, 2016
Cash and cash equivalents	\$	254,329	262,152
Investments		9,223,431	8,845,919
Accounts receivable, net		30,444	36,503
Prepaid expenses		150,661	133,560
Property and equipment (net of accumulated depreciation of \$5,178,086 and \$4,905,328)		39,360,155	39,619,270
Assets under capital lease (net of accumulated depreciation of \$32,740 and \$30,335)		10,423	12,829
Assets held in trust by others		801,399	787,774
Total assets	\$	49,830,843	49,698,007

Statements of Financial Position

March 31, 2017 and December 31, 2016

Liabilities and Net Assets	_	March 31, 2017	December 31, 2016
Accounts payable	\$	165,119	112,282
Accrued expenses		386,345	423,913
Resident deposits		15,800	17,200
Due to affiliated entities		13,795,173	13,433,590
Annuities payable Obligations under capital lease		73,147 10,755	73,147 13,194
Long-term debt	_	30,367,539	30,880,228
Total liabilities		44,813,877	44,953,554
Net assets: Unrestricted Temporarily restricted Permanently restricted Total net assets	_	4,205,087 10,480 801,399 5,016,966	3,949,456 7,223 787,774 4,744,453
Total liabilities and net assets	\$	49,830,843	49,698,007

See accompanying notes to financial statements.

Statements of Operations and Changes in Net Assets

Quarter ended March 31, 2017 and year ended December 31, 2016

	March 31, 2017	December 31, 2016
Operating revenues, gains, and other support:		
Resident services	\$ 1,263,793	4,936,761
Interest and dividend income	48,475	339,336
Realized gain on investments	_	136,011
Contributions, gifts and bequests	60,524	82,608
Net assets released from restrictions	 832	17,055
Total operating revenues, gains, and other support	1,373,624	5,511,771
Expenses:		
Nursing services	175,885	654,884
Recreation and special services	24,893	114,532
Pharmacy	2,214	11,190
Physician services	2,250	9,000
Food services	150,558	603,081
Building operations and maintenance	275,040	1,141,330
Housekeeping	14,789	63,455
Laundry and linen	_	412
General and administrative	473,057	874,250
Employee benefits	52,100	191,093
Interest	270,239	1,103,629
Depreciation	24,779	1,103,165
Fundraising and investment fee	 3,501	47,022
Total expenses	 1,469,317	5,917,072
Loss from continuing operations	(95,693)	(405,301)
Other changes:		
Unrealized gain on investments	 351,323	85,073
Total other changes	 351,323	85,073
Increase (decrease) in unrestricted net assets	255,630	(320,228)

Statements of Operations and Changes in Net Assets

Quarter ended March 31, 2017 and year ended December 31, 2016

	_	March 31, 2017	December 31, 2016	
Temporarily restricted net assets:				
Contributions, gifts and bequests		4,090	20,963	
Interest and dividend income		_	_	
Unrealized gain on investments		_	_	
Net assets released from restrictions	_	(832)	(17,055)	
Change in temporarily restricted net assets		3,258	3,908	
Permanently restricted net assets:				
Change in fair value of assets held in trust by others		13,625	(25,427)	
Change in permanently restricted net assets	_	13,625	(25,427)	
Change in net assets		272,513	(341,747)	
Net assets, beginning of year		4,744,453	5,086,200	
Net assets, end of year	\$	5,016,966	4,744,453	

See accompanying notes to consolidated financial statements.

Statements of Cash Flows

Quarter ended March 31, 2017 and year ended December 31, 2016

Cash flows from operating activities: Change in net assets\$ $272,513$ $(341,747)$ Adjustments to reconcile change in net assets to net cash provided by operating activities: Depreciation $24,779$ $1,103,165$ Provision for bad debt 662 $1,506$ Proceeds from entrance fees and deposits $(1,400)$ $1,200$ Unrealized gain on investments $(364,948)$ $(59,646)$ Realized gain on investments $(364,948)$ $(59,646)$ Realized gain on investments $(364,948)$ $(59,646)$ Realized gain on investments $(37,568)$ 4.638 Accounts receivable $5,397$ $22,977$ Other assets $(17,101)$ $(2,729)$ Accounts receivable $52,837$ $(45,486)$ Accounts payable $52,837$ $(45,486)$ Accurud expenses and deferred revenue other $(37,568)$ 4.638 Net cash provided by operating activities: $(26,189)$ $(247,428)$ Net cash used in investing activities: $(26,189)$ $(247,428)$ Net cash used in investing activities $(216,353)$ $(333,156)$ Cash flows for financing activities: $(2,439)$ $(10,547)$ Due from affiliated entity $361,583$ $1,231,152$ Change in annuities payable $(24,39)$ $(153,545)$ Net cash used in financing activities $(2,439)$ $(10,547)$ Due from affiliated entity $361,583$ $1,231,152$ Change in annuities payable $(7,823)$ $8,217$ Cash and cash equivalents, beginning of year $262,15$			March 31, 2017	December 31, 2016
Adjustments to reconcile change in net assets to net cash provided by operating activities: Depreciation $24,779$ $1,103,165$ Depreciation $24,779$ $1,103,165$ Provision for bad debt 662 $1,506$ Proceeds from entrance fees and deposits $(1,400)$ $1,200$ Unrealized gain on investments $(364,948)$ $(59,646)$ Realized gain on investments $ (136,011)$ Change in assets and liabilities: Accounts receivable $5,397$ $22,977$ Other assets $(17,101)$ $(2,729)$ Accounts payable $52,837$ $(45,486)$ Accounts payable $52,837$ $(45,486)$ Accured expenses and deferred revenue other $(37,568)$ 4.638 Net cash provided by operating activities: Acquisition of property and equipment $236,742$ $(85,728)$ Net proceeds from purchases of investments $(26,189)$ $(247,428)$ Net cash used in investing activities: $210,553$ $(333,156)$ Cash flows for financing activities: $(2,439)$ $(10,547)$ Principal payments on long-term debt $(512,689)$ $(1,423,428)$ Repayments on captial lease obligations $(2,439)$ $(10,547)$ Due from affiliated entity $361,583$ $1,231,152$ Change in annuities payable $ (3,671)$ Net cash used in financing activities $(153,545)$ $(206,495)$ Net (decrease) increase in cash and cash equivalents $(7,823)$ $8,217$ Cash and cash equivalents, beginning of year $262,152$ $253,935$ <td></td> <td>_</td> <td></td> <td></td>		_		
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Unrealized gain on investments $(364,948)$ $(59,646)$ Realized gain on investments- $(136,011)$ Change in assets and liabilities:- $(136,011)$ Accounts receivable $5,397$ $22,977$ Other assets $(17,101)$ $(2,729)$ Accounts payable $52,837$ $(45,486)$ Accrued expenses and deferred revenue other $(37,568)$ $4,638$ Net cash provided by operating activities: $(64,830)$ $547,868$ Cash flows used in investing activities: $(26,189)$ $(247,428)$ Net proceeds from purchases of investments $(26,189)$ $(247,428)$ Net cash used in investing activities: $(24,39)$ $(10,547)$ Due from affiliated entity $361,583$ $1,231,152$ Change in annuities payable $ (3,671)$ Net cash used in financing activities $(153,545)$ $(206,495)$ Net cash used in financing activities $ (3,671)$ Change in annuities payable $ (3,671)$ Net cash used in financing activities $(153,545)$ $(206,495)$ Net (decrease) increase in cash and cash equivalents $(7,823)$ $8,217$ Cash and cash equivalents, beginning of year $262,152$ $253,935$				
Realized gain on investments(136,011)Change in assets and liabilities:5,39722,977Accounts receivable5,39722,977Other assets(17,101)(2,729)Accounts payable52,837(45,486)Accrued expenses and deferred revenue other(37,568)4,638Net cash provided by operating activities(64,830)547,868Cash flows used in investing activities:(26,189)(247,428)Acquisition of property and equipment236,742(85,728)Net cash used in investing activities(26,189)(247,428)Net cash used in investing activities:210,553(333,156)Cash flows for financing activities:(512,689)(1,423,428)Repayments on long-term debt(512,689)(1,423,428)Repayments on captial lease obligations(2,439)(10,547)Due from affiliated entity361,5831,231,152Change in annuities payable-(3,671)Net cash used in financing activities(153,545)(206,495)Net (decrease) increase in cash and cash equivalents(7,823)8,217Cash and cash equivalents, beginning of year262,152253,935				
Change in assets and liabilities:Accounts receivable $5,397$ $22,977$ Other assets $(17,101)$ $(2,729)$ Accounts payable $52,837$ $(45,486)$ Accrued expenses and deferred revenue other $(37,568)$ $4,638$ Net cash provided by operating activities $(64,830)$ $547,868$ Cash flows used in investing activities: $(26,189)$ $(247,428)$ Net proceeds from purchases of investments $(26,189)$ $(247,428)$ Net cash used in investing activities: $210,553$ $(333,156)$ Cash flows for financing activities: $(512,689)$ $(1,423,428)$ Principal payments on long-term debt $(512,689)$ $(1,423,428)$ Repayments on captial lease obligations $(2,439)$ $(10,547)$ Due from affiliated entity $361,583$ $1,231,152$ Change in annuities payable $ (3,671)$ Net cash used in financing activities $(153,545)$ $(206,495)$ Net (decrease) increase in cash and cash equivalents $(7,823)$ $8,217$ Cash and cash equivalents, beginning of year $262,152$ $253,935$			(364,948)	
Accounts receivable $5,397$ $22,977$ Other assets $(17,101)$ $(2,729)$ Accounts payable $52,837$ $(45,486)$ Accrued expenses and deferred revenue other $(37,568)$ $4,638$ Net cash provided by operating activities $(64,830)$ $547,868$ Cash flows used in investing activities: $(26,189)$ $(247,428)$ Net proceeds from purchases of investments $(26,189)$ $(247,428)$ Net cash used in investing activities: $210,553$ $(333,156)$ Cash flows for financing activities: $(512,689)$ $(1,423,428)$ Repayments on long-term debt $(512,689)$ $(1,423,428)$ Repayments on captial lease obligations $(2,439)$ $(10,547)$ Due from affiliated entity $361,583$ $1,231,152$ Change in annuities payable $ (3,671)$ Net cash used in financing activities $(153,545)$ $(206,495)$ Net (decrease) increase in cash and cash equivalents $(7,823)$ $8,217$ Cash and cash equivalents, beginning of year $262,152$ $253,935$			—	(136,011)
Other assets $(17,101)$ $(2,729)$ Accounts payable $52,837$ $(45,486)$ Accrued expenses and deferred revenue other $(37,568)$ $4,638$ Net cash provided by operating activities $(64,830)$ $547,868$ Cash flows used in investing activities: $(26,189)$ $(247,428)$ Net proceeds from purchases of investments $(26,189)$ $(247,428)$ Net cash used in investing activities: $210,553$ $(333,156)$ Cash flows for financing activities: $(512,689)$ $(1,423,428)$ Principal payments on long-term debt $(512,689)$ $(1,423,428)$ Repayments on captial lease obligations $(2,439)$ $(10,547)$ Due from affiliated entity $361,583$ $1,231,152$ Change in annuities payable $ (3,671)$ Net cash used in financing activities $(153,545)$ $(206,495)$ Net (decrease) increase in cash and cash equivalents $(7,823)$ $8,217$ Cash and cash equivalents, beginning of year $262,152$ $253,935$	· · · · · · · · · · · · · · · · · · ·			
Accounts payable $52,837$ $(45,486)$ Accrued expenses and deferred revenue other $(37,568)$ $4,638$ Net cash provided by operating activities $(64,830)$ $547,868$ Cash flows used in investing activities: $(247,428)$ $(247,428)$ Acquisition of property and equipment $236,742$ $(85,728)$ Net proceeds from purchases of investments $(26,189)$ $(247,428)$ Net cash used in investing activities: $210,553$ $(333,156)$ Cash flows for financing activities: $(2,439)$ $(10,547)$ Principal payments on long-term debt $(512,689)$ $(1,423,428)$ Repayments on captial lease obligations $(2,439)$ $(10,547)$ Due from affiliated entity $361,583$ $1,231,152$ Change in annuities payable $ (3,671)$ Net cash used in financing activities $(153,545)$ $(206,495)$ Net (decrease) increase in cash and cash equivalents $(7,823)$ $8,217$ Cash and cash equivalents, beginning of year $262,152$ $253,935$				
Accrued expenses and deferred revenue other $(37,568)$ $4,638$ Net cash provided by operating activities $(64,830)$ $547,868$ Cash flows used in investing activities: $236,742$ $(85,728)$ Acquisition of property and equipment $236,742$ $(85,728)$ Net proceeds from purchases of investments $(26,189)$ $(247,428)$ Net cash used in investing activities $210,553$ $(333,156)$ Cash flows for financing activities: $210,553$ $(333,156)$ Cash flows for financing activities: $(2,439)$ $(1,423,428)$ Repayments on long-term debt $(512,689)$ $(1,423,428)$ Repayments on captial lease obligations $(2,439)$ $(10,547)$ Due from affiliated entity $361,583$ $1,231,152$ Change in annuities payable $ (3,671)$ Net cash used in financing activities $(153,545)$ $(206,495)$ Net (decrease) increase in cash and cash equivalents $(7,823)$ $8,217$ Cash and cash equivalents, beginning of year $262,152$ $253,935$				
Net cash provided by operating activities(64,830)547,868Cash flows used in investing activities: Acquisition of property and equipment236,742(85,728)Net proceeds from purchases of investments(26,189)(247,428)Net cash used in investing activities210,553(333,156)Cash flows for financing activities: Principal payments on long-term debt(512,689)(1,423,428)Repayments on captial lease obligations(2,439)(10,547)Due from affiliated entity Change in annuities payable361,5831,231,152Net cash used in financing activities(153,545)(206,495)Net (decrease) increase in cash and cash equivalents(7,823)8,217Cash and cash equivalents, beginning of year262,152253,935				(45,486)
Cash flows used in investing activities: Acquisition of property and equipment236,742(85,728)Net proceeds from purchases of investments(26,189)(247,428)Net cash used in investing activities210,553(333,156)Cash flows for financing activities: Principal payments on long-term debt(512,689)(1,423,428)Repayments on captial lease obligations(2,439)(10,547)Due from affiliated entity361,5831,231,152Change in annuities payable—(3,671)Net cash used in financing activities(153,545)(206,495)Net (decrease) increase in cash and cash equivalents(7,823)8,217Cash and cash equivalents, beginning of year262,152253,935	Accrued expenses and deferred revenue other	_	(37,568)	4,638
Acquisition of property and equipment236,742(85,728)Net proceeds from purchases of investments(26,189)(247,428)Net cash used in investing activities210,553(333,156)Cash flows for financing activities:(512,689)(1,423,428)Principal payments on long-term debt(512,689)(1,423,428)Repayments on captial lease obligations(2,439)(10,547)Due from affiliated entity361,5831,231,152Change in annuities payable(153,545)(206,495)Net cash used in financing activities(153,545)(206,495)Net (decrease) increase in cash and cash equivalents(7,823)8,217Cash and cash equivalents, beginning of year262,152253,935	Net cash provided by operating activities		(64,830)	547,868
Net proceeds from purchases of investments(26,189)(247,428)Net cash used in investing activities210,553(333,156)Cash flows for financing activities: Principal payments on long-term debt Repayments on captial lease obligations(512,689)(1,423,428)Repayments on captial lease obligations Due from affiliated entity Change in annuities payable(512,689)(1,423,428)Net cash used in financing activities(2,439)(10,547)Net cash used in financing activities(153,545)(206,495)Net (decrease) increase in cash and cash equivalents(7,823)8,217Cash and cash equivalents, beginning of year262,152253,935	Cash flows used in investing activities:			
Net cash used in investing activities210,553(333,156)Cash flows for financing activities: Principal payments on long-term debt Repayments on captial lease obligations Due from affiliated entity Change in annuities payable(512,689) (1,423,428) (10,547) 361,583(1,423,428) (10,547) 361,583Net cash used in financing activities Net (decrease) increase in cash and cash equivalents(153,545) (206,495)(206,495) (206,495)Cash and cash equivalents, beginning of year262,152253,935	Acquisition of property and equipment		236,742	(85,728)
Cash flows for financing activities: Principal payments on long-term debt Repayments on captial lease obligations Due from affiliated entity Change in annuities payable(512,689) (1,423,428) (10,547) 361,583Net cash used in financing activities Net (decrease) increase in cash and cash equivalents(153,545)(206,495) (206,495)Cash and cash equivalents, beginning of year262,152253,935	Net proceeds from purchases of investments	_	(26,189)	(247,428)
Principal payments on long-term debt(512,689)(1,423,428)Repayments on captial lease obligations(2,439)(10,547)Due from affiliated entity361,5831,231,152Change in annuities payable—(3,671)Net cash used in financing activities(153,545)(206,495)Net (decrease) increase in cash and cash equivalents(7,823)8,217Cash and cash equivalents, beginning of year262,152253,935	Net cash used in investing activities		210,553	(333,156)
Repayments on captial lease obligations(2,439)(10,547)Due from affiliated entity361,5831,231,152Change in annuities payable—(3,671)Net cash used in financing activities(153,545)(206,495)Net (decrease) increase in cash and cash equivalents(7,823)8,217Cash and cash equivalents, beginning of year262,152253,935	Cash flows for financing activities:			
Due from affiliated entity361,5831,231,152Change in annuities payable	Principal payments on long-term debt		(512,689)	(1,423,428)
Change in annuities payable—(3,671)Net cash used in financing activities(153,545)(206,495)Net (decrease) increase in cash and cash equivalents(7,823)8,217Cash and cash equivalents, beginning of year262,152253,935	Repayments on captial lease obligations		(2,439)	(10,547)
Net cash used in financing activities(153,545)(206,495)Net (decrease) increase in cash and cash equivalents(7,823)8,217Cash and cash equivalents, beginning of year262,152253,935			361,583	1,231,152
Net (decrease) increase in cash and cash equivalents(7,823)8,217Cash and cash equivalents, beginning of year262,152253,935	Change in annuities payable	_		(3,671)
Cash and cash equivalents, beginning of year 262,152 253,935	Net cash used in financing activities	_	(153,545)	(206,495)
	Net (decrease) increase in cash and cash equivalents		(7,823)	8,217
Cash and cash equivalents, end of year \$ 254,329 262,152	Cash and cash equivalents, beginning of year	_	262,152	253,935
	Cash and cash equivalents, end of year	\$ _	254,329	262,152

See accompanying notes to financial statements.