

ELIM PARK BAPTIST HOME, INC.

a.k.a ELIM PARK PLACE

2016

ANNUAL FINANCIAL FILING

FISCAL YEAR ENDING

September 30, 2016

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**CURRENT RATE SCHEDULE**

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**CURRENT RATE STRUCTURE - 50% REFUND EFFECTIVE JANUARY 2017**

<b>Building</b>	<b>Entrance Fee</b> Prices start at	<b>Monthly Service Fee</b> Prices start at
<b>Mallard Mill</b> One Bedroom Apartment	\$190,845	\$2,019      Single Person \$629      Second Person Fee
<b>Village Green</b> One Bedroom Apartment Two Bedroom Apartment	\$265,321 \$346,778	\$2,580      Single Person \$629      Second Person Fee \$3,390      Single Person \$629      Second Person Fee
<b>Brooksvale</b> One Bedroom Apartment Two Bedroom Apartment	\$317,136 \$391,625	\$2,652      Single Person \$629      Second Person Fee \$3,371      Single Person \$629      Second Person Fee
<b>Andrews Knoll</b> One Bedroom Apartment Two Bedroom Apartment	\$334,619 \$443,436	\$2,704      Single Person \$629      Second Person Fee \$3,535      Single Person \$629      Second Person Fee
<b>Mountain View</b> One Bedroom Apartment Two Bedroom Apartment	\$364,046 \$463,221	\$2,730      Single Person \$629      Second Person Fee \$3,560      Single Person \$629      Second Person Fee
<b>Spring Meadow</b> One Bedroom Apartment Two Bedroom Apartment	\$367,753 \$472,284	\$2,731      Single Person \$629      Second Person Fee \$3,566      Single Person \$629      Second Person Fee
<b>Riverbend</b> One Bedroom Apartment Two Bedroom Apartment	\$381,281 \$503,075	\$2,799      Single Person \$629      Second Person Fee \$3,628      Single Person \$629      Second Person Fee

The Entrance Fee is 50% refundable when resident(s) move(s) from the living apartment and the Entrance Fee for that apartment is received from the new resident(s) by Elim Park. (90% Refund, Declining Refund and Installment Entrance Fees are available through the Marketing Department—See Exhibit D.)

**RESIDENTIAL TURNOVER RATES**

**EXHIBIT I**

## Residential Turnover Rates

The Independent Living Unit residential turnover rates for the most recently completed fiscal year, and anticipated for the next five years, are as follows:

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
10.5%	9.6%	9.6%	9.7%	9.7%	9.7%

**AVERAGE AGE OF RESIDENTS**

**EXHIBIT II**

## Average Age of Residents

The projected average age for the next five years for independent living residents is as follows:

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
87	87	87	87	88



**EXHIBIT III**

**HEALTH CARE UTILIZATION RATES**

## Health Care Utilization Rates

Health care utilization rates, including admission rates and days per 100 residents by level of care for the most recently completed fiscal year, and anticipated for the next five years, are as follows:

<u>Year</u>	<b>Skilled Nursing Facility</b>				<u>Days per 100 Residents</u>
	<u>Utilization Rate</u>		<u>Admission Rate</u>		
	<u>Patients</u>	<u>%</u>	<u>Patients</u>	<u>%</u>	
2016	24.1	7.2%	6.0	1.9%	2,630
2017	19.8	6.0%	12.5	4.0%	2,204
2018	19.7	6.1%	12.2	4.0%	2,240
2019	19.5	6.2%	11.9	4.0%	2,255
2020	19.3	6.2%	11.6	3.9%	2,261
2021	19.2	6.2%	11.4	3.9%	2,264

<u>Year</u>	<b>Personal Care Facility</b>				<u>Days per 100 Residents</u>
	<u>Utilization Rate</u>		<u>Admission Rate</u>		
	<u>Patients</u>	<u>%</u>	<u>Patients</u>	<u>%</u>	
2016	0.0	0.0%	0.0	0.0%	0
2017	0.0	0.0%	0.0	0.0%	0
2018	0.0	0.0%	0.0	0.0%	0
2019	0.0	0.0%	0.0	0.0%	0
2020	0.0	0.0%	0.0	0.0%	0
2021	0.0	0.0%	0.0	0.0%	0

**OCCUPANCY RATES**  
**EXHIBIT IV**

## Occupancy Rates

Occupancy rates for independent living units for the most recently completed fiscal year, and anticipated for the next five years, are as follows:

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
94%	93%	93%	93%	93%	93%

**NUMBER OF HEALTH CARE ADMISSIONS**

**EXHIBIT V**

## Number of Health Care Admissions

The number of health care admissions, by level of care, for the most recently completed fiscal year, and anticipated for the next five years, are as follows:

<u>Year</u>	<u>Skilled Nursing</u>	<u>Personal Care</u>
2016	6.0	0.0
2017	12.5	0.0
2018	12.2	0.0
2019	11.9	0.0
2020	11.6	0.0
2021	11.4	0.0

**DAYS OF CARE**

**EXHIBIT VI**

## Days of Care

The number of days of care, by level of care, for the most recently completed fiscal year, and anticipated for the next five years, are as follows:

<u>Year</u>	<u>Skilled Nursing</u>	<u>Personal Care</u>
2016	8,797	0
2017	7,209	0
2018	7,191	0
2019	7,118	0
2020	7,045	0
2021	6,990	0



**NUMBER OF PERMANENT TRANSFERS**

**EXHIBIT VII**

## Number of Permanent Transfers

The number of permanent transfers to the skilled nursing or personal care facility for the most recently completed fiscal year are:

<u>Facility transferred to:</u>	<u>Transferring from:</u>		<u>Total</u>
	<u>Independent Living</u>	<u>Personal Care</u>	
Skilled Nursing	1	0	1
Personal Care	0	N/A	0

**ACTURIAL FINANCIAL BASIS**

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**Elim Park Baptist Home, Inc.**

**Statement of Actuarial Opinion  
February 24, 2017**

I, Dave Bond, am a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries, a Partner in the firm of Continuing Care Actuaries, and meet the qualification standards to render Statements of Actuarial Opinion for continuing care retirement communities. I have been retained by Elim Park Baptist Home, Inc. to render a Statement of Actuarial Opinion, in accordance with Section 17b-527 of the Regulations implementing the Continuing Care Statutes, regarding the following actuarial projections included in Elim Park Baptist Home, Inc.'s 2016 Annual Financial Filing:

- Exhibit I Residential Turnover Rates
- Exhibit II Average Age of Residents
- Exhibit III Health Care Utilization Rates
- Exhibit IV Average Occupancy Rates
- Exhibit V Number of Health Care Admissions
- Exhibit VI Average Days of Care Per Year
- Exhibit VII Number of Permanent Transfers

I have examined the above items as shown in Elim Park Baptist Home, Inc.'s 2016 Annual Financial Filing. These items are attached to this Statement of Actuarial Opinion. In the course of my review, I relied upon the accuracy and completeness of data and supporting documentation prepared by Elim Park Baptist Home, Inc. Continuing Care Actuaries did not conduct a due diligence review of Elim Park Baptist Home, Inc.' historical resident data. However, in the course of my examination, nothing came to my attention that causes me to believe that the underlying data information is unreasonable or inappropriate. My examination included such review as I considered necessary of the data, methods, and underlying assumptions used by and the resulting actuarial projections reported by Elim Park Baptist Home, Inc. with respect to the above items as shown in Elim Park Baptist Home, Inc.'s 2016 Annual Financial Filing.

In my opinion, the above items as shown in Elim Park Baptist Home, Inc.'s 2016 Annual Financial Filing:

- are based upon methods which are consistent with sound actuarial principles and practices; and
- are based upon methods and underlying assumptions that appear reasonable and appropriate in this instance.

Should you have any questions on this information, please do not hesitate to contact our office.

Respectfully,

A handwritten signature in cursive script that reads 'Dave Bond'.

Dave Bond, F.S.A., F.C.A., M.A.A.A.  
Managing Partner  
[dbond@continuingcareactuaries.com](mailto:dbond@continuingcareactuaries.com)

**CAPITAL COST AMORITIZATION**

**EXHIBIT VIII**

## **EXHIBIT VIII**

### **CAPITAL COST AMORTIZATION ASSUMPTIONS**

**Amortization assumption for facility capital costs: Property, plant and equipment are recorded at cost. Maintenance and repairs are charged at expense as incurred; major renewals and betterments are capitalized. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, as presented in the AHA Depreciable Hospital Assets 2003 Edition.**

**EXHIBIT IX**  
**PRO FORMA STATEMENTS**  
**SOURCE AND APPLICATION OF FUND**

<b>ELIM PARK BAPTIST HOME, INC.</b>				
<b>Consolidated Proforma Statement of Financial Position</b>				
<b>Fiscal Years Ended September 30th</b>				
	<b>2016</b>	<b>Budget</b>		
	<b>Audited</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$3,641,576	\$4,945,440	\$5,316,364	\$5,664,618
Short-term investments	1,496,403	1,500,000	1,500,000	1,500,000
Patient trust fund	47,394	46,920	46,451	45,986
Escrow deposits	120,806	124,430	128,163	132,008
Accounts receivable, net of allowance	1,604,101	2,613,472	2,536,393	2,578,193
Entrance Fees Receivable	1,091,661	1,091,661	1,091,661	1,091,661
Prepaid expenses	496,872	546,559	601,215	661,337
Current portion of assets whose use is limited	281,369	281,369	281,369	281,369
<b>TOTAL CURRENT ASSETS</b>	<b>8,780,182</b>	<b>11,149,851</b>	<b>11,501,615</b>	<b>11,955,172</b>
Investments		6,339,291	6,518,277	6,697,263
Property, Plant and Equipment:				
Property, Plant and Equipment, gross	103,003,300	104,566,835	106,166,835	107,666,835
Less: accumulated depreciation	(47,781,756)	(50,727,946)	(53,808,160)	(56,977,516)
Property, Plant and Equipment, net	55,221,544	53,838,889	52,358,675	50,689,319
Charitable Gift Annuity & LT Pledges Receivable	856,364	881,364	906,364	931,364
Other Assets:				
Deferred marketing costs, gross	3,492,134	3,363,066	3,377,227	3,377,227
Less: accumulated amortization	(3,197,102)	(3,128,604)	(3,162,961)	(3,183,157)
Deferred marketing costs, net	295,032	234,461	214,265	194,069
Deposit	40,695	40,695	40,695	40,695
<b>TOTAL ASSETS</b>	<b>\$71,354,122</b>	<b>\$73,570,498</b>	<b>\$72,640,075</b>	<b>\$71,622,727</b>
<b>LIABILITIES AND NET ASSETS</b>				
Current Liabilities:				
Accounts payable	\$1,304,429	\$1,281,866	\$1,347,900	\$1,424,175
Patient trust fund payable	47,394	46,920	46,451	45,986
Accrued salaries, payroll taxes & other	1,798,498	1,843,460	1,889,547	1,936,786
Accrued bond interest	43,090	0	0	0
Entrance Fee Deposits	460,692	474,513	488,748	503,411
Due to third-part reimbursement	649,488	649,488	665,725	682,368
Current portion of long-term debt	1,146,077	954,738	954,738	954,738
Current portion of capital lease obligations	1,048,921	-	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>6,498,589</b>	<b>5,250,986</b>	<b>5,393,110</b>	<b>5,547,464</b>
LT Debt, less curr portion & unamort bd disc	15,358,857	16,716,505	15,761,766	14,807,028
Charitable Gift Annuities Payable	370,994	381,824	392,655	403,485
Other Long Term Liabilities	781,932	781,932	781,932	781,932
Deferred Revenue From Entrance Fees	48,601,459	49,992,960	49,572,460	49,163,948
Adjust Deferred Revenue From Entrance Fees				
Net Assets	(257,709)	446,291	723,990	904,708
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$71,354,122</b>	<b>\$73,570,498</b>	<b>\$72,640,074</b>	<b>\$71,622,727</b>



<b>ELIM PARK BAPTIST HOME, INC.</b>				
Consolidated Proforma Statement of Cash Flow				
Fiscal Years Ended September 30th				
	<b>Audited</b>	<b>Budget</b>		
<b>Activity</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Cash Flow from Operating Activities</b>				
Change In Net Assets after Realized/				
Unrealized Investment Gains	(\$546,956)	\$704,000	\$277,699	\$180,718
<i>Adjustments:</i>				
Proceeds from Entrance Fees,net	3,551,859	4,191,501	3,474,500	3,583,863
Amort of def'd rev from entrance fees	(3,616,309)	(3,800,000)	(3,895,000)	(3,992,375)
Depreciation & Amortization	3,582,364	2,877,692	3,114,571	3,189,552
Amortization of Bond Discount	42,731	-	-	-
Change in Unrealized Gain/Loss	(304,781)	-	-	-
Loss on Disposal of Equipment	(8,314)	-	-	-
<i>(Increase) decrease in operating assets:</i>				
Escrow Deposits	55,212	(3,624)	(3,733)	(3,845)
Operating Reserve		-	-	-
Accounts Receivable	128,394	(9,371)	77,079	(41,800)
Interest Receivable		-	-	-
Prepaid Expenses	1,764	(49,687)	(54,656)	(60,122)
<i>Increase (decrease) in operating liabilities:</i>				
Accounts Payable	141,478	(22,563)	66,034	76,275
Accrued Salaries and Wages		44,962	46,087	47,239
Accrued Bond Interest	(2,881)	(43,090)	-	-
Due to Third Party Reimb Agency	46,241	-	16,237	16,643
Other long-term liabilities	590,996	-	-	-
Charitable Gift Annuities Payable,net	74,201	(14,170)	(14,170)	(14,170)
Net cash provided by operating activities	3,735,999	3,875,652	3,104,649	2,981,979
<b>Cash Flows from Investing Activities</b>				
(Purchase) of Property, Plant, Equipment	(4,985,479)	(1,563,535)	(1,600,000)	(1,500,000)
(Purchase)/Sales of Investments	(298,707)	(182,583)	(178,986)	(178,986)
AWUL/Pledges Recble/ Sale of Fixed Asset	30,568	-	-	-
Deferred Marketing	-	129,068	-	-
Bond Issue				
Net cash used in investing activities	(5,253,618)	(1,617,050)	(1,778,986)	(1,678,986)
<b>Cash Flows from Financing Activities</b>				
Principal Payments on Bonds/LT Debt	(1,062,038)	(954,738)	(954,738)	(954,738)
Principal Payments on Capital Lease/SWAP	289,770	-	-	-
Net cash provided by financing activities	(772,268)	(954,738)	(954,738)	(954,738)
<b>Net Incr(Decr) in Cash &amp; Equivalent</b> s	(2,289,887)	1,303,864	370,924	348,254
<b>Cash &amp; Equivalent</b> s, beg of year	5,931,463	3,641,576	4,945,440	5,316,364
<b>Cash &amp; Equivalent</b> s, end of year	\$3,641,576	\$4,945,440	\$5,316,364	\$5,664,618

<b>ELIM PARK BAPTIST HOME, INC.</b>				
<b>Consolidated Proforma Statement of Financial Position</b>				
<b>Fiscal Years Ended September 30th</b>				
<b>CONSOLIDATED</b>				
	<b>2016</b>	<b>Budget</b>		
<b>Account Description</b>	<b>Audited</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Room & Board / MSF	\$21,883,253	\$22,551,410	\$23,028,911	\$23,520,846
Ancillary	294,528	332,000	338,640	345,413
ALSA	1,605,280	1,693,942	1,727,821	1,762,377
EPP Amort of Non Refundable EF	3,616,309	3,800,000	3,895,000	3,992,375
Other Services	<u>586,959</u>	<u>503,306</u>	<u>518,405</u>	<u>533,957</u>
<b>TOTAL COMBINED REVENUE</b>	<b>27,986,329</b>	<b>28,880,658</b>	<b>29,508,777</b>	<b>30,154,968</b>
Year to Year Change - Revenues	(358,139)	894,329	628,119	646,191
<b>General Fund Expenses</b>				
Nursing	4,926,364	4,869,860	4,982,817	5,101,917
ALSA & Patient Care Other	2,152,136	1,904,674	1,929,262	1,976,520
Therapy	1,392,555	1,397,279	1,400,009	1,434,398
Recreation/Wellness	336,604	440,790	440,047	451,049
Christian Ministries	2,460	76,361	78,270	80,227
Volunteer Services	41,339	48,943	50,167	51,421
Social Services	121,192	125,051	128,177	131,382
Admissions	249,280	231,096	236,873	242,795
Development	226,058	271,059	290,148	309,710
Marketing	1,056,306	1,482,034	1,491,142	1,513,401
Bad Debt	20,000	88,716	114,127	114,551
Administration	7,161,095	7,044,001	7,045,853	7,246,312
Dietary	4,220,314	4,079,179	4,180,634	4,284,974
Laundry	297,244	321,804	329,553	337,489
Housekeeping	724,885	779,209	798,249	817,973
Maintenance	1,266,520	1,210,105	1,238,020	1,266,805
Utilities	1,004,783	1,065,750	1,108,380	1,152,715
Insurance	<u>280,878</u>	<u>162,742</u>	<u>174,948</u>	<u>188,069</u>
<b>TOTAL EXPENSES</b>	<b>25,480,015</b>	<b>25,598,655</b>	<b>26,016,677</b>	<b>26,701,707</b>
Year to Year Change - Expenses	6,131,230	118,640	418,022	685,030
<b>Change in Operating Net Assets</b>	<b>2,506,314</b>	<b>3,282,003</b>	<b>3,492,100</b>	<b>3,453,261</b>
Depreciation	3,277,979	2,945,848	3,081,064	3,170,206
Interest Expense Bonds/LTD	<u>561,600</u>	<u>528,219</u>	<u>508,337</u>	<u>477,338</u>
	29,319,594	29,072,722	29,606,078	30,349,250
<b>Change in Net Assets after Debt Services</b>	<b>(1,333,265)</b>	<b>(192,064)</b>	<b>(97,301)</b>	<b>(194,282)</b>
Investment Income	216,314	225,000	175,000	175,000
Contributions	511,349	671,064	200,000	200,000
Real/Unrealized Gains - Losses	58,602	-	-	-
<b>Change in Net Assets</b>	<b>(\$547,000)</b>	<b>\$704,000</b>	<b>\$277,699</b>	<b>\$180,718</b>

**EXHIBIT X**  
**CERTIFIED AUDITED**  
**FINANCIAL STATEMENTS**

**BlumShapiro**

Accounting Tax Business Consulting

**THE ELIM PARK BAPTIST HOME, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2016 AND 2015**

# THE ELIM PARK BAPTIST HOME, INC.

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## Independent Auditors' Report

To the Board of Directors  
The Elim Park Baptist Home, Inc.

We have audited the accompanying consolidated financial statements of The Elim Park Baptist Home, Inc., which comprise the consolidated statement of financial position as of September 30, 2016 and the related consolidated statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Elim Park Baptist Home, Inc., as of September 30, 2016 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Report on Summarized Comparative Information

We have previously audited The Elim Park Baptist Home, Inc.'s 2015 consolidated financial statements, and we expressed an unmodified opinion on those consolidated financial statements in our report dated December 18, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2015 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

*Blum, Shapiro & Company, P.C.*

West Hartford, Connecticut  
December 2, 2016

# THE ELIM PARK BAPTIST HOME, INC.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION SEPTEMBER 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 3,641,576	\$ 5,931,463
Patient trust funds	47,394	54,382
Escrow deposits	120,806	176,018
Accounts receivable, net of allowance for doubtful accounts of \$230,742 in 2016 and \$252,147 in 2015	1,604,101	1,732,495
Entrance fees receivable	1,091,661	2,521,667
Current portion of pledges receivable, net	281,369	298,821
Short-term investments	1,496,403	3,268,290
Prepaid expenses	496,872	498,636
Total current assets	<u>8,780,182</u>	<u>14,481,772</u>
<b>Charitable Gift Annuities</b>	<u>846,293</u>	<u>671,700</u>
<b>Investments</b>	<u>6,160,305</u>	<u>3,959,523</u>
<b>Property and Equipment, Net of Accumulated Depreciation of \$47,781,756 in 2016 and \$44,207,332 in 2015</b>	<u>55,221,544</u>	<u>53,778,541</u>
<b>Other Assets</b>		
Deferred marketing costs, net of accumulated amortization	295,032	332,299
Pledges receivable, net	10,071	23,187
Deposits and other assets, net	40,695	40,695
Total other assets	<u>345,798</u>	<u>396,181</u>
<b>Total Assets</b>	<u>\$ 71,354,122</u>	<u>\$ 73,287,717</u>

The accompanying notes are an integral part of the consolidated financial statements



# THE ELIM PARK BAPTIST HOME, INC.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED) SEPTEMBER 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Current portion of long-term debt	\$ 1,146,077	\$ 1,076,989
Accounts payable	1,304,429	1,442,048
Patient trust funds payable	47,394	54,382
Accrued salaries, wages, payroll taxes and other	1,798,498	1,519,401
Accrued bond interest	43,090	45,971
Interest rate swap valuation	460,692	247,726
Advanced payments	327,362	270,742
Unearned entrance fees	1,048,921	1,775,235
Due to third parties	<u>322,126</u>	<u>332,505</u>
Total current liabilities	6,498,589	6,764,999
<b>Long-Term Debt, Less Current Portion and Net of Debt Issuance Costs</b>	15,358,857	16,370,448
<b>Charitable Gift Annuities</b>	370,994	296,793
<b>Deferred Revenue from Entrance Fees</b>	25,805,106	26,148,410
<b>Entrance Fee Refunds Payable</b>	22,796,353	23,221,191
<b>Other Long-Term Liabilities</b>	<u>781,932</u>	<u>196,629</u>
Total liabilities	<u>71,611,831</u>	<u>72,998,470</u>
<b>Net Assets</b>		
Unrestricted	(2,188,037)	(2,200,324)
Temporarily restricted	1,876,325	2,435,568
Permanently restricted	54,003	54,003
Total net assets	<u>(257,709)</u>	<u>289,247</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 71,354,122</u>	<u>\$ 73,287,717</u>

The accompanying notes are an integral part of the consolidated financial statements

Elim Park Baptist Home Fund	Unrestricted			Temporarily Restricted					Pen Re	
	Elim Park Place Fund	Elim Park Foundation	Total	Elim Park						
				Elim Park Baptist Home Fund	Elim Park Place Fund	Elim Park Foundation	Foundation Capital Campaign Fund	Resident Benevolent Fund		Mary Melby Fund
\$ 14,108,193	\$ 1,605,284	\$ -	\$ 15,713,477	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	7,732,566	-	7,732,566	-	-	-	-	-	-	-
-	3,616,309	-	3,616,309	-	-	-	-	-	-	-
15,633	163,549	23,334	202,516	(28,023)	-	-	-	6,981	5,086	(15,956)
337,022	-	-	337,022	-	-	-	-	-	-	-
100	9,317	177,695	187,112	773	129,389	12,634	30,675	58,141	47,360	278,972
-	-	-	-	(48,710)	-	97,200	-	-	-	48,490
1,570	971,326	-	972,896	(1,570)	(21,252)	-	(920,705)	(29,369)	-	(972,896)
126,215	566,853	2,506	695,574	-	-	-	-	-	-	-
14,588,733	14,665,204	203,535	29,457,472	(77,530)	108,137	109,834	(890,030)	35,753	52,446	(661,390)
4,913,480	-	-	4,913,480	-	-	-	-	-	-	-
-	1,536,562	-	1,536,562	-	-	-	-	-	-	-
2,006,957	-	-	2,006,957	-	-	-	-	-	-	-
582,236	168,097	-	750,333	-	-	-	-	-	-	-
1,008,103	3,203,084	-	4,211,187	-	-	-	-	-	-	-
377,984	346,620	-	724,604	-	-	-	-	-	-	-
296,885	-	-	296,885	-	-	-	-	-	-	-
4,203,524	4,102,806	242,732	8,549,062	-	-	-	-	-	-	-
596,848	1,673,894	-	2,270,742	-	-	-	-	-	-	-
726,218	2,856,146	-	3,582,364	-	-	-	-	-	-	-
151,891	440,786	-	592,677	-	-	-	-	-	-	-
14,864,126	14,327,995	242,732	29,434,853	-	-	-	-	-	-	-
(275,393)	337,209	(39,197)	22,619	(77,530)	108,137	109,834	(890,030)	35,753	52,446	(661,390)
-	156,436	46,198	202,634	84,200	-	-	-	13,178	4,769	102,147
(37,078)	(175,888)	-	(212,966)	-	-	-	-	-	-	-
(312,471)	317,757	7,001	12,287	6,670	108,137	109,834	(890,030)	48,931	57,215	(559,243)
(9,332,821)	6,965,902	166,595	(2,200,324)	282,351	293,130	325,240	890,030	427,242	217,575	2,435,568
\$ (9,645,292)	\$ 7,283,659	\$ 173,596	\$ (2,188,037)	\$ 289,021	\$ 401,267	\$ 435,074	\$ -	\$ 476,173	\$ 274,790	\$ 1,876,325

# THE ELIM PARK BAPTIST HOME, INC.

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (546,956)	\$ 734,005
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Proceeds from entrance fees, net of refunds	3,882,318	3,499,679
Resident spend downs of refundable fees	(330,459)	(338,932)
Depreciation and amortization	3,582,364	3,275,560
Loss on disposal of fixed assets	(8,314)	2,686
Amortization of debt issuance costs	42,731	48,081
Change in net unrealized (gain) loss on investments	(304,781)	388,071
Amortization of deferred revenue from entrance fees	(3,616,309)	(4,171,862)
(Increase) decrease in operating assets:		
Accounts receivable, net	128,394	(96,631)
Prepaid expenses, deposits and other assets	1,764	(70,509)
Escrow deposits	55,212	(76,477)
Increase (decrease) in operating liabilities:		
Accounts payable, accrued expenses and patient trust fund payable	141,478	(16,862)
Accrued bond interest	(2,881)	(4,106)
Advanced payments	56,620	49,823
Charitable gift annuities	74,201	(45,585)
Other long-term liabilities	590,996	(70,000)
Due to third parties	(10,379)	50,515
Net cash provided by operating activities	<u>3,735,999</u>	<u>3,157,456</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment, net	(4,985,479)	(4,730,900)
Purchases of investments, net	(298,707)	(91,633)
Decrease in pledges receivable, net	30,568	1,250
	<u>(5,253,618)</u>	<u>(4,821,283)</u>
<b>Cash Flows from Financing Activities</b>		
Principal payment on bonds payable	(1,062,038)	(1,036,504)
Change in fair value of interest rate swap	212,966	500,423
Proceeds from Eversource loan	100,477	-
Payments on Eversource loan	(8,511)	-
Payments on vehicle loan	(15,162)	(9,873)
Payments on construction loan	-	(1,179,032)
Net cash used in financing activities	<u>(772,268)</u>	<u>(1,724,986)</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	(2,289,887)	(3,388,813)
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>5,931,463</u>	<u>9,320,276</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 3,641,576</u>	<u>\$ 5,931,463</u>
<b>Cash Paid During the Year for Interest</b>	\$ 552,828	\$ 592,867

The accompanying notes are an integral part of the consolidated financial statements