



**The Highlands at Wyomissing
Financial Statements
June 30, 2016**

**The Highlands at Wyomissing
Balance Sheets**

	<u>Unaudited</u> <u>June 30, 2016</u>	<u>Audited</u> <u>June 30, 2015</u>		<u>Unaudited</u> <u>June 30, 2016</u>	<u>Audited</u> <u>June 30, 2015</u>
<u>Assets</u>				<u>Liabilities and Net Liabilities:</u>	
Cash and Cash Equivalents	\$ 1,662,351	\$ 814,865		Current Portion of LT Affiliated Payable	\$ 1,521,720
Cash-Escrow Accounts	48,243	48,243		Inter-Company Payable to RHMC	1,108,995
Residential Receivables	2,453,972	2,002,671		Accounts Payable	520,312
Healthcare Receivables	655,983	483,335		Refundable Fees Payable	318,155
Other Receivables	-	-		Accrued Interest, Net	100,732
Trustee and Workers' Compensation Funds	135,280	137,644		Accrued Workers' Comp Reserve	-
Gift Annuities	911,834	1,006,673		Other Accrued Expenses	1,583,877
Inventory	168,829	254,768		Other Deferred Revenue	414,288
Prepaid Expenses	403,024	290,991			-
Total Current Assets	<u>6,439,516</u>	<u>5,039,190</u>		Total Current Liabilities	<u>5,568,079</u>
Long Term Investments	43,336,304	43,422,645		LT Portion of Affiliated Payable	33,494,525
Endowment Fund	8,259,018	8,089,191		Gift Annuities	394,951
Property, Plant and Equipment, Net	<u>50,496,676</u>	<u>50,745,212</u>		Deferred Entrance Fee Revenue	35,113,666
				Health Fund Deposits	<u>1,906,349</u>
				Total Liabilities	76,477,570
				Contributed Capital	875,000
				Net Assets/(Liabilities)-Unrestricted	31,127,088
				Net Assets/(Liabilities)-Temporarily Restricted	<u>51,856</u>
Total Assets	<u>\$ 108,531,514</u>	<u>\$ 107,296,238</u>		Total Liabilities and Net Assets/(Liabilities)	<u>\$ 108,531,514</u>

The Highlands at Wyomissing
Statement of Operations
For the Twelve Months Ended June 30, 2016

	<u>Actual</u> <u>June 30, 2016</u>	<u>Budget</u> <u>June 30, 2016</u>	<u>PY Actual</u> <u>June 30, 2015</u>
Operating Revenue:			
Residential Revenue	\$ 18,680,320	\$ 17,867,738	\$ 17,561,598
Personal Care Revenue	3,702,601	3,573,042	3,507,505
Nursing Revenue	11,101,003	11,095,633	10,692,810
Other Operating Revenue	<u>945,502</u>	<u>1,110,270</u>	<u>756,786</u>
Gross Revenue	34,429,426	33,646,683	32,518,699
Contractual Allowances	<u>(7,506,366)</u>	<u>(6,765,220)</u>	<u>(6,854,725)</u>
Net Revenue	<u>26,923,060</u>	<u>26,881,463</u>	<u>25,663,974</u>
Operating Expenses:			
Salaries and Wages	8,890,330	9,226,555	8,597,158
Depreciation	3,653,021	3,426,171	3,513,838
Contract Service	1,888,303	1,931,245	2,175,034
Interest	1,252,907	1,252,907	1,302,763
Other	2,693,667	2,495,293	2,114,983
Health Benefits	1,451,995	1,961,724	1,757,980
Other Employee Benefits	1,356,541	1,369,479	1,350,825
Real Estate Taxes	1,515,388	1,472,616	1,503,140
Food	1,295,867	1,299,852	1,268,880
Utilities	932,919	1,037,539	991,236
Maintenance and Repair	225,271	156,899	236,072
Insurance	<u>151,799</u>	<u>151,947</u>	<u>152,050</u>
Total Operating Expenses	<u>25,308,008</u>	<u>25,782,227</u>	<u>24,963,959</u>
Net Income/(Loss) From Operations	1,615,052	1,099,236	700,015
Non-Operating Revenue:			
Investment Return	600,515	1,259,777	1,250,714
Contribution Revenue	73,650	150,000	1,055,250
Assets Released from Restriction	7,352	1,500	4,020
Net Income/(Loss)	2,296,569	2,510,513	3,009,999
Change in Unrealized Gains/(Losses) on Investments	<u>(355,658)</u>	<u>1,038,411</u>	<u>464,378</u>
Change in Unrestricted Net Assets/(Liabilities)	<u>\$ 1,940,911</u>	<u>\$ 3,548,924</u>	<u>\$ 3,474,377</u>

The Highlands at Wyomissing
Statements of Cash Flows

	Unaudited <u>June 30, 2016</u>	Audited <u>June 30, 2015</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 1,944,260	\$ 3,477,316
Adjustments to reconcile to net cash provided by operating activities		
Change in unrealized gains on investments	1,135,537	(558,777)
Proceeds from entrance fees and deposits	6,315,504	7,577,434
Amortization of entrance fees	(4,849,018)	(4,465,925)
Depletion of health fund	(398,851)	(455,256)
Depreciation and amortization	3,653,021	3,513,838
Provision for uncollectible accounts	-	-
Realized (gains) losses on investments	(582,054)	(278,625)
(Gain) loss on sale of assets	-	-
Restricted contributions received	(17,665)	(2,939)
Changes in cash due to changes in operating assets and liabilities		
Residential accounts receivable	(6,068)	(38,623)
Patient accounts receivable and other receivables, net	(133,783)	210,118
Other current assets	(64,967)	10,998
Accounts payable and other accrued expenses	44,942	(2,976,246)
Net cash provided by operating activities	<u>7,040,857</u>	<u>6,013,313</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(3,404,486)	(2,917,992)
Proceeds from sales of assets	-	-
Cash provided by assets whose use is limited	2,364	2,638
Proceeds from sales and maturities of investments	13,508,121	11,224,952
Purchase of investments	(14,050,252)	(13,069,712)
Net cash provided by (used) in investing activities	<u>(3,944,253)</u>	<u>(4,760,114)</u>
Cash flows from financing activities		
Refunds of entrance fees and deposits	(663,946)	(390,598)
Payment of long-term debt	(1,522,500)	(1,523,100)
Proceeds from issuance of long-term debt	-	-
Transfer of Swap Contracts to Affiliate	-	-
Increase in gift annuities	(80,336)	(12,676)
Proceeds from restricted contributions	17,665	2,939
Net cash used in financing activities	<u>(2,249,117)</u>	<u>(1,923,435)</u>
Net increase (decrease) in cash	847,487	(670,235)
Cash and cash equivalents		
Beginning of year	<u>814,865</u>	<u>1,485,100</u>
End of year	<u>\$ 1,662,351</u>	<u>\$ 814,865</u>