Consolidated Financial Statements and Supplementary Information

Christian Health Care Center and Affiliates
Years Ended December 31, 2019 and 2018
With Report of Independent Auditors

Ernst & Young LLP

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Consolidated Financial Statements
and Supplementary Information

Years Ended December 31, 2019 and 2018

Contents

Ernst & Young LLP
99 Wood Avenue South
Metropark
P.O. Box 751
Iselin, NJ 08830-0471

Tel: +1 732 516 4200
Fax: +1 732 516 4429
ey.com

Report of Independent Auditors

The Board of Trustees
Christian Health Care Center

We have audited the accompanying consolidated financial statements of Christian Health Care Center and Affiliates (the Center), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 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 financial statements referred to above present fairly, in all material respects, the consolidated financial position of Christian Health Care Center and Affiliates at December 31, 2019 and 2018, and the consolidated results of their operations, changes in their net assets and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating balance sheet as of December 31, 2019, and consolidating statement of operations and changes in net assets for the year then ended are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Ernst + Young LLP

June 30, 2020

Christian Health Care Center and Affiliates

Consolidated Balance Sheets

	December 31 2019	December 31 2018
Assets		
Current assets:		
Cash and cash equivalents	**$ 4,293,553**	$ 3,803,144
Short-term investments	**5,090,561**	7,787,634
Assets limited to use, current portion	**3,140,902**	2,668,760
Accounts receivable, net	**7,705,634**	8,255,617
Prepaid expenses and other current assets	**2,350,251**	2,499,865
Total current assets	**22,580,901**	25,015,020
Assets limited to use, less current portion	**42,359,191**	9,276,896
Other assets, net	**1,517,885**	299,002
Intangible assets, net	**3,268,886**	3,490,267
Property, plant, and equipment, net	**123,684,815**	104,658,538
Total assets	**$ 193,411,678**	$ 142,739,723
Liabilities and net assets		
Current liabilities:		
Current portion of long-term debt	**$ 8,859,296**	$ 21,895,923
Accounts payable and accrued expenses	**6,322,363**	5,018,180
Accrued payroll	**1,970,888**	2,462,010
Accrued interest	**54,538**	68,571
Total current liabilities	**17,207,085**	29,444,684
Benefits payable	**1,239,000**	1,251,000
Pension obligations and other liabilities	**20,428,813**	17,715,348
Long-term debt, less current portion	**114,314,936**	54,196,476
Total liabilities	**153,189,834**	102,607,508
Commitments and contingencies		
Net assets:		
Net assets without donor restrictions	**39,493,863**	39,404,234
Net assets with donor restrictions	**727,981**	727,981
Total net assets	**40,221,844**	40,132,215
Total liabilities and net assets	**$ 193,411,678**	$ 142,739,723

See accompanying notes.

Christian Health Care Center and Affiliates

Consolidated Statements of Operations

	Year Ended December 31	
	2019	**2018**
Revenue:		
Net patient service revenue	**$ 75,791,827**	$ 75,419,144
Rental revenue	**5,275,459**	5,155,888
Other revenue	**2,220,883**	1,444,013
Total revenue	**83,288,169**	82,019,045
Expenses:		
Salaries and wages	**45,542,628**	44,423,159
Employee benefits	**12,991,720**	10,702,426
Supplies and other	**19,463,151**	18,544,414
Interest and amortization	**2,321,462**	2,187,841
Amortization of intangible assets	**221,381**	218,051
Depreciation	**5,434,644**	5,285,421
Total expenses	**85,974,986**	81,361,312
(Loss) income from operations	**(2,686,817)**	657,733
Investment income and net realized gains and losses	**1,802,786**	632,297
Foundation fundraising and contributions, net of expenses	**1,191,494**	1,209,066
Net change in unrealized gains and losses on investments	**(41,418)**	(1,409,775)
Excess of revenue over expenses	**266,045**	1,089,321
Grant proceeds for capital expenditures and other	**233,619**	129,046
(Distribution to) contribution from affiliate	**(81,150)**	114,265
Change in pension liability to be recognized in future periods	**(328,885)**	447,674
Increase in net assets without donor restrictions	**$ 89,629**	$ 1,780,306

See accompanying notes.

Christian Health Care Center and Affiliates

Consolidated Statements of Changes in Net Assets

Years Ended December 31, 2019 and 2018

	Net Assets Without Donor Restrictions	Net Assets with Donor Restrictions: Purpose and Time Restrictions	Net Assets with Donor Restrictions: Permanent Endowment	Net Assets with Donor Restrictions: Total Net Assets with Donor Restrictions	Total
Balance at January 1, 2018	$ 37,623,928	$ –	$ 727,981	$ 727,981	$ 38,351,909
Excess of revenue over expenses	1,089,321	–	–	–	1,089,321
Grant proceeds for capital expenditures and other	129,046	–	–	–	129,046
Contribution to affiliate	114,265	–	–	–	114,265
Change in pension liability to be recognized in future periods	447,674	–	–	–	447,674
Increase in net assets	1,780,306	–	–	–	1,780,306
Balance at December 31, 2018	39,404,234	–	727,981	727,981	40,132,215
Excess of revenue over expenses	**266,045**	**–**	**–**	**–**	**266,045**
Grant proceeds for capital expenditures and other	**233,619**	**–**	**–**	**–**	**233,619**
(Distribution to) contribution from affiliate	**(81,150)**	**–**	**–**	**–**	**(81,150)**
Change in pension liability to be recognized in future periods	**(328,885)**	**–**	**–**	**–**	**(328,885)**
Increase in net assets	**89,629**	–	–	–	**89,629**
Balance at December 31, 2019	**$ 39,493,863**	**$** –	**$ 727,981**	**$ 727,981**	**$ 40,221,844**

See accompanying notes.

Christian Health Care Center and Affiliates

Consolidated Statements of Cash Flows

	Year Ended December 31	
	2019	**2018**
Operating activities		
Increase in net assets	**$ 89,629**	$ 1,780,306
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	**5,434,644**	5,285,421
Amortization of deferred financing costs	**95,568**	80,594
Amortization of intangible assets	**221,381**	218,051
Net change in unrealized gains and losses on investments	**41,418**	1,409,775
Changes in operating assets and liabilities:		
Accounts receivable, net	**549,983**	(574,286)
Prepaid expenses and other current assets	**149,614**	247,995
Other assets	**(1,218,883)**	(281,308)
Accounts payable and accrued expenses, accrued payroll and accrued interest	**799,028**	(1,196,307)
Benefits payable, pension obligation and other liabilities	**2,701,465**	(397,830)
Net cash provided by operating activities	**8,863,847**	6,572,411
Investing activities		
Purchases of property, plant, and equipment	**(24,460,921)**	(6,655,188)
Redemption (purchase) of short-term investments	**2,655,655**	(1,083,794)
Investment in assets limited to use	**(765,393)**	(47,075)
Net cash used in investing activities	**(22,570,659)**	(7,786,057)
Financing activities		
Proceeds from issuance of long-term debt	**71,094,484**	3,564,654
Payment of deferred financing costs	**(1,369,863)**	–
Re-payment of long-term debt	**(22,738,356)**	(2,225,203)
Net cash provided by financing activities	**46,986,265**	1,339,451
Increase in cash, cash equivalents and restricted cash	**33,279,453**	125,805
Cash, cash equivalents and restricted cash, at beginning of year	**10,267,814**	10,142,009
Cash, cash equivalents and restricted cash, at end of year	**$ 43,547,267**	$ 10,267,814
Reconciliation of cash and cash equivalents at end of year to the consolidated balance sheets:		
Cash and cash equivalents	**$ 4,293,553**	$ 3,803,144
Assets limited to use: cash and cash equivalents	**39,253,714**	6,464,670
Total cash, cash equivalents and restricted cash	**$ 43,547,267**	$ 10,267,814
Supplemental disclosure of cash flow information		
Cash paid for interest	**$ 2,809,927**	$ 2,350,736

See accompanying notes.

1. Organization and Summary of Significant Accounting Policies

Organization

Christian Health Care Center and affiliates (collectively, the Center) provides senior life, short-term rehabilitation and mental-health services from a campus in Wyckoff/Hawthorne, NJ and on two additional campuses in Wayne, NJ. Programs on the Center's 78-acre Wyckoff/Hawthorne, NJ campus consist of a 254-skilled bed nursing facility (Heritage Manor), a 44-bed specialized long-term care behavior management facility (Southgate), a 95-bed assisted living residence (Longview), a 39-bed congregate residence (Hillcrest), a 40-unit senior residential housing program (Evergreen Court), a 58-bed mental health facility (Ramapo Ridge) and several geriatric and mental health outpatient programs. Programs on the two campuses in Wayne provide 250 units and 164 units, respectively, of senior residential housing. One campus in Wayne also includes a geriatric outpatient program. Individuals associated with churches from the Reformed tradition founded the Center in 1911.

The accompanying consolidated financial statements include the consolidated financial position and operating results of Christian Health Care Center (CHCC), the Christian Health Care Center Foundation, Inc. (the Foundation), CHCC CCRC, Inc. (The Vista), Siena Village, and Summer Hill. The Center is the sole member of the Foundation, Vista, Siena Village and Summer Hill. The Foundation was established to assist the Center in the furtherance of its charitable mission.

The Vista is a non-profit organization whose sole member is CHCC. The Vista was created to develop, construct and own a continuing care retirement community, which is currently under construction, consisting of 161 independent living apartments and a range of services and amenities, which will be located on the campus of CHCC in Wyckoff and Hawthorne, New Jersey. CHCC will operate The Vista pursuant to a management agreement. Residents of The Vista will enjoy priority access to a full continuum of care at CHCC, including skilled nursing care, assisted living, memory care, short term rehabilitation services and mental health services. Long term care services will be provided at existing skilled nursing facilities and assisted living facilities at CHCC. In order to be accepted for admission to The Vista, prospective residents must be at least 62 years of age (or if a couple, one spouse is at least 62 years of age) at the time residency is established and exhibit an ability to live independently and meet their financial obligations as residents of the selected type of living accommodation.

Siena Village was acquired on December 4, 2015 and is a 250-unit apartment complex designed to meet the needs of seniors on fixed incomes seeking to maximize their independence by offering

1. Organization and Summary of Significant Accounting Policies (continued)

low-income, moderate-income, and market rate apartments. On April 27, 2017, the Center acquired the Summer Hills apartments, a 164-unit independent housing residence designed to meet the needs of seniors on fixed income seeking to maximize their independence by offering moderate-income and market rate apartments.

All significant intercompany and inter-entity balances and transactions have been eliminated in the accompanying consolidated financial statements.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, such as estimates for collections on accounts receivable, and liabilities, such as estimated insurance settlements and pension benefit liability, and disclosures of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the amounts of revenue and expenses reported during the period. There is at least a reasonable possibility that certain estimates will change by material amounts in the near term. Actual results could differ from those estimates.

Cash Equivalents

The Center considers all highly liquid financial instruments with a maturity of three months or less when purchased to be cash equivalents, except for amounts included in short-term investments and assets limited to use. Included in cash and cash equivalents are amounts on deposit at financial institutions which exceed Federal Deposit Insurance Company limits. Amounts within restricted cash include cash and cash equivalents held within investments and assets whose use is limited and represent funds set aside within the investment portfolio based on management’s policy or contractual arrangements. Management believes that the institutions are viable entities and minimal risk of loss exists.

1. Organization and Summary of Significant Accounting Policies (continued)

Receivables for Patient Care

The Center's patient accounts receivables are stated at the estimated net realizable amounts from payors, net of implicit price concessions, which are generally less than the established billing rates. These established billing rates produce payments under cost reimbursement methodologies, prospective payment formulas, or negotiated rates which cover the majority of the Center's patient services.

Investments and Investment Income

Investment securities included in short-term investments consist of certificates of deposit, equity securities, mutual funds, fixed income securities (government and corporate debt obligations) and an interest in a hedge fund. Investments in marketable securities are reported at fair value in the accompanying consolidated balance sheets. The fair value of marketable investments is determined by reference to quoted market prices. The Center's interest in a hedge fund limited partnership is reported based on the fund's net asset value derived from the application of the equity method of accounting. The Center's risk with respect to the hedge fund's investment activities, which may include securities lending, short sales, and trading in futures or other derivative products, is limited to the Center's capital balance with the fund. Donated investments are recorded at their fair value at the date of gift. All investments are classified as trading securities.

Investment income (including realized gains and losses on investments, interest, and dividends) and net change in unrealized gains and losses are included in the excess of revenue over expenses unless the income is restricted by donor or law. Investment income related to assets held by trustees under debt financing agreements is included in income from operations.

Assets Limited to Use

Assets limited to use include assets held by trustees under debt financing agreements, assets designated for a deferred employee compensation plan and assets designated for specific purposes by donors.

Deferred Financing Costs

Deferred financing costs represent costs incurred to obtain financing and are amortized over the term of the related debt using the effective interest method.

1. Organization and Summary of Significant Accounting Policies (continued)

Intangible Assets

Definite-lived intangible assets of the Center represent the estimated fair value of leases acquired through the Siena Village business combination and leases and tax benefits acquired through the Summer Hill asset acquisition at the dates of those acquisitions. Amortization is calculated using the straight-line method over the estimated useful lives of the intangible assets as defined below.

	Useful life
Land lease	**40**
In-place leases	**6-8**
Tax benefits	**40**

The Center reviews the carrying value of its definite-lived intangible assets for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. If these future undiscounted cash flows are less than the carrying value of the asset, then the carrying amount of the asset is written down to its fair value, based on the related estimated discounted future cash flows. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the intangible assets are used and the effects of obsolescence, demand, competition and other economic factors.

Property, Plant, and Equipment

Property, plant, and equipment are recorded at cost, except for donated property, plant and equipment, which are recorded at fair value at the date of donation. Assets acquired under capitalized leases are recorded at the present value of the lease payments at the inception of the lease. Annual provisions for depreciation of property, plant, and equipment are computed using the straight-line method over the estimated useful lives of the assets or the lesser of the estimated useful life of the asset (ranging from 3 to 40 years).

1. Organization and Summary of Significant Accounting Policies (continued)

Insurance Liabilities

The Center maintains claims-made professional and general liability and worker's compensation coverage through a commercial insurance carrier. The Center recorded an estimated insurance recovery receivable and a short-term insurance claim liability related to workers' compensation, professional and general liabilities of approximately $1,519,000 and $290,000 at December 31, 2019 and 2018, respectively, which are included in prepaid expenses and other current assets and accounts payable and accrued expenses in the accompanying consolidated financial statements.

The Center has a self-insured employee health insurance plan and maintains stop-loss coverage with an insurance company for claims in excess of $150,000. At December 31, 2019 and 2018, the Center has recorded a reserve for incurred but not reported medical claims of $912,000 and $485,000, respectively, which is included in accounts payable and accrued expenses within the accompanying consolidated balance sheets.

Classification of Net Assets

The Center separately accounts for and reports net assets with donor restrictions and net assets without donor restrictions. Net assets without donor restrictions are not externally restricted for identified purposes by donors or grantors. Net assets without donor restrictions include resources that the governing board may use for any designated purpose and resources whose use is limited by agreement between the Center and an outside party other than the donor or grantor.

As of December 31, 2019, all net assets with purpose and time restrictions have been used for their intended purpose. Net assets with purpose and time restrictions are those whose use is temporarily limited by the donors for a specific time period or purpose. Assets are released from restrictions when the funds have been used for the intended purpose. The Center reports contributions of net assets with purpose and time restrictions for which the restriction was met in the year the contribution was made as increases in net assets without donor restrictions. Investment income earned is recorded as an increase in net assets without donor restrictions, unless the use is specified by the donor.

1. Organization and Summary of Significant Accounting Policies (continued)

Net assets with donor restrictions that are permanent endowments have been restricted by donors to be maintained in perpetuity. The Center follows the requirements of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as it relates to its permanently restricted contributions and endowment net assets, as enacted by the State of New Jersey in 2009.

Recently Adopted Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases* (ASU 2016-02), which requires the rights and obligations arising from lease contracts, including existing and new arrangements, to be recognized as assets and liabilities on the consolidated balance sheet, including both finance and operating leases. ASU 2016-02 requires disclosures to help the financial statement users better understand the amount, timing and uncertainty of cash flows arising from leases. The recognition, measurement and presentation of expenses and cash flows arising from a lease primarily depend on its classification as a finance or operating lease. The Center adopted ASU 2016-02 on January 1, 2019, utilizing the modified retrospective approach. ASU 2016-02 did not have material impact on the Center's consolidated financial statements. Under the modified retrospective approach, prior period amounts were not required to be adjusted. The Center applied the transitional package of practical expedients allowed by ASU 2016-02 relating to the identification, classification and initial direct costs of leases commencing before the effective date of ASU 2016-02; however, the Center did not elect the hindsight transitional practical expedient. The Center also elected the practical expedient to utilize a risk-free rate as the incremental borrowing rate for all leases in transition and prospectively. The adoption of the standard resulted the Center recording a right-of-use asset and lease liability of approximately $217,000 recorded within other assets and other liabilities within the accompanying consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows – Classification of Certain Cash Receipts and Cash Payments (ASU 2016-15), which addresses the following eight specific cash flow issues in order to limit diversity in practice: debt prepayment or debt extinguishment costs; settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing; contingent consideration payments made after a business combination; proceeds from the settlement of insurance claims; proceeds from the settlement of corporate-owned life insurance policies, including bank-owned life insurance policies; distributions received from equity method investees; beneficial interests in securitization transactions; and separately identifiable cash flows and application of the predominance principle. The provisions of ASU 2016-15 are effective for the Center for annual periods beginning after December 15, 2018 and interim periods thereafter.

1. Organization and Summary of Significant Accounting Policies (continued)

Early adoption is permitted. The Center adopted ASU 2016-15 effective January 1, 2019. The adoption of the standard did not have a material impact on its consolidated financial statements.

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows – Restricted Cash (ASU 2016-18), which requires that the statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The provisions of ASU 2016-18 are effective for the Center for annual periods beginning after December 15, 2018 and interim periods thereafter. Early adoption is permitted. The Center adopted ASU 2016-18 effective January 1, 2019. The adoption of the standard did not have a material impact on its consolidated financial statements.

Effective January 1, 2019, the Center adopted ASU 2017-07, *Compensation—Retirement Benefits: Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* (ASU 2017-07). ASU 2017-07 addresses how employers that sponsor defined benefit pension and/or other postretirement benefit plans present the net periodic benefit cost in the income statement. Employers are required to present the service cost component of net periodic benefit cost in the same income statement line item as other employee compensation costs arising from services rendered during the period. Employers must present the other components of the net periodic benefit cost separately from the line item that includes the service cost and outside of any intermediate measure of operations, if one is presented. The Center does not report an intermediate measure of operations. The adoption of the standard did not have a material impact on the consolidated financial statements.

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958); Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (ASU 2018-08) ASU 2018-08 clarifies existing guidance in order to address diversity in practice in classifying grants (including governmental grants) and contracts received by not-for-profit entities. This guidance will likely result in more grants and contracts being accounted for as contributions rather than exchange transactions. The standard clarified the guidance on how entities determine when a contribution is conditional. The clarified guidance applies to all entities (including business entities) that make or receive contributions, except for certain transactions such as transfers of

1. Organization and Summary of Significant Accounting Policies (continued)

assets business entities receive from government entities (e.g., a government grant to a for-profit biotechnology company). The provisions of ASU 2018-08 are effective for annual periods beginning after December 15, 2018 and interim periods thereafter. Early adoption is permitted. Amendments should be applied on a modified prospective basis to agreements that are not completed as of the effective date and to agreements entered into after the effective date. Retrospective application is permitted. The Center adopted ASU 2018-08 effective January 1, 2019 on a prospective basis. The adoption of the standard did not have a material impact on its consolidated financial statements.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The main objective of ASU 2016-13 and related ASU updates is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. The amendments affect loans, debt securities, trade receivables, net investments in leases, off balance sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. The amendments in this update are effective for the Center for fiscal years beginning after December 15, 2023. The Center is in the process of evaluating the impact of ASU 2016-13 on its consolidated financial statements.

In August 2018, the FASB issued ASU 2018-15, *Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract*. The standard aligns the requirement for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal use software license). The accounting for the service element of a hosting arrangement that is a service contract is not affected by this standard. The standard requires the customer in a hosting arrangement that is a service contract to follow the guidance in ASC Subtopic 350-40 to determine which implementation costs to capitalize as an asset related to the service contract and which costs to expense by determining which project stage an implementation activity relates to and the nature of the costs. The standard also requires the customer to expense the capitalized implementation costs of a hosting arrangement that is a service contract over the term of the hosting arrangement. ASU 2018-15 is

1. Organization and Summary of Significant Accounting Policies (continued)

effective for the Center for fiscal years beginning after December 15, 2020, and interim periods thereafter. Early adoption is permitted, including adoption in any interim period. Either retrospective or prospective adoption is permitted. The Center is in the process of evaluating the impact of ASU 2018-15 on its consolidated financial statements.

The FASB has amended certain guidance related to various disclosures in ASU 2018-09, *Codification Improvements*, ASU 2018-13, *Technical Corrections and Improvements to Financial Instruments–Overall (Subtopic 825-10)–Recognition and Measurement of Financial Assets and Financial Liabilities*, and ASU 2018-14, *Compensation–Retirement Benefits–Defined Benefit Plans–General (Subtopic 715-20)–Disclosure Framework–Changes to the Disclosure Requirements for Defined Benefit Plans*. Among various provisions, ASU 2018-09 may result in additional assets included in an entity's fair value disclosure table if, among other criteria, net asset value has public visibility. ASU 2018-13 includes several disclosure changes involving transfers between the fair value levels and other updates related to fair value Level 3 investments. ASU 2018-13 also requires entities that use the practical expedient to measure the fair value of certain investments at their net asset values to disclose (1) the timing of liquidation of an investee's assets and (2) the date when redemption restrictions will lapse, but only if the investee has communicated this information to the entity or announced it publicly. The guidance in ASU 2018-14 requires all sponsors of defined benefit plans to provide certain new disclosures: the weighted-average interest crediting rate for cash balance plans and other plans with promised interest crediting rates and an explanation of the reasons for significant gains and losses related to changes in the benefit obligation for the period. Among other changes, ASU 2018-14 eliminates the required disclosure for all sponsors of defined benefit plans to disclose the amounts in accumulated other comprehensive income expected to be recognized as components of net periodic benefit cost over the next fiscal year. The updates noted above have effective dates as follows with early adoption permitted: ASU 2018-09: fiscal years beginning after December 15, 2018; ASU 2018-13: fiscal years beginning after December 15, 2019; and ASU 2018-14: fiscal years ending after December 15, 2021. The Center adopted ASU 2018-09 which did not have a material impact on its consolidated financial statements. The Center has not completed the process of evaluating the impact of ASU 2018-09, ASU 2018-13 and ASU 2018-14 on its consolidated financial statements.

Net Patient Service Revenue

Net patient service revenue is reported at the amount that reflects the consideration to which the Center expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and

1. Organization and Summary of Significant Accounting Policies (continued)

includes variable consideration (reductions to revenue) for retroactive revenue adjustments due to settlement of ongoing and future audits, reviews, and investigations.

The Center uses a portfolio approach to account for categories of patient contracts as a collective group rather than recognizing revenue on an individual contract basis. Based on historical collection trends and other analyses, the Center believes that revenue recognized by utilizing the portfolio approach approximates the revenue that would have been recognized if an individual contract approach were used.

The Center's initial estimate of the transaction price for services provided to patient's subject to revenue recognition is determined by reducing the total standard charges related to the patient services provided by various elements of variable consideration, including contractual adjustments, discounts, implicit price concessions, and other reductions to the Center's standard charges. The Center determines the transaction price associated with services provided to patients who have third-party payor coverage on the basis of contractual or formula-driven rates for the services rendered. The estimates for contractual allowances and discounts are based on contractual agreements, the Center discount policies and historical experience. For uninsured and under-insured patients who do not qualify for charity care, the Center determines the transaction price associated with services on the basis of charges reduced by implicit price concessions. Implicit price concessions included in the estimate of the transaction price are based on the Center's historical collection experience for applicable patient portfolios. Under the Center's charity care policy, a patient who has no insurance or is under-insured and is ineligible for any government assistance program has his or her bill reduced to the discounted rates under the Center's self-pay patient policy. Patients who meet the Center's criteria for free care are provided care without charge; such amounts are not reported as revenue.

Generally, the Center bills patients and third-party payors several days after the services are performed and/or the patient is discharged. Net patient service revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Center. Net patient service revenue for performance obligations satisfied over time is recognized based on estimated expected payment at that point in time. The Center believes that this method provides a reasonable depiction of the transfer of services over the term of the performance obligation based on the services needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients receiving services through the term of their stay.

1. Organization and Summary of Significant Accounting Policies (continued)

Net patient service revenue for the years ended December 31, 2019 and 2018, by payor are as follows:

	2019	2018
Commercial insurance and managed care organizations	**$ 3,961,226**	$4,370,081
Medicare and Medicaid managed care	**13,618,239**	13,423,392
Medicare and Medicaid	**29,388,263**	27,792,496
Self-pay and other	**28,824,099**	29,833,175
	$75,791,827	$75,419,144

Deductibles, copayments and coinsurance under third-party payment programs which are the patient's responsibility are included within the third-party payors amounts above. Subsequent changes to the estimate of the transaction price (determined on a portfolio basis when applicable) are generally recorded as adjustments to patient service revenue in the period of the change. For the years ended December 31, 2019 and 2018, changes in the Center's estimates of implicit price concessions, discounts, contractual adjustments or other reductions to expected payments for performance obligations satisfied in prior periods were not significant. Portfolio collection estimates are updated quarterly based on collection trends. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay (determined on a portfolio basis when applicable) are recorded as bad debt expense. Bad debt expense for the periods ended December 31, 2019 and 2018 was not significant.

The Center elected the practical expedient allowed under ASU 2014-09 and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to the Center's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less. However, the Center does, in certain instances, enter into payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

1. Organization and Summary of Significant Accounting Policies (continued)

Performance Indicator

The consolidated statements of operations include excess of revenue over expenses as the performance indicator. Changes in net assets without donor restrictions which are excluded from the performance indicator include grant proceeds for capital expenditures, net assets released from restrictions for capital purposes and change in pension liability to be recognized in future periods. Transactions deemed by management to be ongoing and central to the provision of the Center's services are reported as revenue and expenses from operations.

Tax Status

The Center, the Foundation and Vista are not-for-profit corporations, as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The entities are also exempt from state and local income taxes. Siena Village and Summer Hill are disregarded for tax purposes. Disregarded entity status provides that the Center is subject to unrelated business income taxation on Siena Village and Summer Hill income derived from activities not specific to the Center. Provisions for income tax are not material to the consolidated financial statements.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current year presentation. The reclassifications had no impact on excess of revenue over expenses.

2. Availability and Liquidity of Financial Assets

The table below represents financial assets available for general expenditures within one year at December 31, 2019:

Financial assets at year-end:		
Cash and cash equivalents	$	**4,293,553**
Short-term investments		**5,090,561**
Assets limited to use		**45,500,093**
Accounts receivable, net		**7,705,634**
Total financial assets		**62,589,841**
Less amounts not available to be used within one year:		
Assets limited to use, long term portion		**42,359,191**
Financial assets not available to be used within one year		**42,359,191**
Financial assets available to meet general expenditures over the next twelve months	$	**20,230,650**

As part of the Center's liquidity management plan, operating cash in excess of daily requirements are invested in short-term investments and money market funds.

3. Intangible Assets

The gross and net carrying amounts and accumulated amortization of identifiable intangible assets resulting from the Sienna Village and Summer Hill acquisitions, for each asset category were as follows:

	December 31, 2019		December 31, 2018	
	Intangible Assets	**Accumulated Amortization**	**Intangible Assets**	**Accumulated Amortization**
Land lease	**$ 1,359,274**	**$ 138,768**	$ 1,359,274	$ 104,784
In-place leases	**1,097,371**	**502,247**	1,097,371	357,095
Tax credit	**1,560,424**	**107,168**	1,560,424	64,923
Total gross identifiable intangible assets	**4,017,069**		4,017,069	
Less accumulated amortization	**(748,183)**		(526,802)	
	$ 3,268,886		$ 3,490,267	

3. Intangible Assets (continued)

Amortization expense approximated $221,000 and $218,000 for the fiscal years ended December 31, 2019 and 2018, respectively. The following table presents the estimated future amortization expense of identifiable intangible assets for the five succeeding fiscal years:

Fiscal Year	Amortization Expense
2020	$ 221,000
2021	136,848
2022	136,848
2023	136,848
2024	94,280

During fiscal 2019 and 2018, the Company performed an impairment review of identifiable intangible assets. As a result, no impairment of identifiable intangible assets was recognized in either fiscal year.

4. Charity Care

The Center maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges forgone for services and supplies furnished under its charity care policy. As the collection of amounts determined to qualify as charity care is not pursued, such services are not reported as patient revenue. The cost of charity care is derived from both estimated and actual data. The estimated cost of charity care includes the direct and indirect cost of providing such services and is estimated utilizing the Center’s ratio of cost to gross charges, which is then multiplied by the gross uncompensated charges associated with providing care to charity patients.

In addition, the Center provides several other charitable programs and activities, such as educational and health monitoring programs, that are primarily offered for the benefit of the local communities that the Center serves. In accordance with its mission, the Center commits substantial resources to sponsor a broad range of services to both the indigent as well as the broader community. Community benefits provided to the indigent include the cost of providing services to persons who cannot afford health care due to inadequate resources and/or who are uninsured or underinsured. This type of community benefit includes the costs of traditional charity care; unpaid costs of care provided to beneficiaries of Medicaid and other indigent public programs; services

4. Charity Care (continued)

such as free clinics and meal programs for which a patient is not billed or for which a nominal fee has been assessed; and cash and in-kind donations of equipment, supplies or staff time volunteered on behalf of the community.

Community benefits provided to the broader community include the costs of providing services to other populations who may not qualify as indigent but may need special services and support. This type of community benefit includes the costs of: services such as health promotion and education, health clinics and screenings, all of which are not billed or can be operated only on a deficit basis; unpaid portions of training health professionals such as medical residents, nursing students and students in allied health professions; and the unpaid portions of testing medical equipment and controlled studies of therapeutic protocols.

A summary of the estimated cost of community benefits provided to both the indigent and the broader community follows:

	2019	2018
Community benefits provided to the indigent:		
Charity care provided	**$ 1,578,100**	$ 992,300
Unpaid cost of public programs, Medicaid and other indigent care programs	**8,519,200**	7,925,000
Community benefits provided to the broader community:		
Non-billed services for the community	**44,584**	55,101
Estimated cost of community benefits	**$ 10,141,884**	$ 8,972,401

5. Short-Term Investments and Assets Limited to Use

Short-term investments consist of the following:

	December 31	
	2019	2018
Certificates of deposit	**$ 314,400**	$ 293,676
Equity securities	**555,717**	1,779,125
Mutual funds	**3,734,657**	5,114,230
Fixed income securities	**-**	79,339
Alternative investment – hedge fund (equity method)	**485,787**	521,264
	$ 5,090,561	$ 7,787,634

5. Short-Term Investments and Assets Limited to Use (continued)

Assets limited to use which include equities and mutual funds are maintained for the following purposes. Management determines the classification of current versus long terms based on the intended use of the assets:

	December 31	
	2019	**2018**
Under debt financing arrangements	**$ 28,250,257**	$ 2,668,760
Escrowed deposits	**13,400,915**	6,002,182
Permanently restricted by donor	**727,981**	727,981
Deferred employee compensation plan	**3,120,940**	2,546,733
Total assets limited to use	**45,500,093**	11,945,656
Less current portion	**3,140,902**	2,668,760
Assets limited to use, less current portion	**$ 42,359,191**	$ 9,276,896

Investment return (loss) is as follows:

	Year Ended December 31	
	2019	**2018**
Interest and dividend income – other holdings	**$ 79,896**	$ 156,134
Net realized gains and losses	**1,722,890**	476,163
Net change in unrealized gains and losses	**(41,418)**	(1,409,775)
	$ 1,761,368	$ (777,478)

6. Property, Plant, and Equipment

Property, plant, and equipment consist of the following:

	December 31	
	2019	**2018**
Land and land improvements	**$ 5,980,017**	$ 5,173,357
Buildings and improvements	**109,823,894**	108,026,141
Major movable equipment	**13,844,907**	13,564,489
Fixed and other equipment	**27,522,566**	24,883,237
Transportation vehicles	**2,795,350**	2,726,252
	159,966,734	154,373,476
Accumulated depreciation	**(77,397,962)**	(71,963,318)
	82,568,772	82,410,158
Construction in progress	**41,116,043**	22,248,380
	$ 123,684,815	$ 104,658,538

Substantially all property, plant, and equipment have been collateralized under debt agreements.

The Vista has received sufficient local and state approvals to enable construction activity to begin during 2019. Construction in progress includes approximately $39,800,000 expended through December 31, 2019 for The Vista. During 2019 and subsequent to December 31, 2019, The Vista entered into purchase commitments totaling approximately $3,000,000 and $76,000,000 for 2020 and 2019 respectively, for project construction management, engineering and various other consulting services.

The Center capitalized interest of approximately $570,000 and $470,000 during 2019 and 2018, respectively, related to construction projects.

7. Benefits Payable

Benefits payable represents amounts due toward death benefit certificates held by subscribers of an unrelated not-for-profit organization that was previously merged into the Center. These certificates entitle the subscribers to receive a death benefit and is calculated based on the dollar value of the certificate that they had purchased. As of December 31, 2019 there were 2,314 certificates outstanding.

8. Long-Term Debt

Long-term debt consists of the following:

	December 31 2019	2018
The Vista 2019 Bonds [a]	**$ 64,489,193**	$ –
New Construction Loan [a]	–	13,152,505
NJHCFFA Revenue and Refunding Series 1997 B bonds [b]	**4,800,000**	5,200,000
NJHCFFA Variable Rate Series 2005 bonds [c]	**4,800,000**	4,995,000
New Jersey Health Care Facilities Financing Authority (NJHCFFA) Variable Rate Revenue Series 2009 bonds [d]	**8,980,000**	9,720,000
Improvement Loan [e]	**10,541,667**	11,041,667
New Jersey Economic Development Authority bonds [f]	**14,742,398**	15,123,455
Capital Improvement Loan [g]	**6,147,706**	6,398,168
New Jersey Housing and Finance Agency Mortgage 1 [h]	**4,615,494**	5,008,502
New Jersey Housing and Finance Agency Mortgage 2 [h]	**191,274**	207,314
Bridge Loan[h]	**5,760,000**	5,760,000
Capital lease obligations and other [i]	**383,948**	488,941
	125,451,680	77,095,552
Less:		
Unamortized deferred financing costs	**2,277,448**	1,003,153
Current portion	**8,859,296**	21,895,923
	$ 114,314,936	$ 54,196,476

8. Long-Term Debt (continued)

[(a)] On August 15, 2019 the National Finance Authority issued $119,980,000 of Revenue Bonds) on behalf of The Vista (The Vista 2019 Bonds). The proceeds for the bonds are to be used to finance the cost of construction of The Vista, to repay the outstanding balance of pre-construction and preliminary construction financing (discussed further below), to fund a related debt service reserve fund and capitalized interest, and to pay a portion of the costs of issuance of the 2019 Bonds. The Vista 2019 Bonds were issued in three series (Series 2019A Bonds, Series 2019B Bonds and Series 2019C Bonds):

i. The Series 2019A Bonds, with an aggregate principal amount of $62,980,000 which were sold at a premium of approximately $1,498,000, mature on July 1, 2039, 2046 and 2054 and bear interest at fixed rates ranging from 5.25% to 5.75%.

ii. The Series 2019B Bonds, with an aggregate principal amount of $31,660,000 ($1,459,000 was outstanding as of December 31, 2019), mature on July 1, 2023 and bear interest at a floating rate at the 30-day LIBOR plus 2.75% (3.97% at December 31, 2019).

iii. The Series 2019C Bonds, with an aggregate principal amount of $25,340,000 ($50,000 was outstanding as of December 31, 2019), mature on July 1, 2023 and bear interest at a floating rate at the 30-day LIBOR plus 3.25% (4.38% at December 31, 2019).

The Vista 2019 Bonds are secured by a first security interest in gross receipts of The Vista, a first mortgage lien on a leasehold interest in the property that The Vista is built upon, and by certain funds and accounts created under the terms of the loan agreement.

In connection with The Vista 2019 Bonds, CHCC provided a Liquidity Support Account (LSA) to the Master Trustee, totaling $5,000,000 that consists of $2,000,000 in cash and cash equivalents and a $3,000,000 irrevocable, direct pay letter of credit issued for the benefit of the Master Trustee. The LSA is recorded within CHCC's assets limited to use and The Vista's other liabilities, respectively, and are eliminated in consolidation.

8. Long-Term Debt (continued)

In April 2015, The Vista entered into a $13,000,000 revolving construction loan (New Construction Loan) with a bank to fully replace a Construction Loan obtained in a prior year from another bank. Advances under the New Construction Loan incurred interest at the 30-day LIBOR rate plus 1.60%. In May 2018, the amount available under the New Construction Loan was increased to $16,500,000 and the interest rate was increased to the 30-day LIBOR rate plus 2.0%. During 2019, the amount available under the New Construction Loan was further increased to $22,000,000. The outstanding balance under the New Construction Loan of approximately $19,757,000 was repaid from the proceeds of The Vista 2019 Bonds.

CHCC entered into a subordinated note payable in 2017 with The Vista to advance funds to pay for pre-construction costs. A $6,500,000 note is payable from available funds once The Vista achieves stabilized occupancy (which is not expected to occur until at least 2024). The note bears interest at a rate of 7.50% per annum. The subordinated note is recorded within CHCC's other assets and The Vista's other liabilities, respectively, and are eliminated in consolidation.

(b) On January 7, 1998, the New Jersey Health Care Facilities Financing Authority (NJHCFFA) issued $10,500,000 of Revenue and Refunding Bonds Series 1997 B (Series 1997 B Bonds). The Series 1997 B Bonds carry a variable interest rate with maturities through 2028. The average interest rate during 2019 and 2018 was 1.73% and 1.64% respectively. The proceeds of the Series 1997 B Bonds were used for the construction of the assisted living facility and are secured by substantially all the Center's assets and gross receipts and a letter of credit with a bank. The letter of credit is issued for approximately $4,879,000 and expires January 1, 2021.

(c) In December 2005, the Center financed $6,600,000 through NJHCFFA Variable Rate Series 2005 bonds for the construction and equipping of a two-story addition to the inpatient mental health facility, the acquisition of property situated adjacent to the Wyckoff/Hawthorne campus, and various other renovations. The bonds are payable in with annual principal installments through July 2035 and at a variable interest rate (not to exceed 12%) that averaged 1.69% and 1.60% during 2019 and 2018, respectively. The bonds are secured by a letter of credit with a bank. The letter of credit is for approximately $4,677,000 and expires January 1, 2021.

8. Long-Term Debt (continued)

(d) On February 19, 2009, NJHCFFA issued $14,970,000 of Series 2009 Variable Rate Revenue Bonds (Series 2009 Bonds) on behalf of the Center. The proceeds were used for the refunding of NJHCFFA Series A Bonds issued in 1997 and renovations to the existing nursing facility. The Series 2009 Bonds are payable in annual installments of principal through July 2038 with interest at a variable interest rate (not to exceed 12%). The interest rates as of December 31, 2019 and 2018 were 1.74% and 1.70%, respectively. The Series 2009 Bonds are secured by a letter of credit with a bank with an available amount of approximately $9,107,000, which expires January 1, 2021.

(e) In June 2014, the Center entered into an Improvement Loan with a bank for fund renovations to the existing nursing facility. The Improvement Loan has a 26.5 year term, matures in January 2041 with principal payment due over a 24-year period that began in January 2017, and bears interest rate at the 30-day LIBOR plus 1.60%. The interest rates at December 31, 2019 and 2018 were 3.29% and 3.95%, respectively.

(f) In December 2015, the Center acquired Siena Village with $16,000,000 of bond proceeds issued through the New Jersey Economic Development Authority. The bonds are payable in monthly installments on a 30-year fully amortizing basis through December 2045 and bear interest at 65% of the 30-day LIBOR plus 1.20% with a minimum of 1.63% and a maximum of 2.68%. The interest rates at December 31, 2019 and 2018 were 2.31% and 2.68% respectively. The bank has the option to tender the bonds in full on December 1, 2022 or to reset the interest rate. The bonds are secured by a first leasehold mortgage on and a gross receipts pledge of Siena Village.

(g) In March 2017, the Center entered secured a Capital Improvement Loan of up to $6,900,000 with a bank. The proceeds from the loan were used to finance HVAC upgrades to an existing building, reimburse the costs of capital improvements made during 2017 and 2016, and finance renovations with furniture and fixture needs for the assisted living facility, and finance the acquisition of Summer Hill. The term of the Capital Improvement Loan is 23.5 years and matures in April 2042. The first 18 months of the loan were interest-only followed by a 23.5-year fully amortizing loan period beginning in September 2017. The loan bears interest at the 30-day LIBOR rate plus 2%. The interest rates at December 31, 2019 and 2018 were 3.70% and 4.35%, respectively. At December 31, 2019, there was approximately $6,148,000 available under this Capital Improvement Loan. The bonds are secured by a first leasehold mortgage and gross receipts pledge of the Facility.

8. Long-Term Debt (continued)

(h) In connection with the acquisition of Summer Hill, the Center's wholly-owned subsidiary assumed a first and second mortgage held by the New Jersey Mortgage and Finance Agency and secured a commercial mortgage bridge loan (Bridge Loan) through a bank:

i. The first mortgage is payable in monthly installments of $60,139 including interest fixed at 6.8% with service fees through May 2028. In addition, monthly deposits for taxes, insurance, and replacement of depreciable assets are required. This first mortgage is secured by a first leasehold mortgage and gross receipts pledge of the Facility.

ii. The second mortgage is payable in monthly installments of $2,521 including interest fixed at 7.1% with service fees through May 2028. In addition, monthly deposits for taxes, insurance, and replacement of depreciable assets are required. The second mortgage is also secured by a first leasehold mortgage and gross receipts pledge of the Facility.

iii. The Bridge Loan proceeds were used to fund the remaining acquisition costs. The Bridge Loan proceeds bear interest only at the 30-day LIBOR rate plus 1.50% basis points. The interest rates at December 31, 2019 and 2018 were 3.25% and 3.88%, respectively. The bonds are due and payable on August 31, 2020 and 50% principal and interest are secured by the Center.

(i) The Center has entered into various capital lease agreements and other loan agreements totaling approximately $384,000 and $489,000 at December 31, 2019 and 2018, respectively. The obligations bear interest at rates ranging from 6.3% to 10.1%.

The holders of the Series 1997 B Bonds (b), the Series 2005 (c) bonds, and the Series 2009 Bonds (d), have the right to tender their bonds for purchase on a weekly basis. The reimbursement terms of the letters of credit securing these debt issuances provide that in the event of a bondholder demand for repayment, the Center would reimburse the letter of credit bank over a long-term period if adequate funds are not available from the remarketing of the bonds.

8. Long-Term Debt (continued)

Under the terms of the various loan documents for its long-term debt, Christian Health Care Center and the Foundation (collectively, the Obligated Group), Summer Hill and The Vista are required to maintain certain financial ratios and comply with other restrictive financial covenants as described in the respective agreements. The Obligated Group and Summer Hill were in compliance with the financial covenants at December 31, 2019 and 2018. The Vista was in compliance with its financial covenants at December 31, 2019.

The Center has a $1,000,000 revolving line of credit (the line) with a bank that will expire on September 30, 2020. The line is secured by the Center's accounts receivable. Advances under the line bear interest at an annual variable rate equal to the prime rate or an annual fixed rate equal to 1% in excess of LIBOR. At December 31, 2019 and 2018, there were no outstanding amounts under the line.

Scheduled debt maturities are as follows:

	Vista (a)	Bonds (b), (c), (d), (f)	Improvement and Construction Loans (e) & (g)	Mortgage Loans (h)	Capital Lease Obligations and Other (i)	Total
2020	$ –	$ 1,785,700	$ 773,200	$ 6,198,010	$ 102,386	$ 8,859,296
2021	1,509,193	1,852,853	773,200	468,795	102,386	4,706,427
2022	–	1,929,230	773,200	501,745	102,386	3,306,561
2023	–	2,014,743	773,200	535,252	76,790	3,399,985
2024	–	2,095,576	773,200	574,757	–	3,443,533
Thereafter	62,980,000	23,644,296	12,823,373	2,288,209	–	101,735,878
	$ 64,489,193	$ 33,322,398	$ 16,689,373	$ 10,566,768	$ 383,948	$125,451,680

9. Pension Plans

Defined Benefit Plan

The Center has a defined benefit pension plan (the Plan) that was frozen effective December 31, 1999. Benefits ceased to accrue after that date and all participants in the Plan became fully vested in 2005.

The funded status of the Plan as recognized in the Center's consolidated balance sheets is as follows:

	December 31	
	2019	**2018**
Change in benefit obligation:		
Benefit obligation at beginning of year	**$ 13,679,236**	$ 14,444,460
Interest cost	**579,174**	539,138
Actuarial losses (gains)	**1,638,147**	(553,979)
Benefits paid	**(780,410)**	(750,383)
Benefit obligation at end of year	**15,116,147**	13,679,236
Change in plan assets:		
Fair value of plan assets at beginning of year	**5,749,229**	6,129,018
Actual return on plan assets	**1,133,605**	(325,585)
Employer contributions prior to measurement period	**834,948**	696,179
Benefits paid	**(780,410)**	(750,383)
Fair value of plan assets at end of year	**6,937,372**	5,749,229
Funded status of plan	**$ (8,178,775)**	$ (7,930,007)

The funded status of the pension plan is included in pension obligation and other liabilities in the consolidated balance sheets. The benefit obligation for the Center's pension plan totaled approximately $15,116,000 and $13,679,000 at December 31, 2019 and 2018, respectively.

At December 31, 2019 and 2018, there are approximately $5,755,000 and $5,426,000, respectively, of actuarial losses that have not yet been recognized in net periodic pension cost, but have been cumulatively recorded in net assets without donor restrictions. Approximately $598,000 of unrecognized actuarial loss is expected to be recognized in net periodic pension cost during the year ending December 31, 2020.

9. Pension Plans (continued)

The Center recorded net periodic pension cost as follows:

	Year Ended December 31	
	2019	**2018**
Interest cost on the projected benefit obligation	**$ 579,174**	$ 539,138
Expected return on plan assets	**(411,797)**	(439,789)
Net amortization and deferrals	**587,454**	659,069
Net periodic pension benefit cost	**$ 754,831**	$ 758,418

The following assumptions were used in determining the benefit obligations and net periodic benefit costs:

	2019	**2018**
Weighted-average assumptions used to determine benefit obligations at December 31:		
Discount rate	3.28%	4.33%
Weighted-average assumptions used to determine net periodic benefit cost for the year ended December 31:		
Discount rate	4.33%	3.70%
Expected long-term rate of return on plan assets	7.25%	7.25%

The expected long-term rate of return on plan assets was selected by applying historical yields to the asset allocation of the Plan's portfolio. A 7.25% expected long-term return on plan assets was based on the investment policy and asset allocation in effect as of the beginning of 2019. The actuarial gains and losses in 2019 and 2018, respectively, primarily relate to changes in discount rate and mortality assumptions used to measure the projected benefit obligation.

9. Pension Plans (continued)

The Plan's investment policy is designed to achieve the following long-term investment objectives:

- To maintain or exceed a target funding level of 100% of the Plan's liabilities, defined as the market value of the portfolio assets as a percentage of the accumulated benefit obligation, and

- To achieve a long-term rate of return of 7.25%, as established by management.

Recognizing that the pension liabilities are of a long-term nature, the objective is to achieve these goals over a three- to five-year timeframe.

The asset allocation guidelines and permissible ranges by asset category are as follows:

Asset Category	Guideline Allocation	Permissible Range
Equities	65%	Up to 65%
Debt securities	35	Not less than 30%
Other	–	Up to 10%

The Plan's asset allocations by asset category are as follows:

	December 31	
	2019	2018
Equities	**64%**	70%
Corporate bonds	**26**	21
Other	**10**	9
	100%	100%

9. Pension Plans (continued)

The Plan has received a favorable ruling from the Internal Revenue Service to operate as a church plan. Under church plan status, the Plan is not subject to many of the compliance provisions of the Employee Retirement Income Security Act of 1974 (ERISA), such as minimum funding levels.

The Center makes contributions to the Plan based on the recommendations of its consulting actuary and subject to available cash resources. The Center expects to contribute $725,000 to the Plan in 2020. Benefits under the Plan are not covered by the Pension Benefit Guaranty Corporation.

The measurement date used to determine the pension amounts is December 31.

The benefit payments under the Plan are expected to be paid as follows:

2020	$ 859,264
2021	875,988
2022	882,964
2023	885,288
2024	889,338
2025 – 2029	4,485,067

Defined Contribution Plan

Effective January 1, 2000, the Center adopted a defined contribution 401(k) plan (the 401(k) Plan). The 401(k) Plan provides for employer and employee contributions. Employees can make elective contributions to the 401(k) Plan of up to 100% of compensation which will be contributed by the Employer of the Plan, unless prohibited by applicable deferral limits. Employer contributions to the Plan consist of a regular contribution and a matching contribution. Effective January 1, 2017, the matching employer contribution was changed from 50% of the employees' elective contribution up to a maximum of 2% of a participant's eligible compensation to 50% of a Participant's Elective Deferrals for the Plan Year as described below:

Less than one year of service:	Not eligible for matching employer contribution
One but less than six years:	Up to 2 percent of participant's compensation
Six but less than 15 years:	Up to 3 percent of participant's compensation
Fifteen years or more:	Up to 4 percent of participant's compensation

9. Pension Plans (continued)

Pension expense under the 401(k) Plan was approximately $1,025,000 and $1,010,000 for the years ended December 31, 2019 and 2018, respectively.

Deferred Employee Compensation Plan

Effective January 1, 2002, the Center adopted a deferred compensation 457(b) plan (the 457(b) Plan). The 457(b) Plan provides for employee contributions and discretionary employer contributions. Employees can make elective contributions to the 457(b) Plan of up to 100% of compensation, unless prohibited by applicable deferral limits. The Center has not made any discretionary contributions to the 457(b) Plan for the years ended December 31, 2019 and 2018. The consolidated balance sheets as of December 31, 2019 and 2018 include an asset and liability of approximately $3,120,940 and $2,547,000, respectively, related to the 457(b) Plan recorded within assets limited to use noncurrent and pension obligations and other liabilities, respectively.

10. Contingencies

Various lawsuits and claims arising in the normal course of operations are pending or on appeal against the Center. While the ultimate effect of such actions cannot be determined at this time, it is the opinion of management that litigation will not result in losses in excess of insurance coverage and will not materially affect the consolidated financial position or results of operations of the Center. No provision has been made in the accompanying consolidated financial statements for any deductibles or claims that have been incurred but not reported.

11. Net Assets

The Center's net assets are as follows:

	December 31	
	2019	**2018**
Net assets without donor restrictions:		
General unrestricted – general	**$ 36,399,961**	$ 36,800,474
Employee unrestricted – employee fund	**669,021**	562,321
Residents' unrestricted – residents' assistance	**2,424,881**	2,041,439
Total net assets without donor restrictions	**39,493,863**	39,404,234
Net assets with permanent donor restrictions	**727,981**	727,981
Total net assets	**$ 40,221,844**	$ 40,132,215

11. Net Assets (continued)

The Center has internally designated certain net assets without donor restrictions for discretionary employee expenditures, such as employee events, and residents' assistance.

Foundation fundraising and contribution income is reported net of related expenses of approximately $84,000 and $124,000 in 2019 and 2018, respectively. Assets released from the Foundation for use at the Center were approximately $63,000 and $28,000 in 2019 and 2018, respectively.

12. Concentrations of Credit Risk

The Center grants credit, under contractual arrangements, without collateral to its residents and patients, many of whom are from the northern New Jersey area and are insured under third-party payer agreements. Concentrations of gross accounts receivable from patients and third-party payers were as follows:

	December 31	
	2019	**2018**
Medicare	49%	50%
Medicaid	2	7
Self-pay patients and residents	25	25
Commercial and other insurance	24	18
	100%	100%

13. Functional Expenses

The Center's consolidated program services consist of general health care and related services. For the year ended, December 31, 2019, program expenses related to providing these services are summarized as follows:

	Senior Life, Short-Term Rehabilitation and Mental Health Services	General and Administrative	Total
Salaries and wages	**$ 31,388,238**	**$ 14,154,390**	**$ 45,542,628**
Employee benefits	**8,953,967**	**4,037,753**	**12,991,720**
Supplies and other expenses	**9,317,450**	**10,145,701**	**19,463,151**
Interest and amortization	**1,599,965**	**721,497**	**2,321,462**
Amortization of intangible assets	**221,381**	**–**	**221,381**
Depreciation and amortization	**3,745,588**	**1,689,056**	**5,434,644**
	$ 55,226,590	**$ 30,748,396**	**$ 85,974,986**

For the year ended, December 31, 2018, program expenses related to providing these services are summarized as follows:

	Senior Life, Short-Term Rehabilitation and Mental Health Services	General and Administrative	Total
Salaries and wages	$ 29,768,425	$ 14,654,734	$ 44,423,159
Employee benefits	6,968,692	3,733,734	10,702,426
Supplies and other expenses	9,246,359	9,298,055	18,544,414
Interest and amortization	1,361,141	826,700	2,187,841
Amortization of intangible assets	218,051	–	218,051
Depreciation and amortization	3,613,238	1,672,183	5,285,421
	$ 51,175,906	$ 30,185,406	$ 81,361,312

14. Fair Value Measurements

For assets and liabilities required to be measured at fair value, the Center measures fair value based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are applied based on the unit of account from the Center's perspective. The unit of account determines what is being measured by reference to the level at which the asset or liability is aggregated (or disaggregated).

The Center follows a valuation hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

> *Level 1:* Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
>
> *Level 2:* Observable inputs that are based on inputs not quoted in active markets, but corroborated by market data.
>
> *Level 3:* Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Center uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible and considers nonperformance risk in its assessment of fair value.

14. Fair Value Measurements (continued)

Financial instruments (included in cash and cash equivalents, short-term investments (excluding amounts accounted for using the equity method of accounting) and assets limited to use) carried at fair value in the accompanying consolidated balance sheets are classified in the tables below in one of the three categories described above as of December 31, 2019 and 2018:

	December 31, 2019			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	**$ 43,547,267**	**$ –**	**$ –**	**$ 43,547,267**
Certificate of deposit	**1,042,381**	**–**	**–**	**1,042,381**
Equity securities:				
U.S. large cap	**2,615,460**	**–**	**–**	**2,615,460**
U.S. mid cap	**62,152**	**–**	**–**	**62,152**
U.S. small cap	**290,662**	**–**	**–**	**290,662**
Foreign equities	**885,559**	**–**	**–**	**885,559**
Fixed income:				
Government bonds and GSE bonds	**–**	**173,561**	**–**	**173,561**
Mutual funds – equity:				
U.S. large cap	**804,247**	**–**	**–**	**804,247**
U.S. mid cap	**345,667**	**–**	**–**	**345,667**
U.S. small cap	**228,698**	**–**	**–**	**228,698**
International developed equity	**555,916**	**–**	**–**	**555,916**
International emerging equity	**342,559**	**–**	**–**	**342,559**
Mutual funds – fixed income:				
Corporate bonds	**1,061,540**	**–**	**–**	**1,061,540**
High yield bonds	**607,057**	**–**	**–**	**607,057**
International developed/emerging market bonds	**262,004**	**–**	**–**	**262,004**
Fixed income – other	**832,256**	**–**	**–**	**832,256**
Mutual funds – other:				
Global public REITS	**82,056**	**–**	**–**	**82,056**
Realty shares	**20,577**	**–**	**–**	**20,577**
Commodities and natural resources	**29,152**	**–**	**–**	**29,152**
Hedge strategies – conservative	**609,649**	**–**	**–**	**609,649**
	$ 54,224,859	**$ 173,561**	**$ –**	**$ 54,398,420**

14. Fair Value Measurements (continued)

	December 31, 2018			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 10,267,814	$ –	$ –	$ 10,267,814
Certificate of deposit	1,021,657	–	–	1,021,657
Equity securities:				
U.S. large cap	2,970,552	–	–	2,970,552
U.S. mid cap	144,354	–	–	144,354
U.S. small cap	8,512	–	–	8,512
Foreign equities	57,231	–	–	57,231
Fixed income:				
Government bonds and GSE bonds	–	103,702	–	103,702
Mutual funds – equity:				
U.S. large cap	2,319,913	–	–	2,319,913
U.S. mid cap	979,867	–	–	979,867
U.S. small cap	519,523	–	–	519,523
International developed equity	1,019,265	–	–	1,019,265
International emerging equity	386,522	–	–	386,522
Mutual funds – fixed income:				
Corporate bonds	2,071,487	–	–	2,071,487
High yield bonds	257,378	–	–	257,378
International developed/emerging market bonds	246,295	–	–	246,295
Mutual funds – other:				
Global public REITS	288,512	–	–	288,512
Realty shares	77,726	–	–	77,726
Commodities and natural resources	52,853	–	–	52,853
Hedge strategies – diversified	132,903	–	–	132,903
Hedge strategies – conservative	89,104	–	–	89,104
	$ 22,911,468	$ 103,702	$ –	$ 23,015,170

14. Fair Value Measurements (continued)

Assets invested in the Center's defined benefit pension plan, at fair value as of December 31, 2019 and 2018, are classified in the tables below in one of the three categories described above:

	December 31, 2019			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	**$ 360,314**	**$ –**	**$ –**	**$ 360,314**
Equity securities:				
U.S. large cap	**1,543,713**	**–**	**–**	**1,543,713**
U.S. mid cap	**178,264**	**–**	**–**	**178,264**
U.S. small cap	**–**	**–**	**–**	**–**
Foreign equities	**592,954**	**–**	**–**	**592,954**
Mutual funds – equity:				
U.S. large cap	**67,804**	**–**	**–**	**67,804**
U.S. mid cap	**202,943**	**–**	**–**	**202,943**
U.S. small cap	**421,160**	**–**	**–**	**421,160**
International developed equity	**835,215**	**–**	**–**	**835,215**
International emerging equity	**407,184**	**–**	**–**	**407,184**
Equity other	**133,492**	**–**	**–**	**133,492**
Mutual funds – fixed income:				
Government bonds and agencies	**508,973**	**–**	**–**	**508,973**
Corporate bonds	**332,593**	**–**	**–**	**332,593**
High yield bonds	**94,565**	**–**	**–**	**94,565**
International developed/emerging market bonds	**280,976**			**280,976**
Fixed income other	**588,470**	**–**	**–**	**588,470**
Mutual funds – other:				
Global fixed	**–**	**–**	**–**	**–**
	$ 6,548,620	**$ –**	**$ –**	**$ 6,548,620**
Assets measured at net asset value:				
Alternative investments – managed futures				**388,752**
				$ 6,937,372

14. Fair Value Measurements (continued)

	December 31, 2018			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 415,315	$ –	$ –	$ 415,315
Equity securities:				
U.S. large cap	1,433,935	–	–	1,433,935
U.S. mid cap	107,581	–	–	107,581
U.S. small cap	24,647	–	–	24,647
Foreign equities	474,022	–	–	474,022
Mutual funds – equity:				
U.S. large cap	112,442	–	–	112,442
U.S. mid cap	341,200	–	–	341,200
U.S. small cap	199,527	–	–	199,527
International developed equity	508,087	–	–	508,087
International emerging equity	310,942	–	–	310,942
Equity other	31,020	–	–	31,020
Mutual funds – fixed income:				
Government bonds and agencies	586,087	–	–	586,087
Corporate bonds	282,915	–	–	282,915
High yield bonds	54,613	–	–	54,613
International developed/emerging market bonds	313,717	–	–	313,717
Fixed income other	114,657	–	–	114,657
Cash	119,887	–	–	119,887
Mutual funds – other:				
Global fixed	18,652	–	–	18,652
	$ 5,449,246	$ –	$ –	$ 5,449,246
Assets measured at net asset value:				
Alternative investments – managed futures				299,983
				$ 5,749,229

Fair value for Level 1 is based on quoted market prices. Level 2 assets consist of certain fixed income securities for which the fair value at each year end is estimated based on quoted prices and other valuation considerations (e.g., credit quality and prevailing interest rates).

15. Subsequent Events

Subsequent events have been evaluated through June 30, 2020, which is the date the consolidated financial statements were available to be issued. Except as described below, no subsequent events have occurred that require disclosure in or adjustment to the accompanying consolidated financial statements.

Due to the global viral outbreak caused by Coronavirus Disease 2019 (COVID-19) in 2020, there have been resulting effects, which could negatively impact the Center's financial condition, including various temporary business closures and event cancellations, and other effects, which have resulted in supply disruptions as the broader economic impact of COVID-19 develops. Management continues to closely monitor the impact of COVID-19 in many respects. The ultimate impact of these matters to the Center and its financial condition is presently unknown. The Center is participating in the Centers for Medicare & Medicaid Services' Accelerated and Advance Payment Program under which it was approved for approximately $5,178,000 as of April 08, 2020 in expedited payments for future services on an interest-free basis. This advance payment amount will be recouped over time as Medicare services are provided after a 120-day delay period, with a final payment of any remaining balance due in April 2021. The Center also received grant distributions under the Coronavirus Aid, Relief, and Economic Security (CARES) Act totaling $2,456,000 through June 16, 2020. Management of the Center anticipates that additional CARES funding and funding from other governmental agencies, such as the Federal Emergency Management Agency, will be available to the Center. The accompanying consolidated financial statements as of and for the year ended December 31, 2019 do not reflect the effects of these subsequent events.

Supplementary Information

Christian Health Care Center and Affiliates

Consolidating Balance Sheet

December 31, 2019

	Christian Health Care Center	Christian Health Care Center Foundation	Eliminations/ Reclassifications	Christian Health Care Center Obligated Group	The Vista	Siena Village	Summer Hill	Eliminations/ Reclassifications	Christian Health Care Center Consolidated Total
Assets									
Current assets:									
Cash and cash equivalents	$ 512,151	$ 2,298,783	$ –	$ 2,810,934	$ 38,039	$ 1,421,432	$ 23,148	$ –	$ 4,293,553
Short-term investments	5,061,033	29,528	–	5,090,561	–	–	–	–	5,090,561
Assets limited to use, current portion	3,140,902	–	–	3,140,902	–	–	–	–	3,140,902
Accounts receivable, net	7,704,226	–	–	7,704,226	–	1,242	166	–	7,705,634
Prepaid expenses and other current assets	1,296,072	71,212	–	1,367,284	–	–	982,967	–	2,350,251
Total current assets	17,714,384	2,399,523	–	20,113,907	38,039	1,422,674	1,006,281	–	22,580,901
Assets limited to use, less current portion	7,521,739	–	–	7,521,739	36,442,320	219,502	175,630	(2,000,000)	42,359,191
Other assets, net	8,017,885	–	–	8,017,885	–	–	–	(6,500,000)	1,517,885
Interest in the assets of the Foundation	2,399,523	–	(2,399,523)	–	–	–	–	–	–
Intangible assets, net	–	–	–	–	–	1,538,959	1,729,927	–	3,268,886
Property, plant and equipment, net	57,287,959	–	–	57,287,959	39,800,491	15,531,025	11,065,340	–	123,684,815
	$ 92,941,490	$ 2,399,523	$ (2,399,523)	$ 92,941,490	$ 76,280,850	$ 18,712,160	$ 13,977,178	$ (8,500,000)	$ 193,411,678
Liabilities and net assets									
Current liabilities:									
Current portion of long-term debt	$ 2,270,586	$ –	$ –	$ 2,270,586	$ –	$ 390,700	$ 6,198,010	$ –	$ 8,859,296
Accounts payable and accrued expenses	5,633,368	–	–	5,633,368	$205,743	52,749	430,503	–	6,322,363
Accrued payroll	1,970,888	–	–	1,970,888	–	–	–	–	1,970,888
Accrued interest	21,553	–	–	21,553	–	32,985	–	–	54,538
Total current liabilities	9,896,395	–	–	9,896,395	205,743	476,434	6,628,513	–	17,207,085
Benefits payable	1,239,000	–	–	1,239,000	–	–	–	–	1,239,000
Pension obligations and other liabilities	14,124,272	–	–	14,124,272	13,551,221	219,502	1,033,818	(8,500,000)	20,428,813
Long-term debt, less current portion	32,952,268	–	–	32,952,268	63,119,330	13,913,250	4,330,088	–	114,314,936
Total liabilities	58,211,935	–	–	58,211,935	76,876,294	14,609,186	11,992,419	(8,500,000)	153,189,834
Net assets:									
Net assets without donor restrictions	34,001,574	2,399,523	(2,399,523)	34,001,574	(595,444)	4,102,974	1,984,759	–	39,493,863
Net assets with donor restrictions	727,981	–	–	727,981	–	–	–	–	727,981
Total net assets	34,729,555	2,399,523	(2,399,523)	34,729,555	(595,444)	4,102,974	1,984,759	–	40,221,844
	$ 92,941,490	$ 2,399,523	$ (2,399,523)	$ 92,941,490	$ 76,280,850	$ 18,712,160	$ 13,977,178	$ (8,500,000)	$ 193,411,678

Christian Health Care Center and Affiliates

Consolidating Statement of Operations and Changes in Net Assets

Year Ended December 31, 2019

	Christian Health Care Center	Christian Health Care Center Foundation	Eliminations/ Reclassifications	Christian Health Care Center Obligated Group	The Vista	Siena Village	Summer Hill	Eliminations/ Reclassifications	Christian Health Care Center Consolidated Total
Revenue:									
Net patient service revenue	$ 75,791,827	$ –	$ –	$ 75,791,827	$ –	$ –	$ –	$ –	$ 75,791,827
Rental revenue	519,282	–	–	519,282	–	2,681,594	2,074,583	–	5,275,459
Investment income	1,774,310	10,396	(1,784,706)	–	–	5,245	12,835	(18,080)	–
Fund raising activities, net	–	444,254	(444,254)	–	–	–	–	–	–
Unrestricted gifts and contributions	–	747,240	(747,240)	–	–	–	–	–	–
Other revenue	2,119,123	–	–	2,119,123	–	83,476	18,284	–	2,220,883
Total revenue	80,204,542	1,201,890	(2,976,200)	78,430,232	–	2,770,315	2,105,702	(18,080)	83,288,169
Expenses:									
Salaries and wages	44,957,891	–	–	44,957,891	–	379,500	205,237	–	45,542,628
Employee benefits	12,776,308	–	–	12,776,308	–	123,713	91,699	–	12,991,720
Supplies and other	17,141,280	–	–	17,141,280	595,444	1,067,397	659,030	–	19,463,151
Interest and amortization	1,245,829	–	–	1,245,829	–	417,858	657,775	–	2,321,462
Amortization of intangible asset	–	–	–	–	–	115,283	106,098	–	221,381
Depreciation	4,557,512	–	–	4,557,512	–	571,887	305,245	–	5,434,644
Total expenses	80,678,820	–	–	80,678,820	595,444	2,675,638	2,025,084	–	85,974,986
Income from operations	(474,278)	1,201,890	(2,976,200)	(2,248,588)	(595,444)	94,677	80,618	(18,080)	(2,686,817)
Investment income and net realized gains and losses	–	–	1,784,706	1,784,706	–	–	–	18,080	1,802,786
Foundation fundraising and contributions, net of expenses	–	–	1,191,494	1,191,494	–	–	–	–	1,191,494
Net change in unrealized gains and losses on investments	(99,312)	57,894	–	(41,418)	–	–	–	–	(41,418)
Contributions from (to) affiliate	674,237	(674,237)	–	–	–	–	–	–	–
Excess of revenue over expenses	100,647	585,547	–	686,194	(595,444)	94,677	80,618	–	266,045
Grant proceeds for capital expenditures and other	233,619	–	–	233,619	–	–	–	–	233,619
(Distribution to) contribution from affiliate	–	–	–	–	–	–	(81,150)	–	(81,150)
Change in pension liability to be recognized in future periods	(328,885)	–	–	(328,885)	–	–	–	–	(328,885)
Net change in interest in Foundation Assets	585,547	–	(585,547)	–	–	–	–	–	–
Change in net assets without donor restrictions	590,928	585,547	(585,547)	590,928	(595,444)	94,677	(532)	–	89,629
Increase/(decrease) in net assets	590,928	585,547	(585,547)	590,928	(595,444)	94,677	(532)	–	89,629
Net assets at beginning of year	34,138,627	1,813,976	(1,813,976)	34,138,627	–	4,008,297	1,985,291	–	40,132,215
Net assets at end of year	$ 34,729,555	$ 2,399,523	$ (2,399,523)	$ 34,729,555	$ (595,444)	$ 4,102,974	$ 1,984,759	$ –	$ 40,221,844