

One Vision  
September 30, 2019  
Summary financial comparison for the Finance/Audit Committee meeting

	<u>2019</u>	<u>2018</u>	<u>Change</u>
Assets	<u>\$ 48,121,578</u>	<u>\$ 36,603,663</u>	<u>\$ 11,517,915</u>
Liabilities	\$ 16,246,006	\$ 3,987,383	\$ 12,258,623
Net Assets	<u>31,875,572</u>	<u>32,616,280</u>	<u>(740,708)</u>
	<u>\$ 48,121,578</u>	<u>\$ 36,603,663</u>	<u>\$ 11,517,915</u>
Revenue			
Client services, net	\$ 22,012,514	\$ 22,568,519	\$ (556,005)
Contributions	361,195	1,176,033	(814,838)
Net thrift store sales	1,536,720	1,456,033	80,687
Net restaurant sales	(13,645)	154,405	(168,050)
Net investment return	647,955	1,344,280	(696,325)
Other revenue	522,110	513,619	8,491
Total revenue	<u>25,066,849</u>	<u>27,212,889</u>	<u>(2,146,040)</u>
Expenses and Losses			
Salaries and wages	15,883,954	16,673,779	(789,825)
Employee benefits	3,365,928	3,397,897	(31,969)
Payroll taxes	1,614,134	1,783,086	(168,952)
Food	313,265	312,527	738
Supplies	616,263	745,287	(129,024)
Utilities and telephone	577,991	548,610	29,381
Repairs and maintenance	609,264	589,882	19,382
Transportation	419,976	394,401	25,575
Education conferences	130,727	130,113	614
Resident payroll	28,562	212,597	(184,035)
Postage	23,732	21,694	2,038
Printing	29,285	28,661	624
Professional fees	752,655	511,060	241,595
Insurance	157,256	150,340	6,916
Interest	2,017	2,722	(705)
Dues and subscriptions	50,801	54,789	(3,988)
Other taxes	61,403	13,722	47,681
Depreciation	907,246	964,271	(57,025)
Other	172,638	206,677	(34,039)
Bad debts	53,986	23,388	30,598
Impairment loss on building	-	78,850	(78,850)
Loss on sale of property and equipment	36,474	28,233	8,241
Total expenses and losses	<u>25,807,557</u>	<u>26,872,586</u>	<u>(1,065,029)</u>
Change in Net Assets	<u>\$ (740,708)</u>	<u>\$ 340,303</u>	<u>\$ (1,081,011)</u>

## Financial Statement Highlights

### Consolidated Statements of Financial Position

- Cash and cash equivalents decreased \$773,000
- Operating investments decreased \$1,553,000
- Investments under indenture agreement increased \$2,545,000
  - Related to the bond fund requirements
- Deferred compensation investments decreased \$209,000 (corresponding liability decreased as well)
- Accounts receivable, net increase was \$486,000 – computer glitch at year relating to the ICF billing – August claims were billed in October (approximately \$370,000).
- Prepaid expenses/other assets –\$412,000 receivable for health claims in excess of stop loss coverage
- Workers' compensation / professional liability insurance (recorded as receivable and payable)
  - FY2018 balance included \$365,000 for professional liability reserve – claim settled in zY2019
- Property and equipment increased by \$10,609,000.
  - Construction in progress at 9/30/19 - \$13,232,000
- Assets held for sale – Terrace condos
- Accrued expenses
  - Payroll taxes and other - \$74,000 for ICF/MR tax (used to be automatically withheld) and \$45,000 for property taxes relating to TimberCrest
- Long-term debt – Relating to the bonds - see Note 8 on pages 28-29

### Consolidated Statements of Activities

- Client services – \$556,000 decrease
  - Residential decreased \$429,000, Day/Employment decreased \$107,000
- Contributions decreased due to large estate gifts received in FY 2018
- Net investment returns due to market conditions in FY 2019 compared to 2018
- Salaries/benefits/taxes decreased by \$991,000.
- Resident payroll expense is decreasing due to more residents working in the community
- Professional fees expense increased due mostly to using contract labor to fill employee vacancies

### Footnotes to Financial Statements

- Note 1: Pages 17-18 (Change in Accounting Policy) – discloses the adoption of new standards
- Note 2: New disclosure for liquidity and availability
- Note 3: Additional disclosures relating to the revenue recognition standard
- Notes 4 & 5: Investment fair value and investment return disclosures
- Note 7: Disclosures related to construction in progress for building projects
- Note 8: Bonds and notes payable footnote – significant disclosures on the new bonds
- Notes 10 & 11: Endowment and net assets with donor restrictions disclosures
- Note 15: Discloses adjustments made to the FY2018 financial statements due to the adoption of ASU 2016-14, *Presentation of Financial Statements for Not-For-Profit Entities*

### Management Letters

- Audit entries
- Internal Control items
  - Preparation of consolidated financial statements, including material journal entries (material weakness)
  - Segregation of duties (significant deficiency)

### Upcoming new accounting standards

- Leases (09/30/2020)