

Shepherd Center, Inc. and Subsidiaries
(A Not-for-Profit Organization)

Consolidated Statements of Financial Position
March 31, 2019 and 2018

	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 19,750,149	\$ 35,797,208
Patient accounts receivable, less allowance for doubtful accounts of \$2,734,358 in 2019 and \$2,413,719 in 2018	64,902,919	60,150,363
Current portion of contributions receivable	3,379,315	2,218,106
Other current assets	<u>8,798,451</u>	<u>8,251,383</u>
Total current assets	96,830,834	106,417,060
Investments	299,462,211	279,872,039
Assets limited as to use	3,113,800	2,772,601
Property and equipment, at cost less accumulated depreciation	134,021,448	115,191,298
Contributions receivable, less current portion and discount of \$186,974 in 2019 and \$112,629 in 2018	809,026	192,751
Other assets	<u>11,148,678</u>	<u>2,349,878</u>
Total assets	<u>\$ 545,385,997</u>	<u>\$ 506,795,627</u>
Liabilities and Net Assets		
Current liabilities:		
Current portion of annuities payable	\$ 432,203	\$ 433,168
Current portion of long-term debt	600,000	-
Accounts payable	4,301,782	4,444,268
Accrued compensation and expenses	19,929,898	18,411,722
Deferred revenue	<u>516,086</u>	<u>1,790,986</u>
Total current liabilities	25,779,969	25,080,144
Annuities payable, less current portion	5,358,474	5,418,043
Long-term debt, less current portion and unamortized bond issuance costs	<u>50,360,772</u>	<u>50,920,416</u>
Total liabilities	<u>81,499,215</u>	<u>81,418,603</u>
Net assets:		
Without donor restrictions	345,823,133	319,100,191
With donor restrictions	<u>118,063,649</u>	<u>106,276,833</u>
Total net assets	<u>463,886,782</u>	<u>425,377,024</u>
Total liabilities and net assets	<u>\$ 545,385,997</u>	<u>\$ 506,795,627</u>

See accompanying notes to consolidated financial statements.

In addition, the Center entered into a remarketing agent agreement with a financial institution. The remarketing agent determines the weekly variable interest rate and remarkets all Bonds redeemed at the option of the Bond holders for an annual fee of 0.08% of the weighted average daily principal amount of Bonds outstanding.

Line of Credit

On October 5, 2015, the Center entered into an unsecured revolving loan agreement with a financial institution that allows for borrowings up to \$15,000,000, which matured on October 1, 2016. The loan was extended and matures on October 31, 2019, at which time the balance plus accrued interest is due. Outstanding borrowings bear interest at one-month LIBOR plus 0.85%. As of March 31, 2019 and 2018, there was no outstanding balance. Interest expense, which included certain legal and commitment fees, totaled \$30,865 and \$27,407 for 2019 and 2018, respectively.

The Center is subject to certain financial and nonfinancial covenants under the various Bond and line of credit agreements. At March 31, 2019, the Center was in compliance with these covenants.

Note 8: Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes at March 31, 2019 and 2018:

	2019	2018
Net Assets With Donor Restrictions:		
Share Initiative	\$ 8,125,077	\$ 6,178,111
Capital Projects and Maintenance	7,846,122	3,854,593
Other Miscellaneous Funds	5,000,051	3,507,310
Jesse Crawford Research Fund	4,279,043	4,203,402
Charitable Gift Annuity Program	2,340,465	2,372,405
Housing/Transportation Fund	2,320,585	2,681,336
Shepherd Center Fund	2,259,742	2,140,151
MS Rehab and Wellness Fund	2,040,634	1,644,475
MS General Fund	1,605,714	620,265
Therapeutic Recreation Fund	1,390,662	594,387
Andee's Army	1,259,243	1,349,153
SCI Research Program	993,465	946,526
Transition Support	626,771	512,752
Assistive Technology Fund	360,092	306,434
Acquired Brain Injury Fund	195,409	262,814
Prevention Fund	47,289	106,935
	<u>40,690,364</u>	<u>31,281,049</u>

	2019	2018
Net Assets With Donor Restrictions - Endowment Principal:		
Charity Care	8,034,070	8,023,916
Recreation Therapy	6,963,779	6,751,773
Anniversary Fund	5,225,280	5,225,280
Patient Equipment	4,650,721	4,650,721
Assistive Technology	3,267,087	3,267,087
Research	2,713,690	2,698,015
Housing/Transportation	2,380,937	2,380,937
Professional Development	2,160,517	2,160,517
MS Research	1,960,111	1,960,111
Capital Projects and Maintenance	1,684,084	1,684,084
Other Miscellaneous Funds	1,502,506	1,499,505
Vocational Services	1,372,704	1,372,557
Noble Learning Resource Center	1,208,704	1,208,704
Injury Prevention Program	709,161	709,161
Advocacy	512,509	512,509
Wishing Wall	106,017	106,017
	<u>44,451,877</u>	<u>44,210,894</u>
Net Assets With Donor Restrictions - Endowment Earnings:		
Charity Care	5,806,367	5,679,032
Patient Equipment	5,296,378	4,869,706
Anniversary Fund	4,764,586	4,261,200
Recreation Therapy	3,556,618	3,377,546
Assistive Technology	2,194,994	1,989,269
Professional Development	2,117,415	1,969,347
Capital Projects and Maintenance	1,689,425	1,519,436
Research	1,443,333	1,375,898
Other Miscellaneous Funds	1,314,731	1,200,565
MS Research	1,243,501	1,204,254
Housing/Transportation	1,232,182	1,171,144
Vocational Services	769,141	736,787
Noble Learning Resource Center	682,337	654,087
Injury Prevention Program	431,229	416,135
Advocacy	287,865	275,816
Wishing Wall	91,306	84,668
	<u>32,921,408</u>	<u>30,784,890</u>
	<u>\$ 118,063,649</u>	<u>\$ 106,276,833</u>