

**THE OSCAR AND ELLA WILF CAMPUS  
FOR SENIOR LIVING, INC. AND  
CONTROLLED ENTITIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**YEARS ENDED DECEMBER 31, 2018 AND 2017**

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
TABLE OF CONTENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
<b>CONSOLIDATED BALANCE SHEETS</b>	<b>3</b>
<b>CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS</b>	<b>4</b>
<b>CONSOLIDATED STATEMENTS OF CASH FLOWS</b>	<b>5</b>
<b>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>6</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>CONSOLIDATING SCHEDULE – BALANCE SHEET</b>	<b>28</b>
<b>CONSOLIDATING SCHEDULE – STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS</b>	<b>30</b>
<b>CONSOLIDATING SCHEDULE OF OPERATING EXPENSES</b>	<b>32</b>



## INDEPENDENT AUDITORS' REPORT

Board of Trustees

The Oscar and Ella Wilf Campus for Senior Living, Inc. and Controlled Entities  
Somerset, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of The Oscar and Ella Wilf Campus for Senior Living, Inc. and Controlled Entities, which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the related consolidated statements of operations and 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 consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

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

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

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

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Oscar and Ella Wilf Campus for Senior Living, Inc. and Controlled Entities as of December 31, 2018 and 2017, and the results of their operations, changes in their net assets, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis-of-Matter Regarding a Change in Accounting Principle**

As discussed in Note 1 to the financial statements, The Oscar and Ella Wilf Campus for Senior Living, Inc. adopted a provision of Financial Accounting Standards Board Accounting Standards Updates 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. The new accounting standard changes the presentation of various classifications and disclosures within the financial statements. Our opinion is not modified with respect to that matter.

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating balance sheet, statement of operations and changes in net assets, and schedule of operating expenses are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and changes in net assets, of the individual companies, and are not a required part of the consolidated financial statements. Such information is the responsibility of management and 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 of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania  
June 19, 2019

**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2018 AND 2017**

<b>ASSETS</b>	<u>2018</u>	<u>2017</u>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 4,407,448	\$ 6,336,614
Investments, at Fair Value	4,110,514	4,393,730
Accounts Receivable:		
Residents, Net of Allowance of \$4,168 as of 2018 and 2017	44,019	43,919
Patients, Net of Allowance of \$8,183 and \$46,451 as of 2018 and 2017, Respectively	511,008	468,817
State of New Jersey	43,835	54,684
Other	35,061	14,147
Pledges Receivable	43,860	-
Restricted Cash, Residents' Personal Needs	2,961	3,710
Prepaid Expenses and Other Current Assets	<u>110,203</u>	<u>117,044</u>
Total Current Assets	9,308,909	11,432,665
<b>RESTRICTED DEPOSITS</b>		
Tenant Security Deposits	28,031	26,706
Residents' Deposits	352,825	420,525
Replacement Reserve	<u>121,632</u>	<u>81,724</u>
Total Restricted Deposits	502,488	528,955
<b>RENT RECEIVABLE</b>	662,007	710,368
<b>PROPERTY AND EQUIPMENT, NET</b>	<u>15,944,310</u>	<u>13,208,377</u>
Total Assets	<u>\$ 26,417,714</u>	<u>\$ 25,880,365</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current Portion of Long-Term Debt	\$ 857,884	\$ 821,608
Accounts Payable and Accrued Expenses	1,442,186	647,277
Resident Patient Needs	2,961	3,710
Deferred Rent and Grant Revenue	<u>202,819</u>	<u>227,029</u>
Total Current Liabilities	2,505,850	1,699,624
<b>LONG-TERM LIABILITIES</b>		
Long-Term Debt, Less Current Portion	7,976,511	8,762,611
Tenant Deposits Held in Trust	28,031	26,706
Residents' Deposits	<u>352,825</u>	<u>420,525</u>
Total Long-Term Liabilities	<u>8,357,367</u>	<u>9,209,842</u>
Total Liabilities	10,863,217	10,909,466
<b>NET ASSETS</b>		
Without Donor Restrictions	14,297,744	13,717,147
With Donor Restrictions	<u>1,256,753</u>	<u>1,253,752</u>
Total Net Assets	<u>15,554,497</u>	<u>14,970,899</u>
Total Liabilities and Net Assets	<u>\$ 26,417,714</u>	<u>\$ 25,880,365</u>

See accompanying Notes to Consolidated Financial Statements.

**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>UNRESTRICTED REVENUES</b>		
Net Patient Service Revenues	\$ 4,412,628	\$ 4,685,717
Net Resident Service Revenues	5,813,643	6,238,332
Rental Income	1,393,116	1,388,192
Tenant Assistance Payments	1,347,773	1,332,982
Congregate Service Income	127,204	132,955
Interest and Dividend Income	116,368	60,254
Other Revenue	214,457	620,088
Transportation Income	316,809	220,774
Contributions	417,963	708,912
Gain (Loss) On Disposal Of Property And Equipment	7,500	(789,637)
Assets Released from Restriction for Operations	15,174	16,189
Realized and Unrealized Gains and Losses	<u>(341,004)</u>	<u>493,965</u>
Total Revenue and Gains	13,841,631	15,108,723
<b>OPERATING EXPENSES</b>		
Patient Care, Nursing	4,529,008	4,830,039
Dietary	1,394,640	1,384,892
Housekeeping	270,527	250,686
Property Operating Costs	1,292,465	1,160,242
Recreation and Activities	324,545	319,992
General and Administrative	3,347,443	3,580,799
Marketing	273,976	333,585
Depreciation	968,305	1,142,055
Congregate Service Expense	138,984	144,362
Other	337,180	247,267
Total Operating Expenses	<u>12,877,073</u>	<u>13,393,918</u>
<b>INCOME FROM OPERATIONS</b>	964,558	1,714,805
<b>OTHER EXPENSES</b>		
Bad Debt Expense	-	2,953
Interest Expense	383,961	382,302
Total Other Expenses	<u>383,961</u>	<u>385,255</u>
<b>REVENUES IN EXCESS OF EXPENSES</b>	580,597	1,329,550
<b>INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	580,597	1,329,550
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>		
Realized and Unrealized Gain	18,175	27,675
Net Assets Released from Restriction	<u>(15,174)</u>	<u>(16,189)</u>
Increase in Net Assets With Donor Restrictions	<u>3,001</u>	<u>11,486</u>
<b>INCREASE IN NET ASSETS</b>	583,598	1,341,036
Net Assets - Beginning of Year	<u>14,970,899</u>	<u>13,629,863</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 15,554,497</u>	<u>\$ 14,970,899</u>

See accompanying Notes to Consolidated Financial Statements.

**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in Net Assets	\$ 583,598	\$ 1,341,036
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	968,305	1,142,055
Amortization	69,177	69,177
Bad Debt Expense	-	2,953
(Gain) Loss on Disposal of Property and Equipment	(7,500)	789,637
Realized and Unrealized (Gain) Loss	314,455	(523,745)
Changes in Assets and Liabilities:		
Accounts Receivable, Residents	(100)	11,358
Accounts Receivable, Patients	(42,191)	(47,269)
Tenants Account Receivable	-	2,781
Accounts Receivable, State of New Jersey	10,849	(27,640)
Accounts Receivable, Other	(20,914)	(713)
Pledges Receivable	(43,860)	-
Prepaid Expenses and Other Current Assets	6,841	(10,794)
Rent Receivable	48,361	44,131
Accounts Payable and Accrued Expenses	794,909	36,903
Deferred Rent Revenue and Grant Revenue	(24,210)	72,117
Net Cash Provided by Operating Activities	<u>2,657,720</u>	<u>2,901,987</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net Sale (Purchase) of Investments	(31,239)	(104,808)
Net Withdrawals from Reserve for Replacements	(39,908)	(39,385)
Purchase of Property and Equipment	<u>(3,696,738)</u>	<u>(624,085)</u>
Net Cash Used by Investing Activities	(3,767,885)	(768,278)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of Long-Term Debt	<u>(819,001)</u>	<u>(1,278,093)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,929,166)	855,616
Cash and Cash Equivalents - Beginning of Year	<u>6,336,614</u>	<u>5,480,998</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 4,407,448</u>	<u>\$ 6,336,614</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Interest Paid	<u>\$ 316,581</u>	<u>\$ 313,999</u>
Change in Tenant Security Deposits and Residents' Deposits	<u>\$ (66,375)</u>	<u>\$ 12,202</u>

See accompanying Notes to Consolidated Financial Statements.

**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

The Oscar and Ella Wilf Campus for Senior Living, Inc. (the Campus) is the controlling entity of the following entities: The Martin and Edith Stein Assisted Living Residence, Inc. (the Facility); The Jewish Home and Healthcare Center, Inc. (the Center); The Lena and David T. Wilentz Senior Residence, Inc. (the Housing Company); The Martin and Edith Stein Hospice (Hospice); The Foundation of the Oscar and Ella Wilf Campus for Senior Living, Inc. (the Foundation); Wilf Transport, Inc. (Transport); and Wilf At Home (At Home). The accompanying consolidated financial statements include the accounts of the Campus and all entities referred to above (collectively, the Corporation). All significant intercompany balances and transactions have been eliminated in consolidation.

The Facility was incorporated under the New Jersey nonprofit law in December 1999 for the purpose of building and operating a 90-bed assisted living facility in Somerset, New Jersey.

The Center was organized under the Nonprofit Corporation Laws of the State of New Jersey. The Center was originally formed to provide skilled nursing care to the elderly in New Jersey. The Center operated a 255-bed skilled nursing facility from its inception through February 2007. Due to significant, continuing operating losses, in March 2007 the Center entered into an agreement with Regency Heritage and Nursing Rehabilitation Center, LLC (Regency), an unrelated, for-profit entity, whereby Regency operates the nursing facility as a turnkey operation for a minimum period of 20 years (see Note 8).

The Housing Company operates, under Section 202 of the National Housing Act, a 100-unit residential apartment building complex for the elderly located in Somerset, New Jersey. Such projects are regulated by the United States Department of Housing and Urban Development (HUD) with respect to rent charges and operating methods. Its primary sources of funding are resident rents, tenant assistance payments paid by HUD and the State of New Jersey Department of Health.

Hospice was incorporated under the New Jersey nonprofit law in January 2005 for the purpose of operating a patient and family centered hospice program to provide interdisciplinary services for the palliation and management of terminal illness in central New Jersey.

The Foundation was incorporated in 1987 as a nonprofit corporation. The objective of the Foundation is to support and encourage, under Jewish auspices, health care services and housing, primarily for senior citizens who are residents of the state of New Jersey.

Transport was incorporated under the New Jersey nonprofit law in May 2011 for the purpose of maintaining and operating a program to provide transportation services to residents of Middlesex, Somerset, and Union counties.



**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Nature of Operations (Continued)**

At Home was incorporated under the New Jersey nonprofit law in June 2014, with the entity establishing operations and its own entity statements on January 1, 2015 for the purpose of helping older adults age in their homes. On April 30, 2016, the board of trustees voted to suspend the operations of At Home.

**Use of Estimates**

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

Cash and cash equivalents represent cash in bank accounts and other liquid investments with original maturities of less than three months at the date of purchase. The carrying amount reported in the consolidated balance sheets for cash and cash equivalents approximates its fair value.

**Restricted Cash and Cash Reserves**

Under the regulatory agreement, the Housing Company is required to make deposits into restricted escrow accounts. The Housing Company makes regular monthly deposits into the Reserve for Replacement account for the replacement of property and equipment. These funds are held in separate accounts at December 31, 2018 and 2017. Surplus cash, if any, from the operations of the property is deposited into a Residual Receipts account. All disbursements require the approval of HUD.

**Accounts Receivable and Revenue Recognition**

Accounts receivable are reported at net realizable value. Accounts are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. The allowance for doubtful collections is estimated based upon a periodic review of individual accounts. There was \$4,168 in allowances for doubtful collections at each of the years ended December 31, 2018 and 2017, on the Facility's accounts receivable and \$8,183 and \$46,451, at December 31, 2018 and 2017, respectively, on Hospice patient's accounts receivable.

**Pledges Receivable**

Pledges receivable are reported at net realizable value. The Corporation does not discount pledges and there is no allowance for doubtful collections estimated at December 31, 2018.

**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Tenants Accounts Receivable and Revenue Recognition**

Rent income is earned pursuant to leases that generally do not exceed more than one year. If necessary, the Housing Company establishes an allowance for the estimated losses that result from the inability of tenants to make their required payments. This allowance is based on the aging of rent receivables, assessments of historical collection trends, and an evaluation of the impact of current economic conditions as well as the financial status of the individual tenants. No allowances were recorded for the years ended December 31, 2018 and 2017.

Rent revenue from the agreement with Regency is recognized on the straight-line basis over the life of the lease.

**Tenant Security Deposits**

The Housing Company holds in trust security deposit amounts advanced by the tenants of the Housing Company upon move-in. The Housing Company records these deposits plus interest as a liability.

**Investments**

Investments are recorded at fair market value in the consolidated balance sheets. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in changes in net assets. Dividends are measured using the ex-dividend date. Purchases and sales of securities and realized gains and losses are recorded on a trade-date basis. The fair value of substantially all securities is determined by quoted market prices.

The Corporation's investments are comprised of a variety of financial instruments and are managed by investment advisors. The fair values reported in the accompanying consolidated balance sheets are subject to various risks including changes in the equity markets, the interest rate environment, and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported in the accompanying consolidated balance sheets could change materially in the near term.

The Corporation owns a 24.6% interest in Weirton Associates, LTD., a housing property for the elderly located in West Virginia as a limited partner.

**Property and Equipment**

The Corporation capitalized all expenditures for property and equipment with costs over \$1,000 and an estimated life greater than one year. The cost of maintenance and repairs are charged against operations as incurred. Property and equipment is stated at cost or at fair value at the date of donation.

**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Equipment (Continued)**

Depreciation is computed on the straight-line method over the following estimated useful lives:

Land Improvements	10 – 40 Years
Buildings and Improvements	5 – 40 Years
Furniture and Fixtures	5 – 15 Years
Equipment	5 – 15 Years

The Corporation records impairment loss on property and equipment when events and circumstances indicate that it is probable that assets are impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amount of those assets. Based on management's estimation process, no impairment losses have been recorded as of December 31, 2018 and 2017.

The new building that was in the process of being completed at December 31, 2018 and the Foundation had a contract that totaled \$3,575,000, of which \$3,339,477 has been paid with money from the money market account, was completed and placed into service April 10, 2019.

**Deferred Issuance Costs**

Debt issuance costs consist of costs incurred in connection with the issuance of the New Jersey Economic Development Bonds and the letter of credit and are included with the bonds payable and are amortized using the straight-line method, a method which approximates the effective interest method, over the terms of the respective obligations. Amortization expense for each of the years ended December 31, 2018 and 2017 was \$61,404, and is included as a component of interest expense on the consolidated statements of operations and changes in net assets.

Costs associated with the issuance of the Somerset County Improvement Authority revenue bonds are being amortized using the straight-line method, a method which approximates the effective interest rate method, over the 15-year life of the bonds and the underlying related mortgage and are recorded as a component of interest expense. During 2014, the bonds were refinanced and the Company paid \$116,588 in issuance costs on the refinancing. Amortization expense was \$7,773 for each of the years ended December 31, 2018 and 2017. Accumulated amortization was \$33,035 and \$25,262 as of December 31, 2018 and 2017, respectively.

**Deferred Rent and Grant Revenue**

Deferred rent revenue represents rent payments received by residents for subsequent month rent. The amount of deferred rent revenue at December 31, 2018 and 2017 was \$72,887 and \$86,976, respectively.

New Jersey Transit has provided a grant over a five-year period for a new vehicle that was provided to Transport in 2014 and three additional grants over a five-year period for new vehicles that were provided in 2017.

**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Rent and Grant Revenue (Continued)**

The vehicles had a fair value of \$52,500 per vehicle and the Corporation recorded the vehicles and deferred grant revenue to be recognized over the five-year period of the grants. As of December 31, 2018 and 2017, deferred grant revenue on the vehicles and other small grants was \$129,932 and \$140,053, respectively.

**Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Include net assets available for use in general operations and not subject to donor restrictions. At times, the governing board can designate, from net assets without donor restrictions, net assets for a board-designated endowment or other purposes. At December 31, 2018 and 2017, the governing board has not made this designation.

Net Assets With Donor Restrictions – Include net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of operations and changes in net deficit as Net Assets Released from Restrictions. At December 31, 2018 and 2017, net assets with donor restrictions included \$1,256,753 and \$1,253,752, respectively, \$250,000 of which, for both years, are perpetual in nature.

**New Accounting Standard — ASU 2016-14**

During the year ended December 31, 2018, the Corporation adopted a provision of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements for Not-For-Profit Entities*. This new accounting standard results in a reduction of three classes of net assets (unrestricted, temporarily restricted, and permanently restricted) to two (net assets with donor restrictions and net assets without donor restrictions) and also changes various disclosures within the financial statements. The adoption of this accounting standard did not have an impact on the Corporation's financial position or changes in its net assets (deficit).

**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**New Accounting Standard — ASU 2016-14 (Continued)**

The adoption of the standard was retrospectively applied to the financial statements ended December 31, 2017 in order to provide a comparative presentation of the Corporation's balance sheets, statements of operations and changes in net assets (deficit), and functional expenses in Note 16.

**New Accounting Standard — Leases**

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. ASU No. 2016-02 was issued to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Under the provisions of ASU No. 2016-02, a lessee is required to recognize a right-to-use asset and lease liability, initially measured at the present value of the lease payments, in the balance sheet. In addition, lessees are required to provide qualitative and quantitative disclosures that enable users to understand more about the nature of the Corporation's leasing activities. The Corporation will be required to retrospectively adopt the guidance in ASU No. 2016-02 for years beginning after December 15, 2019. The Corporation is evaluating the impact of adoption of ASU No. 2016 02 on its financial statements.

**New Accounting Standard — Contributions Received and Contributions Made**

In June 2018, the FASB issued ASU 2018-08 related to the accounting for contributions received and contributions made. This update applies to both resource recipients and resource providers and assists in evaluating whether a transfer of assets is an exchange transaction or a contribution and also assists with distinguishing between conditional and unconditional contributions. Distinguishing between contributions and exchange transactions determines which guidance should be applied. For contributions, the guidance in Subtopic 958-605 should be followed and for exchange transactions, Topic 606 should be followed. The ASU is effective for the Corporation for the year ended December 31, 2019. The Corporation is currently evaluating the impact this guidance will have on its financial statements.

**New Accounting Standard – Revenue from Contracts with Customers**

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. This amended guidance was issued to clarify the principles for recognizing revenue from contracts with customers. The guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Additionally, qualitative and quantitative disclosures are required regarding customer contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. The guidance will initially be applied retrospectively using one of two methods. The standard will be effective for the Corporation for annual reporting periods beginning after December 15, 2018. Management is evaluating the impact of the amended revenue recognition guidance on the Corporation's financial statements.

**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

Net facility resident service revenues are earned pursuant to leases that generally do not exceed more than one year.

Hospice provides palliative care to patients and invoices third-party payors (Medicare, Medicaid, or private insurance companies) when the service is provided. Medicaid room and board revenue is based on a percentage of the attendant nursing home's contractual Medicaid room and board rate. Billings to Medicaid and Medicare for hospice services are based on pre-established rates for the specific service provided. Billings to private insurance companies are based on the patients' insurance contracts and the level of service provided. Hospice reimburses the attendant nursing home for the use of its facilities at the nursing home's contractual Medicaid rate.

Net transport income is for providing transport services and is reported at the net realizable amounts from residents, third-party payors, and others for services rendered.

**Advertising Costs**

All costs related to marketing and advertising are expensed when incurred. Advertising expenses incurred by the Corporation for the years ended December 31, 2018 and 2017 were \$270,152 and \$373,619, respectively.

**Revenues in Excess of Expenses**

The consolidated statements of operations and changes in net assets include the determination of revenues in excess of expenses. Changes in unrestricted net assets, which are excluded from the determination of revenues in excess of expenses, consistent with industry practice, include loss on disposal of property and equipment, permanent transfers of assets to and from subsidiaries for other than goods and services and contributions of long-lived assets (including assets acquired using contributions, which by donor restriction were to be used for the purposes of acquiring such assets).

**Income Taxes**

The Corporation and the controlled entities are nonprofit organizations as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and are exempt from federal income taxes on its exempt income under Section 501(a) of the Internal Revenue Code.

The Corporation follows the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The guidance clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. The guidance further prescribes recognition and measurement of tax provisions taken or expected to be taken on a tax return that are not certain to be realized. The application of this standard has no impact on the Corporation's financial statements.

The Corporation's tax returns are subject to review by the taxing authorities.

**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Reclassification**

Certain items in the 2017 consolidated financial statements have been reclassified to conform to the 2018 consolidated financial statement presentation.

**Subsequent Events**

In preparing these consolidated financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through June 19, 2019, the date the consolidated financial statements were issued. The results of this evaluation indicated that there are no subsequent events or transactions that are required to be disclosed in these consolidated financial statements.

**NOTE 2 LIQUIDITY AND AVAILABILITY**

As of December 31, 2018, the Corporation has a working capital of \$6,803,059 and average days cash on hand of 132.

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, are as follows:

	<u>2018</u>
Financial Assets as of Year-End:	
Cash and Cash Equivalents	\$ 4,407,448
Investments	
Unrestricted	3,809,879
Donor Restricted	300,635
Accounts Receivable from:	
Residents, Net	44,019
Patients, Net	511,008
State of New Jersey	43,835
Other	<u>35,061</u>
Total Financial Assets	9,151,885
Financial Amounts not Available to be Used Within One Year:	
Investments	
Donor Restricted	<u>(300,635)</u>
Total Financial Assets not Available to be Used Within One Year	<u><u>\$ 8,851,250</u></u>

The Foundation has endowment funds consisting of donor-restricted endowments which are restricted for specific purposes, with exception of earned investment income which is available for general expenditure.

**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)**

In addition to financial assets available to meet general expenditures over the next 12 months, The Housing Company operates with a balanced budget, which is submitted and approved by HUD, and anticipates collecting sufficient revenue to cover general expenditures. The Housing Company maintains a replacement reserve account, in accordance with the terms of the HUD Regulatory Agreement that may be used for future capital needs and major repairs, subject to HUD approval. If the Housing Company has excess cash, as defined by HUD, the Housing Company is required to deposit those funds into a residual receipts account which may be used only with prior HUD approval. Tenant security deposits are maintained separately from general operating funds and are not considered available for general expenditure.

**NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS**

The following is a summary of investments at December 31:

	2018	2017
Corporate Bonds	\$ 323,933	\$ 300,774
Fixed Income Securities	180,236	123,266
Municipal Bonds	25,323	25,630
Taxable Municipal Bonds	101,007	111,503
Common Stock	2,415,677	2,727,584
Israel Bond	-	5,000
Mutual Funds	1,064,338	1,099,973
Total	\$ 4,110,514	\$ 4,393,730

The following is a summary of investment income for the years ended December 31:

	2018		2017	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
Interest and Dividends	\$ 116,368	\$ -	\$ 60,254	\$ -
Net Unrealized and Realized Gains (Losses)	(341,004)	18,175	493,965	27,675
Total Investment Income	\$ (224,636)	\$ 18,175	\$ 554,219	\$ 27,675

The Corporation measures its investments at fair value on a recurring basis in accordance with accounting principles generally accepted in the United States of America. Fair value is defined as 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. The framework that the authoritative guidance establishes for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The levels of the fair value hierarchy are as follows:



**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)**

*Level 1* – Fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities. These generally provide the most reliable evidence and are used to measure fair value whenever available.

*Level 2* – Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the same term of the assets or liability through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets, quoted market prices in markets that are not active for identical or similar assets, and other observable inputs.

*Level 3* – Fair value is based on significant unobservable inputs. Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows, and other similar techniques.

The following is a description of the valuation methodologies used for assets measured at fair value and for financial instruments disclosed at fair value. There have been no changes in methodologies used at December 31, 2018 and 2017.

Mutual Funds – Valued at the net asset value (NAV) of shares (basis for trade) held by the Corporation at year-end.

Common Stock and Fixed Income Securities – Valued at closing price reported on the active market on which the individual securities are traded.

Corporate Bonds, (Taxable) Municipal Bonds, and Israel Bonds – Valued using pricing methodologies utilizing observable inputs or similar investment sold in active markets or spreads of published interest rate curves. The Corporation did not hold any Israel Bonds as of December 31, 2018.

**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)**

The following tables provide information for assets measured at fair value on a recurring basis as of December 31, 2018 and 2017:

Reported at Fair Value:	Assets at Fair Value as of December 31, 2018			
	Total	Level 1	Level 2	Level 3
Assets:				
Corporate Bonds	\$ 323,933	\$ -	\$ 323,933	\$ -
Municipal Bonds	25,323	-	25,323	-
Taxable Municipal Bonds	101,007	-	101,007	-
Common Stock:				
Basic Material	43,336	43,336	-	-
Industrials	221,508	221,508	-	-
Consumer Cyclical	28,442	28,442	-	-
Consumer Defensive	44,414	44,414	-	-
Consumer Disc.	131,931	131,931	-	-
Consumer Staples	72,620	72,620	-	-
Energy	95,262	95,262	-	-
Financials	224,180	224,180	-	-
Health Care	315,416	315,416	-	-
IT	268,727	268,727	-	-
Communications Serv.	116,556	116,556	-	-
Utilities	32,543	32,543	-	-
Real Estate	28,663	28,663	-	-
U.S. Large Cap Funds	82,778	82,778	-	-
U.S. Mid Cap Funds	177,953	177,953	-	-
U.S. Small Cap Funds	82,115	82,115	-	-
International Large Cap	305,908	305,908	-	-
Emerging Markets	111,275	111,275	-	-
Equity REITs	32,049	32,049	-	-
Fixed Income Securities:				
Taxable Fixed Income	102,470	102,470	-	-
High Yield	77,766	77,766	-	-
Mutual Funds	958,282	958,282	-	-
(Managed Futures)	106,057	106,057	-	-
Total	<u>\$ 4,110,514</u>	<u>\$ 3,660,251</u>	<u>\$ 450,263</u>	<u>\$ -</u>

**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)**

	Assets at Fair Value as of December 31, 2017			
	Total	Level 1	Level 2	Level 3
Reported at Fair Value:				
Assets:				
Corporate Bonds	\$ 300,774	\$ -	\$ 300,774	\$ -
Municipal Bonds	25,630	-	25,630	-
Taxable Municipal Bonds	111,503	-	111,503	-
Common Stock:				
Basic Material	49,263	49,263	-	-
Industrials	231,068	231,068	-	-
Consumer Disc.	136,523	136,523	-	-
Consumer Staples	137,343	137,343	-	-
Energy	144,180	144,180	-	-
Financials	336,286	336,286	-	-
Health Care	260,135	260,135	-	-
IT	418,152	418,152	-	-
Communications Serv.	57,176	57,176	-	-
Utilities	5,912	5,912	-	-
Real Estate	8,767	8,767	-	-
U.S. Large Cap Funds	99,049	99,049	-	-
U.S. Mid Cap Funds	230,352	230,352	-	-
U.S. Small Cap Funds	130,002	130,002	-	-
International Large Cap	331,000	331,000	-	-
Emerging Markets	117,471	117,471	-	-
Equity REITs	34,905	34,905	-	-
Fixed Income Securities:				
Taxable Fixed Income	49,420	49,420	-	-
High Yield	73,846	73,846	-	-
Mutual Funds	991,471	991,471	-	-
(Managed Futures)	108,502	108,502	-	-
Israel Bond	5,000	-	5,000	-
Total	<u>\$ 4,393,730</u>	<u>\$ 3,950,823</u>	<u>\$ 442,907</u>	<u>\$ -</u>

During 2017, all assets held in pooled investments were liquidated and re-invested in mutual funds managed by a separate institution. The Corporation did not hold any pooled investments as of December 31, 2018 and 2017.

**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 4 PROPERTY AND EQUIPMENT, NET**

Property and equipment at December 31, 2018 and 2017 consist of the following:

	<u>2018</u>	<u>2017</u>
Land and Land Improvements	\$ 1,325,083	\$ 1,325,083
Buildings and Improvements	31,360,500	31,360,500
Furniture and Fixtures	2,420,490	2,313,499
Equipment	1,488,232	1,485,940
Kitchen Equipment	1,371,372	1,176,157
Automotive Equipment	419,055	390,715
Construction in Progress	3,626,635	266,761
Subtotal	<u>42,011,367</u>	<u>38,318,655</u>
Less: Accumulated Depreciation	<u>26,067,057</u>	<u>25,110,278</u>
Property and Equipment, Net	<u>\$ 15,944,310</u>	<u>\$ 13,208,377</u>

Depreciation expense charged to operations was \$968,305 and \$1,142,055 for the years ended December 31, 2018 and 2017, respectively.

**NOTE 5 LONG-TERM DEBT**

Long-term debt consists of the following as of December 31, 2018 and 2017:

<u>Description</u>	<u>2018</u>	<u>2017</u>
Bonds due on November 1, 2030, annual payments in amounts ranging from \$555,000 to \$760,000 with a variable interest rate	\$ 4,945,000	\$ 5,475,000
Somerset County Improvement Authority Revenue Bonds, Series of 2014	<u>4,030,926</u>	<u>4,319,927</u>
Total Long-Term Debt	8,975,926	9,794,927
Less: Unamortized Debt Financing Cost	<u>(141,531)</u>	<u>(210,708)</u>
Total Long-Term Debt, Less Unamortized Debt Financing Costs	8,834,395	9,584,219
Less: Current Portion	<u>(857,884)</u>	<u>(821,608)</u>
Total	<u>\$ 7,976,511</u>	<u>\$ 8,762,611</u>

**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 5 LONG-TERM DEBT (CONTINUED)**

In November 2001, the New Jersey Economic Development Authority (NJEDA) issued \$15,475,000 of variable rate, tax exempt revenue bonds (Geriatric Services Housing Corporation – CNJJHA Assisted Living Project – Series 2001) to help pay for a portion of the estimated costs to construct, equip, and staff the Facility.

Under the terms of the bond indenture agreement and the loan agreement between the Corporation and NJEDA, the bonds require monthly payments at variable rates pegged to the market as determined by the remarketing agent on a weekly basis. The maximum variable interest rate may not exceed 10% per annum as long as the letter of credit (see below) is in effect. Under certain conditions, the Corporation can elect to convert the bonds to a fixed interest rate. Monthly deposits of an amount equal to one-twelfth of the principal payment to be made the following November must be made into the debt service fund. The bonds mature in November 2030.

Repayment of the bonds is guaranteed by both an irrevocable letter of credit (see following) and the Foundation (the Guarantor), an entity affiliated with the Corporation, through common board of trustee members and management. Due to the achievement of stabilization, as defined, the Guarantor's liability under the guarantee is limited to \$1,500,000 at each of the years ended December 31, 2018 and 2017.

The irrevocable letter of credit noted above was obtained from a commercial bank in the amount of \$15,691,727 to secure repayment of the bond principal and a portion of the interest and to enhance the marketability of the bonds. The letter of credit was due to expire in November 2011. In 2011, the Corporation was notified by this commercial bank that the letter of credit would not be renewed. On August 10, 2011, the Corporation entered into a letter of credit and reimbursement agreement with a commercial bank to provide an alternate credit facility for the original letter of credit. The face amount of this letter of credit is \$12,250,000, which is made up of principal in the amount of \$12,055,000 and interest of \$195,000. Any draw downs on the letter of credit are due on demand. If not paid within 120 days, the draw down can be refinanced and converted to a term loan with the commercial bank at the prevailing market terms for similar term loans. The letter of credit is secured by substantially all assets of the Corporation and a compensating balance arrangement. The letter of credit can be withdrawn at the option of the bank if the Facility elects to convert the bonds to a fixed interest rate and expires on August 9, 2020. There are no amounts outstanding under the letter of credit at December 31, 2018 and 2017. The letter of credit agreement contains a number of financial and nonfinancial covenants, which require the Corporation and the Guarantor to maintain certain financial ratios and attain other performance targets. Due to the letter of credit, the bonds are appropriately classified as long term.

Under the Bond Indenture, the Facility must comply with various financial covenants, the most restrictive of which require maintaining a debt service coverage ratio of 1.25 and at least 75 days' cash on hand. The Facility represented that it is in compliance with these financial covenants at December 31, 2018.

**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 5 LONG-TERM DEBT (CONTINUED)**

Long-term debt also consists of a mortgage with a commercial bank providing collateral for revenue bonds issued by the Somerset County Improvement Authority on behalf of the Housing Company. The revenue bonds are wholly owned by a commercial bank. In 2014, the mortgage was refinanced for an amount of \$5,185,620, which included additional funds for construction project and new windows for the facility. The new debt is secured by all of the assets of the Housing Company and is payable in monthly installments of \$37,531 including interest at 3.80% through November 2029.

Scheduled principal repayments of the bonds are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2019	\$ 857,884
2020	899,596
2021	941,761
2022	989,397
2023	1,037,521
Thereafter	4,249,767
Total	<u>\$ 8,975,926</u>

No interest expense was capitalized for the years ended December 31, 2018 and 2017.

**NOTE 6 NET PATIENT SERVICE REVENUE**

Net patient service revenue is reported at estimated net realizable amounts from patients, third-party payors, and others for services rendered. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations. For the years ended December 31, 2018 and 2017, all net patient service revenue was derived from billings to Medicare, Medicaid, and commercial insurance companies. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

The following tables set forth revenues and receivables by major payors for the years ended December 31, 2018 and 2017:

	<u>Revenue</u>	
	<u>2018</u>	<u>2017</u>
Medicare (Hospice)	\$ 3,821,834	\$ 3,737,776
Medicaid (Hospice, Room and Board)	305,899	469,014
Private Insurance	284,895	478,927
Total	<u>\$ 4,412,628</u>	<u>\$ 4,685,717</u>

**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 6 NET PATIENT SERVICE REVENUE (CONTINUED)**

	Accounts Receivable	
	2018	2017
Medicare (Hospice)	\$ 398,363	\$ 316,995
Medicaid (Room and Board)	58,257	55,660
Private Insurance	62,571	142,613
Subtotal	519,191	515,268
Less: Allowance for Doubtful Accounts	(8,183)	(46,451)
Total	\$ 511,008	\$ 468,817

**NOTE 7 PENSION PLAN**

The Corporation participates in a salary deferral 401(k) plan covering eligible employees. The Corporation may elect to contribute 25% of employee contributions up to 4% of compensation. There were no contributions to the 401(k) plan for the years ended December 31, 2018 or 2017.

**NOTE 8 LEASE ARRANGEMENTS**

As disclosed in Note 1, the Center leased the skilled nursing facility to Regency for an initial term of 20 years, subject to a 10-year renewal at terms substantially similar to the original lease. Under the terms of the lease agreement (the Agreement), Regency is responsible for all operations of the Center including patient care, billing, and operating costs and normal repairs and maintenance. The Agreement required Regency to pay an amount of rent equal to its annual facilities allowance (as determined by Medicaid) plus a flat charge based on a minimum number of beds. The Agreement also provides for a \$100,000 per annum credit for the first five years of the lease and an annual 1.5% escalation of the flat charge. In accordance with accounting principles generally accepted in the United States of America, the Center recognizes lease income on the straight-line basis. Accordingly, rent receivable totals of \$662,007 and \$710,368 have been recorded at December 31, 2018 and 2017, respectively.

Expected cash receipts for the remaining initial term of the lease are as follows:

Year Ending December 31,	Amount
2019	\$ 1,214,200
2020	1,218,500
2021	1,222,900
2022	1,227,400
2023	1,232,000
Thereafter	3,932,300
Total	\$ 10,047,300

**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 9 HOUSING ASSISTANCE PAYMENT CONTRACT AGREEMENT**

The Federal Housing Administration (FHA) has contracted with the Housing Company under Section 8 of Title II of the Housing and Community Development Act of 1974, to make housing assistance payments to the Housing Company on behalf of qualified tenants. The agreement expires on October 31, 2030.

**NOTE 10 OPERATING LEASES**

As for The Housing Company, minimum future rents due from tenants under noncancellable operating leases as of December 31, 2018 and 2017 are approximately \$232,524 and \$225,864, respectively. The Hospice leases office space under an agreement which expires on August 31, 2019, with the option to renew the terms at that time. The Hospice will not renew the agreement following its expiration. Rent expense for each of the years ending December 31, 2018 and 2017, was \$56,794. The future minimum lease payments under the agreement are as followed:

<u>Year Ending December 31,</u>	<u>Amount</u>
2019	<u>\$ 37,863</u>
Total	<u><u>\$ 37,863</u></u>

**NOTE 11 STATE OF NEW JERSEY CONTRACT**

The Housing Company has a fee-for-service contract with the State of New Jersey Department of Health and Senior Services to fund housing support services for tenants. The revenue and expenses are as follows:

	<u>2018</u>	<u>2017</u>
Congregate Service Income:		
Tenants	\$ 21,046	\$ 25,520
State of New Jersey, Department of Health and Senior Services	106,158	107,435
Total	<u>\$ 127,204</u>	<u>\$ 132,955</u>
 Congregate Service Expense:		
Food Supplies and Services	\$ 82,490	\$ 81,215
Salaries and Related Expenses	56,494	63,147
Total	<u>\$ 138,984</u>	<u>\$ 144,362</u>

**NOTE 12 RESERVE FOR REPLACEMENT**

The Housing Company was required to make monthly deposits into a replacement reserve in the amount of \$3,301 until November 1, 2018, when it increased to \$3,397. These funds cannot be utilized without the permission of HUD.



**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 13 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at December 31, 2018 and 2017 are comprised of donations which require the passage of time or the fulfillment of specific actions by the Corporation in order to satisfy the asset restriction. These net assets with donor restrictions are summarized as follows:

	2018	2017
Restrictions to be Released as a Result of Actions of the Corporation:		
Main Street	\$ 519,860	\$ 519,860
Adult Day Care	145,007	145,007
Hospice	188,050	185,049
Total	852,917	849,916
Restrictions to be Released through the Passage of Time	153,836	153,836
Total	\$ 1,006,753	\$ 1,003,752

Year Ending December 31,	Amount
2019	\$ -
2020	-
2021	-
2022	-
2023	-
Thereafter	153,836
Total	\$ 153,836

Earnings on net assets with donor-imposed restrictions that are temporary in nature are available for general operations.

Net assets with donor restrictions that are maintained in perpetuity are disclosed in Note 14.

**NOTE 14 ENDOWMENT**

The Corporation has one permanent endowment held for the benefit of Hospice, the income from which is available to support Hospice's operations. Management, after reviewing the gift instrument and the relevant state law regarding the prudent management of endowment funds, has determined that all of the investment income from the fund, including unrealized appreciation, is currently available to support the activities of the Hospice.

	2018	2017
Donor Restricted, Principal Amount		
Required to be Held in Perpetuity by the Donor	\$ 250,000	\$ 250,000

**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 14 ENDOWMENT (CONTINUED)**

**Interpretation of Relevant Law**

The board of trustees has interpreted state law as requiring the preservation of the value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Corporation classifies as net assets with donor restrictions in perpetuity (a) the original value of gifts donated to the endowment in perpetuity and (b) the original value of any subsequent gifts to the endowment in perpetuity.

The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions in perpetuity is classified as other net assets with donor restrictions until those amounts are designated for expenditure by the Corporation in a manner consistent with the standard of prudence prescribed by state law. The Corporation considers the following factors in making a determination to distribute or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Hospice and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments

**Return Objectives and Risk Parameters**

The Corporation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Corporation must hold in perpetuity. Under this policy, as approved by the board of trustees, the endowment assets are invested in a manner that is intended to produce results that match or exceed a blended benchmark of domestic and international equities, cash, hedge funds, and inflation hedging investments while assuming a moderate level of investment risk. The Corporation expects its endowment funds, over time, to provide an average rate of return of approximately 6% to 8% annually. Actual returns in any given year may vary from this amount.

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Corporation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Corporation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Foundation has not adopted a spending policy pertaining to general endowment funds. As indicated previously, the gift instrument related to the one endowment the entity has received allows for the expenditure of all investment income.

**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 14 ENDOWMENT (CONTINUED)**

**Funds with Deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Corporation to retain as a fund of perpetual duration. As of the years ended December 31, 2018 and 2017, the Foundation did not have any such deficiency. The following tables provide information regarding the change in endowment net assets for the years ended December 31:

	2018		
	With Donor Restrictions		
	Other	In Perpetuity	Total
Endowment Net Assets - Beginning	\$ 7,866	\$ 250,000	\$ 257,866
Investment Income	18,175	-	18,175
Total	26,041	250,000	276,041
Appropriated for Expenditure for Endowment	(15,174)	-	(15,174)
Endowment Net Assets - Ending	<u>\$ 10,867</u>	<u>\$ 250,000</u>	<u>\$ 260,867</u>
	2017		
	With Donor Restrictions		
	Other	In Perpetuity	Total
Endowment Net Assets - Beginning	\$ (3,620)	\$ 250,000	\$ 246,380
Investment Income	27,675	-	27,675
Total	24,055	250,000	274,055
Appropriated for Expenditure for Endowment	(16,189)	-	(16,189)
Endowment Net Assets - Ending	<u>\$ 7,866</u>	<u>\$ 250,000</u>	<u>\$ 257,866</u>

**NOTE 15 CONCENTRATIONS OF CREDIT RISK**

The Corporation grants credit without collateral to its patients/residents, some of whom are insured under third-party payor arrangements.

The Corporation maintains cash accounts and certificates of deposit, which, at time, may exceed federally insured limits. The Corporation has not experienced any losses from maintaining cash accounts and certificates of deposit in excess of federally insured limits. Management believes it is not subject to any significant credit risk on its cash accounts and certificates of deposit.

**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 16 FUNCTIONAL EXPENSES**

The Corporation provides residential, nursing, and health care services to residents and rental housing for low-income, elderly, and disabled persons. All categories of expenses that are not directly related to the Corporation's program are allocated to one or more management and administrative functions based on estimates of time and effort involved. The functional allocation of these expenses related to these services is as follows for the years ended December 31, 2018 and 2017:

	Program Services	Management and General	Fundraising and Development	Total
<u>December 31, 2018</u>				
Grants and Other Assistance	\$ 381,657	\$ -	\$ -	\$ 381,657
Salaries and Wages	4,462,721	790,672	-	5,253,393
Employee Benefits	1,063,187	237,154	-	1,300,341
Patient and Residential	1,230,039	11,679	-	1,241,718
Professional Services	147,574	1,059,448	-	1,207,022
Office Supplies	180,325	431,749	86	612,160
Operating and Maintenance	1,320,307	156,559	-	1,476,866
Travel and Meetings	88,556	39,733	-	128,289
Interest	345,565	38,396	-	383,961
Insurance	97,155	38,617	-	135,772
Depreciation	874,559	93,746	-	968,305
Other Expenses	53,018	118,532	-	171,550
Total Expenses by Function	<u>\$ 10,244,663</u>	<u>\$ 3,016,285</u>	<u>\$ 86</u>	<u>\$ 13,261,034</u>
<u>December 31, 2017</u>				
Grants and Other Assistance	\$ 713,679	\$ -	\$ -	\$ 713,679
Salaries and Wages	4,336,154	1,477,088	-	5,813,242
Employee Benefits	975,190	249,761	-	1,224,951
Patient and Residential	1,572,743	12,985	-	1,585,728
Professional Services	153,796	287,637	-	441,433
Office Supplies	182,338	482,632	120	665,090
Operating and Maintenance	1,253,850	146,458	-	1,400,308
Travel and Meetings	76,667	45,916	-	122,583
Interest	344,072	38,230	-	382,302
Insurance	89,794	39,905	-	129,699
Depreciation	1,030,138	111,918	-	1,142,055
Other Expenses	42,664	115,440	-	158,104
Total Expenses by Function	<u>\$ 10,771,084</u>	<u>\$ 3,007,969</u>	<u>\$ 120</u>	<u>\$ 13,779,173</u>

**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 17 COMMITMENTS AND CONTINGENCIES**

**Compliance**

Laws and regulations governing the Medicare program are complex and subject to interpretation. The Corporation believes it is in compliance with all other applicable laws and regulations and is not aware of any other current pending or threatened investigations involving allegations of potential wrongdoing. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare program.

**Other**

There are various legal actions that can occur in the ordinary course of business, and management is not aware of any such matters that would have a material effect on the financial condition or results of operations of the Corporation. In the opinion of management, after consultation with legal counsel, these matters are expected to be resolved without material adverse effect to the Corporation's financial position.

**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
CONSOLIDATING SCHEDULE – BALANCE SHEET  
DECEMBER 31, 2018**

ASSETS	The Oscar and Ella Wilf Campus for Senior Living, Inc.	The Martin and Edith Stein Assisted Living Residence, Inc.	The Martin and Edith Stein Hospice	The Lena and David T. Wilentz Senior Residence, Inc.	The Jewish Home and Healthcare Center, Inc.	The Foundation of the Oscar and Ella Wilf Campus for Senior Living, Inc.	Wilf At Home	Wilf Transport	Consolidation	
									Eliminations	Consolidated
<b>CURRENT ASSETS</b>										
Cash and Cash Equivalents	\$ 83,676	\$ 1,465,597	\$ 458,635	\$ 35,616	\$ 114,240	\$ 2,219,286	\$ 1,844	\$ 28,554	\$ -	\$ 4,407,448
Investments, at Fair Value	-	-	293,128	-	-	3,817,386	-	-	-	4,110,514
Accounts Receivable, Net:										
Residents, Net of Allowance of \$4,168	-	44,019	-	-	-	-	-	-	-	44,019
Patients, Net of Allowance of \$8,183	-	-	511,008	-	-	-	-	-	-	511,008
Due from State of New Jersey	-	-	-	43,835	-	-	-	-	-	43,835
Other	-	10,824	-	-	-	-	-	24,237	-	35,061
Pledges Receivable	-	-	-	-	-	43,860	-	-	-	43,860
Due from Affiliates	20,134	51,056	1,295	729	108,000	61,126	-	6,380	(248,720)	-
Restricted Cash, Residents' Personal Needs	-	2,961	-	-	-	-	-	-	-	2,961
Prepaid Expenses and Other Current Assets	12,337	38,137	10,871	28,594	-	944	-	19,320	-	110,203
Total Current Assets	116,147	1,612,594	1,274,937	108,774	222,240	6,142,602	1,844	78,491	(248,720)	9,308,909
<b>RESTRICTED DEPOSITS</b>										
Tenant Security Deposits	-	-	-	28,031	-	-	-	-	-	28,031
Residents' Deposits	-	352,825	-	-	-	-	-	-	-	352,825
Replacement Reserve	-	-	-	121,632	-	-	-	-	-	121,632
Total Restricted Deposits	-	352,825	-	149,663	-	-	-	-	-	502,488
<b>RENT RECEIVABLE</b>	-	-	-	-	662,007	-	-	-	-	662,007
<b>PROPERTY AND EQUIPMENT, NET</b>	-	9,154,523	7,198	2,476,306	530,276	3,626,635	-	149,372	-	15,944,310
<b>INTEREST IN NET ASSETS OF FOUNDATION</b>	-	-	250,000	-	-	-	-	-	(250,000)	-
Total Assets	\$ 116,147	\$ 11,119,942	\$ 1,532,135	\$ 2,734,743	\$ 1,414,523	\$ 9,769,237	\$ 1,844	\$ 227,863	\$ (498,720)	\$ 26,417,714

**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
CONSOLIDATING SCHEDULE – BALANCE SHEET (CONTINUED)  
DECEMBER 31, 2018**

	The Oscar and Ella Wilf Campus for Senior Living, Inc.	The Martin and Edith Stein Assisted Living Residence, Inc.	The Martin and Edith Stein Hospice	The Lena and David T. Wilentz Senior Residence, Inc.	The Jewish Home and Healthcare Center, Inc.	The Foundation of the Oscar and Ella Wilf Campus for Senior Living, Inc.	Wilf At Home	Wilf Transport	Consolidation	
									Eliminations	Consolidated
<b>LIABILITIES AND NET ASSETS</b>										
<b>CURRENT LIABILITIES</b>										
Current Portion of Long-Term Debt	\$ -	\$ 555,000	\$ -	\$ 302,884	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 857,884
Accounts Payable and Accrued Expenses	(12,232)	286,079	306,643	62,756	-	787,355	-	11,585	-	1,442,186
Residents' Personal Needs	-	2,961	-	-	-	-	-	-	-	2,961
Due to Affiliates	2,500	-	12,603	19,419	4	-	-	106,194	(140,720)	-
Accrued Expenses Affiliates	-	-	-	108,000	-	-	-	-	(108,000)	-
Deferred Rent and Grant Revenue	-	72,887	-	-	-	-	-	129,932	-	202,819
Total Current Liabilities	(9,732)	916,927	319,246	493,059	4	787,355	-	247,711	(248,720)	2,505,850
<b>LONG-TERM LIABILITIES</b>										
Long-Term Debt, Less Current Portion	-	4,332,022	-	3,644,489	-	-	-	-	-	7,976,511
Tenant Security Deposits	-	-	-	28,031	-	-	-	-	-	28,031
Residents' Deposits	-	352,825	-	-	-	-	-	-	-	352,825
Total Long-Term Liabilities	-	4,684,847	-	3,672,520	-	-	-	-	-	8,357,367
Total Liabilities	(9,732)	5,601,774	319,246	4,165,579	4	787,355	-	247,711	(248,720)	10,863,217
<b>NET ASSETS</b>										
Without Donor Restrictions	125,879	5,518,168	962,889	(1,430,836)	1,256,707	7,882,941	1,844	(19,848)	-	14,297,744
With Donor Restrictions	-	-	250,000	-	157,812	1,098,941	-	-	(250,000)	1,256,753
Total Net Assets	125,879	5,518,168	1,212,889	(1,430,836)	1,414,519	8,981,882	1,844	(19,848)	(250,000)	15,554,497
Total Liabilities and Net Assets	\$ 116,147	\$ 11,119,942	\$ 1,532,135	\$ 2,734,743	\$ 1,414,523	\$ 9,769,237	\$ 1,844	\$ 227,863	\$ (498,720)	\$ 26,417,714

**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
CONSOLIDATING SCHEDULE – STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS  
YEAR ENDED DECEMBER 31, 2018**

	The Oscar and Ella Wilf Campus for Senior Living, Inc.	The Martin and Edith Stein Assisted Living Residence, Inc.	The Martin and Edith Stein Hospice	The Lena and David T. Wilentz Senior Residence, Inc.	The Jewish Home and Healthcare Center, Inc.	The Foundation of the Oscar and Ella Wilf Campus for Senior Living, Inc.	Wilf At Home	Wilf Transport	Consolidation	
									Eliminations	Consolidated
<b>UNRESTRICTED REVENUES</b>										
Net Patient Service Revenues	\$ -	\$ -	\$ 4,412,628	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,412,628
Net Resident Service Revenues	-	5,813,643	-	-	-	-	-	-	-	5,813,643
Rental Income	-	-	-	231,979	1,161,137	-	-	-	-	1,393,116
Grant Revenue	-	-	15,174	-	-	-	-	-	(15,174)	-
Tenant Assistance Payment	-	-	-	1,347,773	-	-	-	-	-	1,347,773
Congregate Service Income	-	-	-	127,204	-	-	-	-	-	127,204
Interest and Dividend Income	-	2,289	9,935	228	165	103,749	2	-	-	116,368
Management Fee Income	1,485,000	-	-	-	54,000	-	-	-	(1,539,000)	-
Other Revenue	-	169,095	7,204	38,158	-	-	-	-	-	214,457
Transportation Income	-	-	-	-	-	-	-	392,409	(75,600)	316,809
Contributions	-	-	-	-	-	417,963	-	-	-	417,963
Contributions from Related Parties	-	-	-	-	-	1,317,648	-	-	(1,317,648)	-
Gain on Disposal of Property and Equipment	-	-	-	-	-	-	-	7,500	-	7,500
Assets Released from Restriction for Operations	-	-	-	-	-	15,174	-	-	-	15,174
Realized and Unrealized Gains and Losses	-	-	(18,527)	-	-	(322,477)	-	-	-	(341,004)
Total Revenue and Gains	1,485,000	5,985,027	4,426,414	1,745,342	1,215,302	1,532,057	2	399,909	(2,947,422)	13,841,631
<b>OPERATING EXPENSES</b>										
Patient Care, Nursing	-	1,650,668	2,972,340	-	-	-	-	-	(94,000)	4,529,008
Dietary	-	1,394,640	-	-	-	-	-	-	-	1,394,640
Housekeeping	-	270,527	-	-	-	-	-	-	-	270,527
Property Operating Costs	-	625,718	-	666,747	-	-	-	-	-	1,292,465
Recreation and Activities	-	336,545	-	-	-	-	-	-	(12,000)	324,545
General and Administrative	1,516,230	697,560	1,293,816	487,044	33,951	775,594	-	46,447	(1,503,199)	3,347,443
Congregate Service Expense	-	-	-	138,984	-	-	-	-	-	138,984
Marketing	384	227,475	66,517	-	-	-	-	-	(20,400)	273,976
Depreciation	-	501,767	3,566	284,388	115,637	-	-	62,947	-	968,305
Other	-	-	-	-	-	86	-	337,094	-	337,180
Total Operating Expenses	1,516,614	5,704,900	4,336,239	1,577,163	149,588	775,680	-	446,488	(1,629,599)	12,877,073
<b>INCOME (LOSS) FROM OPERATIONS</b>	(31,614)	280,127	90,175	168,179	1,065,714	756,377	2	(46,579)	(1,317,823)	964,558



**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
CONSOLIDATING SCHEDULE – STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2018**

	The Oscar and Ella Wilf Campus for Senior Living, Inc.	The Martin and Edith Stein Assisted Living Residence, Inc.	The Martin and Edith Stein Hospice	The Lena and David T. Wilentz Senior Residence, Inc.	The Jewish Home and Healthcare Center, Inc.	The Foundation of the Oscar and Ella Wilf Campus for Senior Living, Inc.	Wilf At Home	Wilf Transport	Consolidation	
									Eliminations	Consolidated
<b>OTHER EXPENSES</b>										
Interest Expense	\$ -	\$ 216,610	\$ -	\$ 167,351	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 383,961
Contribution Expense	-	-	-	-	1,317,648	-	-	-	(1,317,648)	-
Total Other Expenses	-	216,610	-	167,351	1,317,648	-	-	-	(1,317,648)	383,961
<b>REVENUES (LOSSES) IN EXCESS (DEFICIT) OF EXPENSES</b>	(31,614)	63,517	90,175	828	(251,934)	756,377	2	(46,579)	(175)	580,597
<b>TRANSFERS BETWEEN AFFILIATES</b>	-	530,000	-	-	-	(530,175)	-	-	175	-
<b>INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	(31,614)	593,517	90,175	828	(251,934)	226,202	2	(46,579)	-	580,597
Net Assets (Deficit) Without Donor Restrictions - Beginning of Year	157,493	4,924,651	872,714	(1,431,664)	1,508,641	7,656,739	1,842	26,731	-	13,717,147
<b>NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS - ENDING</b>	<u>\$ 125,879</u>	<u>\$ 5,518,168</u>	<u>\$ 962,889</u>	<u>\$ (1,430,836)</u>	<u>\$ 1,256,707</u>	<u>\$ 7,882,941</u>	<u>\$ 1,844</u>	<u>\$ (19,848)</u>	<u>\$ -</u>	<u>\$ 14,297,744</u>
Net Assets With Donor Restrictions - Beginning of Year	\$ -	\$ -	\$ 250,000	\$ -	\$ 157,812	\$ 1,095,940	\$ -	\$ -	\$ (250,000)	\$ 1,253,752
Realized and Unrealized Gain	-	-	-	-	-	18,175	-	-	-	18,175
Total Restricted Revenue	-	-	-	-	-	18,175	-	-	-	18,175
Net Assets Released from Restrictions	-	-	-	-	-	(15,174)	-	-	-	(15,174)
Increase (Decrease) in Net Assets With Donor Restrictions	-	-	-	-	-	3,001	-	-	-	3,001
<b>NET ASSETS (DEFICIT) WITH DONOR RESTRICTIONS - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ 157,812</u>	<u>\$ 1,098,941</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (250,000)</u>	<u>\$ 1,256,753</u>

**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
CONSOLIDATING SCHEDULE OF OPERATING EXPENSES  
YEAR ENDED DECEMBER 31, 2018**

	The Oscar and Ella Wilf Campus for Senior Living, Inc.	The Martin and Edith Stein Assisted Living Residence, Inc.	The Martin and Edith Stein Hospice	The Lena and David T. Wilentz Senior Residence, Inc.	The Jewish Home and Healthcare Center, Inc.	The Foundation of the Oscar and Ella Wilf Campus for Senior Living, Inc.	Wilf At Home	Wilf Transport	Consolidation	
									Eliminations	Consolidated
<b>PATIENT CARE</b>										
Supervisor Salary / Medical Director	\$ -	\$ 272,805	\$ 70,260	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 343,065
LPN Salary	-	485,704	-	-	-	-	-	-	-	485,704
CNA Salary	-	567,539	-	-	-	-	-	-	-	567,539
Registered Nurse Salaries	-	-	492,819	-	-	-	-	-	-	492,819
Registered Nurses, on Call	-	-	79,627	-	-	-	-	-	-	79,627
Home Health Aide Salaries	-	-	676,519	-	-	-	-	-	-	676,519
Chaplain and Social Work Salaries	-	-	94,000	-	-	-	-	-	(94,000)	-
Employee Benefits	-	288,997	327,238	-	-	-	-	-	-	616,235
Agency Staff	-	559	-	-	-	-	-	-	-	559
Pharmacy Expense	-	-	161,874	-	-	-	-	-	-	161,874
Other Medical Expense	-	-	418,061	-	-	-	-	-	-	418,061
Nursing Home Room and Board	-	-	585,599	-	-	-	-	-	-	585,599
Nursing Supplies	-	35,064	-	-	-	-	-	-	-	35,064
Nursing Home, Other Charges	-	-	1,600	-	-	-	-	-	-	1,600
Other	-	-	64,743	-	-	-	-	-	-	64,743
Total Patient Care, Nursing	<u>\$ -</u>	<u>\$ 1,650,668</u>	<u>\$ 2,972,340</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (94,000)</u>	<u>\$ 4,529,008</u>
<b>DIETARY</b>										
Dietary Salary and Food	\$ -	\$ 655,116	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 655,116
Employee Benefits	-	142,775	-	-	-	-	-	-	-	142,775
Supplies	-	596,749	-	-	-	-	-	-	-	596,749
Total Dietary	<u>\$ -</u>	<u>\$ 1,394,640</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,394,640</u>
<b>HOUSEKEEPING</b>										
Housekeeping Salary	\$ -	\$ 188,388	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 188,388
Employee Benefits	-	41,057	-	-	-	-	-	-	-	41,057
Housekeeping Supplies	-	41,082	-	-	-	-	-	-	-	41,082
Total Housekeeping	<u>\$ -</u>	<u>\$ 270,527</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 270,527</u>
<b>PROPERTY OPERATING COSTS</b>										
Maintenance Payroll	\$ -	\$ 73,393	\$ -	\$ 241,161	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 314,554
Employee Benefits	-	15,995	-	45,885	-	-	-	-	-	61,880
Utilities	-	248,283	-	113,030	-	-	-	-	-	361,313
Cable	-	22,834	-	-	-	-	-	-	-	22,834
Disposal	-	47,334	-	-	-	-	-	-	-	47,334
Repairs	-	108,277	-	7,146	-	-	-	-	-	115,423
Landscaping	-	109,602	-	-	-	-	-	-	-	109,602
Property Liability Insurance	-	-	-	48,082	-	-	-	-	-	48,082
Supplies	-	-	-	28,436	-	-	-	-	-	28,436
Garbage and Trash Removal	-	-	-	35,657	-	-	-	-	-	35,657
Contracts	-	-	-	47,238	-	-	-	-	-	47,238
Other	-	-	-	100,112	-	-	-	-	-	100,112
Total Property Operating Costs	<u>\$ -</u>	<u>\$ 625,718</u>	<u>\$ -</u>	<u>\$ 666,747</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,292,465</u>

**THE OSCAR AND ELLA WILF CAMPUS FOR SENIOR LIVING, INC.  
AND CONTROLLED ENTITIES  
CONSOLIDATING SCHEDULE OF OPERATING EXPENSES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2018**

	The Oscar and Ella Wilf Campus for Senior Living, Inc.	The Martin and Edith Stein Assisted Living Residence, Inc.	The Martin and Edith Stein Hospice	The Lena and David T. Wilentz Senior Residence, Inc.	The Jewish Home and Healthcare Center, Inc.	The Foundation of the Oscar and Ella Wilf Campus for Senior Living, Inc.	Wilf At Home	Wilf Transport	Consolidation	
									Eliminations	Consolidated
<b>RECREATION AND ACTIVITIES</b>										
Recreation Salary	\$ -	\$ 191,225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 191,225
Employee Benefits	-	41,675	-	-	-	-	-	-	-	41,675
Religious Salaries and Consultants	-	29,075	-	-	-	-	-	-	(12,000)	17,075
Resident Functions	-	23,075	-	-	-	-	-	-	-	23,075
Supplies	-	51,495	-	-	-	-	-	-	-	51,495
Total Recreation and Activities	<u>\$ -</u>	<u>\$ 336,545</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,000)</u>	<u>\$ 324,545</u>
<b>GENERAL AND ADMINISTRATIVE</b>										
Salaries	\$ 718,241	\$ 380,944	\$ 838,724	\$ 259,157	\$ -	\$ 700,700	\$ -	\$ -	\$ (1,303,359)	\$ 1,594,407
Employee Benefits	80,562	83,023	85,803	45,885	-	-	-	-	-	295,273
Professional Fees	-	-	109,673	65,710	26,530	26,800	-	-	(103,840)	124,873
Office Supplies	9,332	28,138	87,257	28,415	278	29,352	-	-	-	182,772
Telephone	7,174	12,056	8,666	7,363	-	-	-	-	-	35,259
Insurance and Accounting	51,046	62,288	13,701	-	-	-	-	-	(6,000)	121,035
Legal and Other Professional Fees	117,813	29,435	-	-	-	-	-	-	-	147,248
Data Processing	-	35,976	-	-	-	-	-	-	-	35,976
Licenses and Fees	14,148	7,601	26,808	8,827	2,200	-	-	-	-	59,584
Rent	-	-	56,794	-	-	-	-	-	-	56,794
Utilities	-	-	5,713	-	-	-	-	-	-	5,713
Other Administrative Expenses	517,914	58,099	60,677	71,687	4,943	18,742	-	46,447	(90,000)	688,509
Total General and Administrative	<u>\$ 1,516,230</u>	<u>\$ 697,560</u>	<u>\$ 1,293,816</u>	<u>\$ 487,044</u>	<u>\$ 33,951</u>	<u>\$ 775,594</u>	<u>\$ -</u>	<u>\$ 46,447</u>	<u>\$ (1,503,199)</u>	<u>\$ 3,347,443</u>
<b>MARKETING</b>	<u>\$ 384</u>	<u>\$ 227,475</u>	<u>\$ 66,517</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (20,400)</u>	<u>\$ 273,976</u>
<b>DEPRECIATION</b>	<u>\$ -</u>	<u>\$ 501,767</u>	<u>\$ 3,566</u>	<u>\$ 284,388</u>	<u>\$ 115,637</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,947</u>	<u>\$ -</u>	<u>\$ 968,305</u>
<b>CONGREGATE SERVICE EXPENSE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 138,984</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 138,984</u>
<b>OTHER</b>										
Driver	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 325,639	\$ -	\$ 325,639
Vehicle	-	-	-	-	-	-	-	11,455	-	11,455
Fundraising	-	-	-	-	-	86	-	-	-	86
Total Other	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86</u>	<u>\$ -</u>	<u>\$ 337,094</u>	<u>\$ -</u>	<u>\$ 337,180</u>



Investment advisory services are offered through CliftonLarsonAllen  
Wealth Advisors, LLC, an SEC-registered investment advisor.