

**TENNESSEE BAPTIST
ADULT HOMES, INC.**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

OCTOBER 31, 2015

TENNESSEE BAPTIST ADULT HOMES, INC.

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4 - 7
Statement of Cash Flows.....	8
Statement of Functional Expenses	9
Notes to Financial Statements	10 - 25
SUPPLEMENTARY INFORMATION	
Combining Schedule - Statement of Financial Position	26
Combining Schedule - Statement of Activities	27



Independent Auditor's Report

The Board of Directors
Tennessee Baptist Adult Homes, Inc.
Brentwood, Tennessee

Report on Financial Statements

We have audited the accompanying financial statements of Tennessee Baptist Adult Homes, Inc. ("Adult Homes"), which comprise the statement of financial position as of October 31, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from 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 audit. We conducted our audit 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 financial statements are free from 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.



The Board of Directors
Tennessee Baptist Adult Homes, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tennessee Baptist Adult Homes, Inc. as of October 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information on pages 26-27 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Adult Homes' 2014 financial statements, and our report dated December 8, 2014, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended October 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Crosslin & Associates, P.C.

Nashville, Tennessee
December 7, 2015

TENNESSEE BAPTIST ADULT HOMES, INC.
STATEMENT OF FINANCIAL POSITION
OCTOBER 31, 2015
(with comparative totals for 2014)

<u>ASSETS</u>		
	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	\$ 125,941	\$ 412,372
Cash escrow - Williams Ferry Pointe (Note E)	188,042	115,751
Investments held by Tennessee Baptist Foundation (Note B)	671,642	722,058
Receivables:		
Patient receivables	145,068	261,015
Related party receivables	24,124	26,250
Accounts and notes receivable - other	74,053	6,309
Total receivables, no allowance considered necessary	<u>243,245</u>	<u>293,574</u>
Inventories	16,942	22,900
Prepaid expenses	79,926	60,907
Land, buildings and equipment, at cost, net (Notes C and D)	4,487,848	4,409,475
Completed homes available for sale (Note C)	979,600	1,179,600
Beneficial interests in trusts held by others (Note L)	1,106,117	1,145,447
Other assets	<u>5,586</u>	<u>5,586</u>
 Total assets	 <u>\$ 7,904,889</u>	 <u>\$ 8,367,670</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 256,201	\$ 332,968
Deferred revenue (Note E)	189,427	127,110
Postretirement benefit liability (Note H)	282,332	268,832
Notes payable (Note D)	<u>1,626,964</u>	<u>1,440,930</u>
 Total liabilities	 <u>2,354,924</u>	 <u>2,169,840</u>
Net assets:		
Unrestricted:		
Board designated	390,231	458,114
Undesignated (Note O)	<u>3,719,939</u>	<u>4,260,453</u>
	4,110,170	4,718,567
Temporarily restricted (Notes M and O)	183,368	184,455
Permanently restricted (Notes M and O)	<u>1,256,427</u>	<u>1,294,808</u>
Total net assets	<u>5,549,965</u>	<u>6,197,830</u>
 Total liabilities and net assets	 <u>\$ 7,904,889</u>	 <u>\$ 8,367,670</u>

See accompanying notes to financial statements.

Total	
2015	2014
\$ 5,123,483	\$ 6,140,629
304,840	315,027
688,998	565,994
13,632	144,862
5,670	5,535
20,080	24,231
248,742	265,390
202,359	181,227
370,833	364,714
163,484	187,134
76,938	170,597
-	20,735
44,780	75,423
-	-
7,263,839	8,461,498

369,378	386,677
384,269	361,557
384,464	398,723
164,146	158,804
211,680	188,365
3,116,317	3,849,385
118,897	355,617
610,187	737,003
319,384	359,729

See accompanying notes to financial statements.

Total	
2015	2014
\$ 308,045	\$ 414,154
249,714	231,918
6,236,481	7,441,932
1,657,976	1,382,759
17,247	-
7,911,704	8,824,691
(647,865)	(363,193)
6,197,830	6,561,023
<u>\$ 5,549,965</u>	<u>\$ 6,197,830</u>

See accompanying notes to financial statements.

TENNESSEE BAPTIST ADULT HOMES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED OCTOBER 31, 2015
(with comparative totals for 2014)

	Program Services	General and Administrative and Losses	Total	
			2015	2014
Salaries	\$ 3,341,761	\$ 604,371	\$ 3,946,132	\$ 4,877,755
Employee benefits	633,375	151,266	784,641	934,534
Total salaries and related benefits	3,975,136	755,637	4,730,773	5,812,289
Advertising, marketing and recruitment	6,730	92,013	98,743	101,728
Bed taxes and licenses	343,236	-	343,236	231,770
Depreciation and amortization	249,714	-	249,714	238,598
Food supplies	393,037	-	393,037	485,810
Freight	6,293	-	6,293	7,656
Insurance	211,018	44,182	255,200	264,839
Interest	-	80,407	80,407	78,527
Laundry	87,289	-	87,289	109,019
Loss on sale of property	-	17,247	17,247	-
Maintenance and repairs	38,387	8,424	46,811	45,092
Memberships, due and subscriptions	1,680	27,577	29,257	26,210
Miscellaneous	101,698	131,589	233,287	219,921
Professional and consulting services	9,675	39,992	49,667	37,720
Property taxes	-	33,818	33,818	31,251
Purchased services	81,506	361,987	443,493	152,866
Resident activities	22,237	-	22,237	19,521
Resident allowances	31,903	-	31,903	26,651
Special friends camps	78,651	-	78,651	84,526
Supplies	259,685	15,436	275,121	382,685
Training	27,994	4,783	32,777	49,102
Travel and auto	37,151	24,675	61,826	86,222
Uniforms	2,675	-	2,675	6,821
Utilities	270,786	37,456	308,242	325,867
Total	<u>\$ 6,236,481</u>	<u>\$ 1,675,223</u>	<u>\$ 7,911,704</u>	<u>\$ 8,824,691</u>
Percentages	<u>78.83%</u>	<u>21.17%</u>	<u>100.00%</u>	<u>100.00%</u>

See accompanying notes to financial statements.

TENNESSEE BAPTIST ADULT HOMES, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2015
(with comparative totals for 2014)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Comparative Financial Totals

The financial information shown for fiscal year 2014 in the accompanying statement of financial position, and statements of activities, cash flows and functional expenses is included to provide a basis for comparison with fiscal year 2015.

Contributions

Adult Homes reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Adult Homes reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, Adult Homes reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Inventories

Inventories consist principally of dietary items and general supplies of Baptist Health Care Center and are priced at lower of cost (first-in, first-out method) or market.

Land, Buildings and Equipment

Land, buildings, improvements, furniture, equipment and vehicles are stated in the accompanying statement of financial position at cost or, if contributed, at fair value at date of gift. It is Adult Homes' policy to capitalize expenditures for these items in excess of \$1,000.

Depreciation of buildings, improvements, furniture, equipment and vehicles is provided over the estimated useful lives of the respective assets using the straight-line method.

TENNESSEE BAPTIST ADULT HOMES, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2015
(with comparative totals for 2014)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fair Value Measurements

Assets recorded at fair value in the statements of financial position are categorized based on the level of judgment associated with the inputs used to measure their fair value (Note P). Level inputs, are as follows:

Level 1 - Values are unadjusted quoted prices for identical assets in active markets accessible at the measurement date.

Level 2 - Inputs include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spread, and yield curves.

Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect Adult Homes' best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from residents, third-party payors, and others for service rendered. Adult Homes participates in the Medicaid program.

The Medicaid program reimburses Adult Homes for the cost of intermediate care services rendered to Medicaid beneficiaries at a prospective rate which is based on the lower of the reimbursable cost of services rendered to intermediate care beneficiaries or a reimbursement cap established by Medicaid. The reimbursement cap is expressed as a per diem amount.

Cash and Cash Equivalents

For purposes of the statement of cash flows, Adult Homes considers all cash and all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Adult Homes maintains cash balances in financial institutions that it considers to be high quality financial institutions.

Investments

Adult Homes is required to report investments at fair value with gains and losses included in the statement of activities.

TENNESSEE BAPTIST ADULT HOMES, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2015
(with comparative totals for 2014)

C. LAND, BUILDINGS AND EQUIPMENT

A summary of the major classifications of land, buildings and equipment and accumulated depreciation is as follows:

	October 31,	
	2015	2014
Land and improvements	\$ 1,191,798	\$ 1,191,798
Buildings	5,037,670	4,976,580
Building improvements	1,219,531	1,087,314
Leasehold improvements	2,185	2,185
Furniture, equipment and automotive equipment	1,144,706	1,069,030
Construction in progress	<u>1,463,682</u>	<u>1,404,582</u>
	10,059,572	9,731,489
Less accumulated depreciation	<u>(5,571,724)</u>	<u>(5,322,014)</u>
	<u>\$ 4,487,848</u>	<u>\$ 4,409,475</u>

Construction in progress is composed of certain unallocated infrastructure and engineering costs for the Williams Ferry Pointe adult independent living project. These remaining costs will be allocated to future home construction when completed. At October 31, 2015, three single homes, two units of a quad-plex and one unit of a duplex are held for sale and are classified on the statement of financial position as completed homes available for sale.

TENNESSEE BAPTIST ADULT HOMES, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2015
(with comparative totals for 2014)

D. NOTES PAYABLE - Continued

Maturities of the notes payable are as follows:

<u>Year Ending</u> <u>October 31,</u>	<u>Amount</u>
2016	\$ 77,671
2017	8,102
2018	1,479,080
2019	9,043
2020	9,553
Thereafter	<u>43,515</u>
	<u>\$1,626,964</u>

E. DEFERRED REVENUE

Adult Homes is currently collecting membership and lease agreement fees from future residents of the Williams Ferry Pointe adult independent living community, which qualifies as a continuing-care retirement community.

Membership fees represent a one-time fee paid by each future resident of the community in the amount of \$2,000. As of October 31, 2015 and 2014, Adult Homes reported as deferred revenue membership fees in the amount of \$30,000 and \$24,000, respectively.

Lease agreement fees represent a one-time fee made by each future homeowner for the lease of land on which each home will be constructed. The fee is earned by Adult Homes over a four-year period. A pro-rata refund is available to homeowners who leave the community prior to the end of the four-year period. As of October 31, 2015 and 2014, Adult Homes reported as deferred revenue lease agreement fees in the amount of \$149,858 and \$93,541, respectively. The fees are in connection with a lifetime lease and are amortized over the life expectancy of the leasee.

Deferred revenue also includes certain fees totaling \$9,569 collected from residents of certain facilities and/or Medicaid for services not yet provided as of October 31, 2015 and 2014.

TENNESSEE BAPTIST ADULT HOMES, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2015
(with comparative totals for 2014)

H. POSTRETIREMENT BENEFITS

Adult Homes offers postretirement health care benefits, dependent health care benefits on a shared cost basis, and life insurance to its employees provided they remain employed until retirement.

The status of the plan at October 31 was as follows:

	<u>2015</u>	<u>2014</u>
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 268,832	\$ 247,512
Net periodic postretirement benefit cost	17,782	25,602
Actual benefit disbursements	<u>(4,282)</u>	<u>(4,282)</u>
Benefit obligation at the end of year	<u>\$ 282,332</u>	<u>\$ 268,832</u>
Changes in plan assets:		
Fair value of plan assets at beginning of year	\$ -	\$ -
Actual contributions	4,282	4,282
Actual benefit disbursements	<u>(4,282)</u>	<u>(4,282)</u>
Fair value of plan assets at end of year	<u>\$ -</u>	<u>\$ -</u>
Funded status:		
Benefit obligation	<u>\$282,332</u>	<u>\$268,832</u>
Net postretirement benefit liability recognized in statements of financial position	<u>\$282,332</u>	<u>\$268,832</u>

The net periodic postretirement benefit cost recognized during the years ended October 31, 2015 and 2014 was \$17,782 and \$25,602, respectively.

The accumulated postretirement benefit obligation and the net periodic postretirement benefit cost recognized were determined using assumed annual increases in health care costs of 7% and future compensation levels of 3%. In addition, assumed discount rates were 5%.

At October 31, 2015 and 2014, Adult Homes' assets with a fair value totaling \$68,686 and \$67,137, respectively have been designated to fund the obligation.

TENNESSEE BAPTIST ADULT HOMES, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2015
(with comparative totals for 2014)

N. NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets of \$316,061 and \$194,246, for fiscal 2015 and 2014, respectively, were released from donor restrictions by incurring costs and expenses satisfying the restricted purposes or by the occurrence of other events specified by donors. The purpose restrictions accomplished were for program services.

O. ENDOWMENT

Adult Homes' endowment consists of individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and beneficial interests in perpetual trusts held by others. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of Adult Homes has interpreted the applicable state law as requiring the preservation of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Adult Homes classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by Adult Homes in a manner consistent with the standard of prudence prescribed by applicable state laws.

Endowment Net Asset Composition by Type of Fund as of October 31:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>2015:</u>				
Donor-restricted endowment funds	\$17,837	\$73,827	\$ 246,836	\$ 338,500
Beneficial interest in perpetual trusts held by others	<u>-</u>	<u>-</u>	<u>1,009,591</u>	<u>1,009,591</u>
Total funds	<u>\$17,837</u>	<u>\$73,827</u>	<u>\$1,256,427</u>	<u>\$1,348,091</u>

TENNESSEE BAPTIST ADULT HOMES, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2015
(with comparative totals for 2014)

O. 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 or the applicable state law requires Adult Homes to retain as a fund of perpetual duration. There were no funds with deficiencies at October 31, 2015.

Return Objectives and Risk Parameters

Adult Homes has adopted investment 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 Adult Homes must hold in perpetuity or for a donor-specified periods. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of selected market and comparative indices while assuming a moderate level of investment risk. Actual returns will vary in any given year.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, Adult Homes 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). Adult Homes 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

Adult Homes has no formal spending policy. Annual appropriations for expenditure are made at the discretion of the Board of Directors when determining the annual budget. In determining this amount, Adult Homes considers the long-term expected return on its endowment. Adult Homes' objective is to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

TENNESSEE BAPTIST ADULT HOMES, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2015
(with comparative totals for 2014)

P. FAIR VALUES OF FINANCIAL INSTRUMENTS - Continued

Investments and Beneficial Interests in Trusts Held by Others

The fair value of investments and beneficial interests in trusts held by others, as disclosed in Notes B and L, respectively, has been calculated based on quoted market prices, where available, and Level 2 inputs.

Accounts Payable, Accrued Liabilities and Deferred Revenue

The carrying value of accounts payable, accrued liabilities and deferred revenue approximates fair value due to the short-term nature of the obligations.

Notes Payable

For debt instruments with variable interest rates, the fair value approximates the carrying value. For fixed rate debt, the carrying value approximates fair value, as interest approximates market rates.

Q. FUND RAISING AND ADVERTISING COSTS

Adult Homes expenses the cost of fund raising and advertising as incurred. These costs for the years ended October 31, 2015 and 2014 were \$60,100 and \$46,513, respectively.

R. LITIGATION AND CONTINGENCIES

Adult Homes is a defendant in legal actions from time to time in the normal course of operations. It is not possible to state the ultimate liability, if any, in these matters. In the opinion of management and legal counsel, any resulting liability from these actions will not have a material adverse effect on the results of activities or the financial position of Adult Homes.

S. SUBSEQUENT EVENTS

Adult Homes has evaluated subsequent events through December 7, 2015, the date the financial statements were available to be issued, and have determined that there are no subsequent events that required disclosure.

SUPPLEMENTARY INFORMATION

TENNESSEE BAPTIST ADULT HOMES, INC.
COMBINING SCHEDULE - STATEMENT OF FINANCIAL POSITION
OCTOBER 31, 2015

<u>ASSETS</u>				
	Tennessee Baptist Adult Homes	Baptist Health Care Center (A Division of TBAH)	Eliminations	Total
Cash and cash equivalents	\$ 97,549	\$ 28,392	\$ -	\$ 125,941
Cash escrow - Williams Ferry Pointe	-	188,042	-	188,042
Investments held by Tennessee Baptist Foundation	671,642	-	-	671,642
Receivables:				
Patient receivables	-	145,068	-	145,068
Related party receivables	234,124	-	(210,000)	24,124
Accounts and notes receivable - other	290,310	-	(216,257)	74,053
Total receivables	<u>524,434</u>	<u>145,068</u>	<u>(426,257)</u>	<u>243,245</u>
Inventories	-	16,942	-	16,942
Prepaid expenses	30,445	49,481	-	79,926
Land, buildings and equipment, at cost, net	1,381,720	3,106,128	-	4,487,848
Completed homes available for sale	-	979,600	-	979,600
Beneficial interests in trusts held by others	1,106,117	-	-	1,106,117
Other assets	<u>-</u>	<u>5,586</u>	<u>-</u>	<u>5,586</u>
Total assets	<u>\$ 3,811,907</u>	<u>\$ 4,519,239</u>	<u>\$ (426,257)</u>	<u>\$ 7,904,889</u>
<u>LIABILITIES AND NET ASSETS</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 34,500	\$ 437,958	\$ (216,257)	\$ 256,201
Deferred revenue	-	189,427	-	189,427
Postretirement benefit liability	282,332	-	-	282,332
Notes payable	<u>70,000</u>	<u>1,766,964</u>	<u>(210,000)</u>	<u>1,626,964</u>
Total liabilities	<u>386,832</u>	<u>2,394,349</u>	<u>(426,257)</u>	<u>2,354,924</u>
Net assets:				
Unrestricted:				
Board designated	390,231	-	-	390,231
Undesignated	<u>1,595,049</u>	<u>2,124,890</u>	<u>-</u>	<u>3,719,939</u>
	1,985,280	2,124,890	-	4,110,170
Temporarily restricted	183,368	-	-	183,368
Permanently restricted	<u>1,256,427</u>	<u>-</u>	<u>-</u>	<u>1,256,427</u>
Total net assets	<u>3,425,075</u>	<u>2,124,890</u>	<u>-</u>	<u>5,549,965</u>
Total liabilities and net assets	<u>\$ 3,811,907</u>	<u>\$ 4,519,239</u>	<u>\$ (426,257)</u>	<u>\$ 7,904,889</u>

See accompanying independent auditor's report.

TENNESSEE BAPTIST ADULT HOMES, INC.
COMBINING SCHEDULE - STATEMENT OF ACTIVITIES
YEAR ENDED OCTOBER 31, 2015

	Tennessee Baptist Adult Home	Baptist Health Care Center (A Division of TBAH)	Eliminations	Total
Support, revenue and gains:				
Patient service revenue, net of allowances and contractual adjustments	\$ -	\$ 5,123,483	\$ -	\$ 5,123,483
Allocations from the cooperative program of Tennessee Baptist Convention	304,840	-	-	304,840
Contributions and gifts	688,905	93	-	688,998
Investment income and gains	13,632	-	-	13,632
Management fees - Deer Lake Retirement Village	5,670	-	-	5,670
Rental income	20,080	-	-	20,080
Stoneway revenue	248,742	-	-	248,742
Rainbow revenue	202,359	-	-	202,359
Knoxville revenue	370,833	-	-	370,833
Lake Park revenue	163,484	-	-	163,484
Daycare revenue	-	76,938	-	76,938
Gain on sale of property	-	-	-	-
Other operating revenue	16,250	44,780	(16,250)	44,780
Total support, revenue and gains	2,034,795	5,245,294	(16,250)	7,263,839
Expenses and losses:				
Program services:				
Stoneway expense	369,378	-	-	369,378
Rainbow expense	384,269	-	-	384,269
Knoxville expense	384,464	-	-	384,464
Special Friend expense	164,146	-	-	164,146
Lake Park expense	211,680	-	-	211,680
Nursing services	-	3,116,317	-	3,116,317
Housekeeping services	-	118,897	-	118,897
Dietary services	-	610,187	-	610,187
Maintenance services	-	319,384	-	319,384
Special services	-	308,045	-	308,045
Depreciation	114,908	134,806	-	249,714
Total program services	1,628,845	4,607,636	-	6,236,481
General and administrative	539,914	1,134,312	(16,250)	1,657,976
Loss on disposal of property	-	17,247	-	17,247
Total expenses and losses	2,168,759	5,759,195	(16,250)	7,911,704
Change in net assets	(133,964)	(513,901)	-	(647,865)
Net assets at beginning of year	3,559,039	2,638,791	-	6,197,830
Net assets at end of year	\$ 3,425,075	\$ 2,124,890	\$ -	\$ 5,549,965

See accompanying independent auditor's report.