

2014 ANNUAL REPORT GEORGIA BAPTIST CONVENTION

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Psalm 85:6 Will You not revive us again
so that Your people may rejoice in You?



revive2014
GeorgiaBaptist
Convention annual meeting

AUDITS
BAPTIST RETIREMENT COMMUNITIES

**Baptist Retirement Communities
of Georgia, Inc. and Affiliates**

COMBINED FINANCIAL STATEMENTS

December 31, 2014 and 2013



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Baptist Retirement Communities of Georgia, Inc. and Affiliates
Table of Contents
December 31, 2014 and 2013

REPORT

Independent Auditors' Report	3
------------------------------	---

FINANCIAL STATEMENTS

Combined Statements of Financial Position	5
---	---

Combined Statements of Activities	6
-----------------------------------	---

Combined Statements of Cash Flows	10
-----------------------------------	----

Notes to Combined Financial Statements	12
--	----

Supplemental Information

Statements of Financial Position for Clairmont Crest, Inc.	29
--	----

Statements of Activities for Clairmont Crest, Inc.	30
--	----

Statements of Financial Position for Baptist Retirement Communities of Georgia, Inc.	32
---	----

Statements of Activities for Baptist Retirement Communities of Georgia, Inc.	33
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REPORT



INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Baptist Retirement Communities of Georgia, Inc. and Affiliate
Atlanta, Georgia

We have audited the accompanying combined financial statements of Baptist Retirement Communities of Georgia, Inc. and Affiliate (the "Communities"), which comprise the combined statements of financial position as of December 31, 2014 and 2013, and the related combined statements of activities and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined 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 Communities' preparation and fair presentation of the combined 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 Communities' 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of Baptist Retirement Communities of Georgia, Inc. and Affiliate as of December 31, 2014 and 2013, and the 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplemental information, for the years ended December 31, 2014 and 2013, on pages 29-36 is presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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, for the year ended December 31, 2014 and 2013, is fairly stated in all material respects in relation to the combined financial statements as a whole.



CARR, RIGGS & INGRAM, LLC

Atlanta, Georgia
May 18, 2015



FINANCIAL STATEMENTS

Baptist Retirement Communities of Georgia, Inc. and Affiliates
Combined Statements of Financial Position

December 31,	2014	2013
Assets		
Cash and cash equivalents	\$ 188,293	\$ 397,406
Accounts receivable		
Contributions - Georgia Baptist Convention	30,563	45,173
Accrued interest and investment income	110,707	105,989
Other	26,491	22,576
Total accounts receivable	167,761	173,738
Inventories	3,848	3,848
Prepaid expenses	46,636	32,007
Property and equipment, net	32,194,679	33,065,166
Other assets		
Real estate not used in operations	4,825	4,825
Long-term investments	900,176	982,138
Revocable trust agreements	63,359	63,076
Irrevocable trust agreements	4,836,267	4,788,606
Debt issue costs, net	106,718	66,044
Interest rate cap agreement	5,815	-
Escrows	642,093	820,181
Total other assets	6,559,253	6,724,870
Total assets	\$ 39,160,470	\$ 40,397,035
Liabilities and Net Assets		
Accounts payable	\$ 96,266	\$ 71,198
Accrued expenses	116,603	113,851
Construction note	-	9,163,339
Long-term debt	16,401,498	7,340,000
Accrued retirement gratuity	152,233	158,073
Security and other deposits	52,391	59,671
Interest rate swap liability	247,736	-
Total liabilities	17,066,727	16,906,132
Net assets		
Unrestricted	17,182,942	18,628,460
Temporarily restricted	11,175	10,761
Permanently restricted	4,899,626	4,851,682
Total net assets	22,093,743	23,490,903
Total liabilities and net assets	\$ 39,160,470	\$ 40,397,035

The accompanying footnotes are an integral part of these statements.

Baptist Retirement Communities of Georgia, Inc. and Affiliates
Combined Statements of Activities

Year ended December 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and other support				
Rents and other fees	\$ 4,435,499	\$ -	\$ -	\$ 4,435,499
Contributions, net of write-offs:				
Georgia Baptist Convention	219,807	-	-	219,807
Other sources	24,660	-	24,843	49,503
Investment income				
from endowments	190,547	11,388	-	201,935
Other income	183,729	-	-	183,729
Interest and dividend income	47,387	-	-	47,387
Net assets released from restrictions	10,974	(10,974)	-	-
Total revenues and other support	5,112,603	414	24,843	5,137,860
Expenses				
Program services				
Salaries and benefits	1,066,990	-	-	1,066,990
Depreciation	1,160,269	-	-	1,160,269
Repairs and maintenance	768,705	-	-	768,705
Utilities	428,273	-	-	428,273
Food	228,726	-	-	228,726
Supplies and other	219,904	-	-	219,904
Insurance	146,620	-	-	146,620
Telephone	26,856	-	-	26,856
Total program services	4,046,343	-	-	4,046,343
Support services				
Salaries and benefits	1,485,755	-	-	1,485,755
Interest expense	564,199	-	-	564,199
Professional fees and other	205,688	-	-	205,688
Office expenses	73,418	-	-	73,418
Amortization expense	21,734	-	-	21,734
Total support services	2,350,794	-	-	2,350,794
Total expenses	6,397,137	-	-	6,397,137

The accompanying footnotes are an integral part of these statements.

Baptist Retirement Communities of Georgia, Inc. and Affiliates
Combined Statements of Activities (Continued)

Year ended December 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Other changes in net assets				
Net change in irrevocable trusts	-	-	22,818	22,818
Net change in revocable trusts	-	-	283	283
Realized gain on				
long-term investments	10,657	-	-	10,657
Loss on interest rate swap agreement	(247,736)	-	-	(247,736)
Gain on interest rate cap agreement	5,815	-	-	5,815
Unrealized gain on				
long-term investments	62,781	-	-	62,781
Gain on sale of assets	7,499	-	-	7,499
Total other changes in net assets	(160,984)	-	23,101	(137,883)
Change in net assets	(1,445,518)	414	47,944	(1,397,160)
Net assets, beginning of year	18,628,460	10,761	4,851,682	23,490,903
Net assets, end of year	\$ 17,182,942	\$ 11,175	\$ 4,899,626	\$ 22,093,743

The accompanying footnotes are an integral part of these statements.

Baptist Retirement Communities of Georgia, Inc. and Affiliates
Combined Statements of Activities (Continued)

Year ended December 31, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and other support				
Rents and other fees	\$ 4,192,307	\$ -	\$ -	\$ 4,192,307
Contributions, net of write-offs:				
Georgia Baptist Convention	244,367	-	-	244,367
Other sources	44,251	-	939	45,190
Investment income from endowments	176,775	10,517	-	187,292
Other income	44,744	-	-	44,744
Interest and dividend income	44,954	-	-	44,954
Net assets released from restriction	10,486	(10,486)	-	-
Total revenues and other support	4,757,884	31	939	4,758,854
Expenses				
Program services				
Salaries and benefits	1,004,088	-	-	1,004,088
Depreciation	1,051,744	-	-	1,051,744
Repairs and maintenance	563,741	-	-	563,741
Utilities	342,335	-	-	342,335
Food	214,191	-	-	214,191
Supplies and other	207,621	-	-	207,621
Insurance	121,223	-	-	121,223
Telephone	23,050	-	-	23,050
Total program services	3,527,993	-	-	3,527,993
 Support services				
Salaries and benefits	1,392,460	-	-	1,392,460
Interest expense	449,046	-	-	449,046
Professional fees and other	146,307	-	-	146,307
Office expenses	71,829	-	-	71,829
Amortization expense	54,654	-	-	54,654
Total support services	2,114,296	-	-	2,114,296
Total expenses	5,642,289	-	-	5,642,289

The accompanying footnotes are an integral part of these statements.

Baptist Retirement Communities of Georgia, Inc. and Affiliates
Combined Statements of Activities (Continued)

Year ended December 31, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Other changes in net assets				
Net change in irrevocable trusts	-	-	586,409	586,409
Net change in revocable trusts	3,415	-	4,311	7,726
Realized loss on long-term investments	(1,732)	-	-	(1,732)
Unrealized gain on long-term investments	14,160	-	-	14,160
Total other changes in net assets	15,843	-	590,720	606,563
Change in net assets	(868,562)	31	591,659	(276,872)
Net assets, beginning of year	19,497,022	10,730	4,260,023	23,767,775
Net assets, end of year	\$ 18,628,460	\$ 10,761	\$ 4,851,682	\$ 23,490,903

The accompanying footnotes are an integral part of these statements.

Baptist Retirement Communities of Georgia, Inc. and Affiliates Combined Statements of Cash Flows

Years ended December 31,	2014	2013
Operating activities		
Change in net assets	\$ (1,397,160)	\$ (276,872)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Net change in irrevocable trusts	(22,818)	(586,409)
Contributions to irrevocable trusts	(24,843)	(939)
Net change in revocable trusts	(283)	(7,726)
Net unrealized gains on long-term investments	(62,781)	(14,160)
Net realized (gains) losses on long-term investments	(10,657)	1,732
Loss on interest rate swap agreement	247,736	-
Gain on interest rate cap agreement	(5,815)	-
Gain on sale of property and equipment	(7,499)	-
Depreciation and amortization	1,182,003	1,106,398
(Increase) decrease in assets:		
Receivables	10,695	17,464
Accrued income receivable	(4,718)	-
Prepaid expenses and other	11,686	(6,901)
Deposits and escrows	178,088	(103,469)
Increase (decrease) in liabilities:		
Accounts payable	25,068	(27,476)
Accrued expenses	2,752	(8,685)
Accrued retirement gratuity	(5,840)	13,177
Security and other deposits	(7,280)	14,920
Net cash provided by operating activities	108,334	121,054
Investing activities		
Construction of property	(210,164)	(1,912,815)
Purchases of property and equipment	(85,786)	(129,163)
Proceeds from disposal of property and equipment	13,667	-
Proceeds from sale of investments	60,000	100,000
Proceeds from maturity of bond investments	95,400	140,000
Net cash used in investing activities	(126,883)	(1,801,978)

The accompanying footnotes are an integral part of these statements.

**Baptist Retirement Communities of Georgia, Inc. and Affiliates
Combined Statements of Cash Flows (Continued)**

Years ended December 31,	2014	2013
Financing activities		
Repayments of long-term notes payable	(9,702,307)	(200,000)
Proceeds from long-term notes payable	9,600,466	1,746,075
Payments on debt issuance costs	(61,023)	-
Purchase of prepaid interest rate cap	(27,700)	-
Net cash provided by (used in) financing activities	(190,564)	1,546,075
Net decrease in cash and cash equivalents	(209,113)	(134,849)
Cash and cash equivalents at beginning of year	397,406	532,255
Cash and cash equivalents at end of year	\$ 188,293	\$ 397,406

Supplemental schedule of non-cash investing and financing activities and certain cash flow information:

There were no non-cash financing and investing activities during the years ended December 31, 2014 and 2013

Supplemental cash flow information:

Interest paid	\$ 564,533	\$ 459,943
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The accompanying footnotes are an integral part of these statements.

Baptist Retirement Communities of Georgia, Inc. and Affiliates Notes to Combined Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Baptist Retirement Communities of Georgia, Inc., and Clairmont Crest, Inc. (collectively, the Communities) provide housing and ministries to senior adults, which currently include four facilities: Clairmont Crest, in Decatur, Georgia, Baptist Manor and Garrison Personal Care Home, both located in Palmetto, Georgia, and Hiawassee Park, located in Hiawassee, Georgia.

The preparation of 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

A summary of the significant accounting policies of the Communities applied in the preparation of the accompanying financial statements follows.

Basis of Accounting

The accompanying combined financial statements are prepared on the accrual basis of accounting.

Basis of Reporting

The Communities report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Under these provisions, net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Communities and changes therein are classified and reported as follows:

Unrestricted Net Assets – Unrestricted net assets are utilized to account for revenues from residents and other revenues that are unrestricted in nature. Donor restricted contributions whose restrictions are met in the year of contribution are reported as unrestricted support.

Temporarily Restricted Net Assets – Temporarily restricted net assets are utilized to account for contributions that are donor restricted for uses which have not yet been fulfilled either in time or by purpose.

Permanently Restricted Net Assets – Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by the Communities. Generally, the donors of these assets permit the Communities to use all or part of the income earned on related investments for general or specific purposes.

Basis of Combination

The accompanying combined financial statements include the accounts of Baptist Retirement Communities of Georgia, Inc. and Clairmont Crest, Inc. All material intercompany accounts and transactions have been eliminated in the combination.

Baptist Retirement Communities of Georgia, Inc. and Affiliates

Notes to Combined Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Communities consider all highly liquid investments with an initial maturity of three months or less to be cash equivalents. At times during the year, cash balances may exceed federally insured limits of the Federal Deposit Insurance Corporation (FDIC).

Contributions and Donated Assets

The Communities record contributions of cash and other assets as unrestricted income unless specifically restricted by the donor. Restricted contributions are recorded as either temporarily or permanently restricted income. When the donor stipulation expires, the temporarily restricted assets are reclassified to unrestricted net assets and are reported as net assets released from restrictions.

Donated property and equipment is recorded as unrestricted support unless explicit donor stipulations specify how the donated assets are to be used. Contributions of long-lived assets with explicit restrictions that specify how the assets are to be used and contributions of cash or other assets that must be used to acquire long-lived assets are recorded as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Communities report expirations of donor restrictions when the donated or acquired long-lived assets are placed in service as intended by the donor. The Communities reclassify temporarily restricted net assets to unrestricted net assets at that time.

Contributions Receivable

Contributions receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation based on their assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to contributions receivable.

At December 2014 and 2013, management was expecting full collection on outstanding contributions receivable. Therefore, there was no valuation allowance. Contributions receivable from the Georgia Baptist Convention totaled \$30,563 and \$45,173 at December 2014 and 2013 respectively, all of which are due in less than one year.

Baptist Retirement Communities of Georgia, Inc. and Affiliates

Notes to Combined Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition and Accounts Receivable

The Communities derive substantially all of their program revenue from monthly apartment rent. All residents are private pay and are billed for rent in advance at the beginning of each month. Rent received in advance of the month of service is recorded as deferred revenue. Accounts receivable are recorded at the net realizable value. Amounts deemed uncollectible are charged off to bad debt expense. There was no allowance for doubtful accounts or bad debt expense as of December 31, 2014 and 2013.

Inventories

Inventories consist of food and supplies, and are stated at cost using the first-in, first-out method.

Investments

Investments in equity securities with readily determinable fair values are reported at fair value with all gains and losses reported in the statement of activities. Investments consist of money market funds, corporate stocks, bonds, and mutual funds. Unrealized gains and losses are calculated based on the securities' fair values on an active market or as determined by the investment trustees as of December 31, 2014 and 2013. Investment fees totaling \$15,972 and \$14,891 were paid during 2014 and 2013, respectively.

Revocable and Irrevocable Trust Agreements

Revocable and irrevocable trust agreements represent agreements whereby the Communities are entitled to the income earned on investments, which are maintained in trust by others.

Property and Equipment

All acquisitions in excess of \$2,500 of property and equipment, and all expenditures for major betterments and improvements that materially prolong the useful lives of assets are capitalized. Property and equipment is recorded at cost or, if donated, at approximate fair value at the date of donation. Constructed property is recorded at cost plus computable unavoidable interest. Depreciation is computed using primarily the straight-line method over the estimated useful lives of the various classes of property and equipment. The cost of normal maintenance and repairs is charged to expense as incurred.

Accrued Sick Leave

The Communities maintain a sick leave policy in which earned sick leave not taken during the year is payable in cash to the employee after the year end in which the leave was earned. As of December 31, 2014 and 2013, accrued sick leave payable under this policy was approximately \$54,000.



Baptist Retirement Communities of Georgia, Inc. and Affiliates Notes to Combined Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising and Promotion

Advertising and promotion costs are expensed as incurred. Advertising and promotion expenses were \$47,193 and \$42,477 for the years ended December 31, 2014 and 2013, respectively. Advertising and promotion costs are included in support services within professional fees and other on the Communities' statements of activities.

Fair Value of Investments

The Communities' financial instruments are cash, receivables, escrows, investments, trust agreements, deposits, accounts payable, and notes payable. The recorded values of cash, receivables, deposits and accounts payable approximate their fair value based on their short-term nature. The recorded values of escrows, investments, and notes payable also approximate their fair value as these instruments bear interest at market rates. The recorded values of investments and trust agreements also approximate their fair value, which is determined using quoted market prices and valuations provided by the investment trustee.

Income Taxes

The Communities have been granted exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and therefore are also exempt from any state income taxes. As exempt organizations, only unrelated business activities are subject to income tax. The Communities believe that they have appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the combined financial statements.

The Internal Revenue Service and state of Georgia have the right to examine the Communities from their inception, but have not indicated any intent to do so. The Communities' returns are subject to routine examinations by regulatory authorities and, as of December 31, 2014, the returns for the last three years remain open for examination.

Reclassification

Certain reclassifications have been made to the 2014 and 2013 financial statement presentation. The 2014 and 2013 change in net assets and total net assets did not change as a result of the reclassifications.

Baptist Retirement Communities of Georgia, Inc. and Affiliates Notes to Combined Financial Statements

NOTE 2: LONG-TERM INVESTMENTS

Long-term investments are presented in the financial statements at market value. Included in long-term investments are fixed income bonds and corporate stocks (see Note 5) and unrestricted investments in the general endowment pool, administered by the Georgia Baptist Foundation, Inc., (the Foundation) of \$122,916 and \$182,883 at December 31, 2014 and 2013, respectively. The investment income for long-term investments on the combined statements of activities is net of fees of \$883 and \$841 for the years ended December 31, 2014 and 2013, respectively.

NOTE 3: REVOCABLE TRUST AGREEMENTS

Revocable trust agreements are presented in the combined financial statements at market value. Revocable trust agreements are investment accounts that are held in the general endowment pool administered by the Foundation. Market value is based upon information provided by the trustee. The market value of the revocable trust agreements for the years ended December 31, 2014 and 2013 was \$63,359 and \$63,076, respectively. Return on these investments for the years ended December 31, 2014 and 2013 includes investment income of \$2,836 and \$2,618 respectively.

The trustee charges a fee for administering the trusts. The fees, which are based on a percentage of the fair market value of the trusts' assets, totaled \$199 and \$183 for the years ended December 31, 2014 and 2013, respectively.

NOTE 4: IRREVOCABLE TRUST AGREEMENTS

Irrevocable trust agreements are presented in the combined financial statements at market value. Irrevocable trust agreements are investment accounts that are held in the general endowment pool administered by the Foundation. Market value is based upon information provided by the trustee. The market value of the irrevocable trust agreements for the years ended December 31, 2014 and 2013 was \$4,836,267 and \$4,788,606, respectively. At December 31, 2014 and 2013, the principal book value of the irrevocable trusts was \$3,746,047 and \$3,720,321, respectively. For the years ended December 31, 2014 and 2013, the Communities recognized \$202,867 and \$197,157 of income and \$22,818 and \$586,409 of unrealized gains in market value from these trusts, respectively.

The trustee charges a fee for administering the trusts. The fees, which are based on a percentage of the fair market value of the trusts' assets, totaled \$15,146 and \$13,868 for the years ended December 31, 2014 and 2013, respectively.

Baptist Retirement Communities of Georgia, Inc. and Affiliates

Notes to Combined Financial Statements

NOTE 5: FAIR VALUE MEASUREMENTS

Generally accepted accounting principles require that certain assets and liabilities be measured at fair value on a recurring basis. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Additionally, the inputs used to measure fair value are prioritized based on a three-level hierarchy. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level 1 – Valuations based on unadjusted quoted prices for identical instruments in active markets that are available as of the measurement date

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The following is a description of valuation methodologies used by the Communities in estimating fair value disclosure for financial instruments reported in their financial statements:

Cash and cash equivalents, accounts receivable, escrow accounts, accounts payable, accrued expenses and security deposits - carrying value approximates fair value based upon the nature of the instruments.

Long-term investments, revocable trust agreements and irrevocable trust agreements are reported at fair value, utilizing quoted market prices, if available. If quoted prices are not available, fair values are based on observable data that may include dealer quotes, market spreads, cash flows, U.S. Treasury yield curve, credit information and other similar attributes.

General Endowment Pool – Investments in revocable and irrevocable trust agreements, as well as some long-term investments, are invested in the General Endowment Pool held by the Foundation, a sister organization of the Communities within the Georgia Baptist Convention (the Convention). The General Endowment Pool is a common investment pool. The Communities uses the Net Asset Value (NAV) to determine the fair value of the investments monthly. Net appreciation (depreciation) of the trusts is recorded based on the Communities' proportionate share of the aggregate amount of appreciation (depreciation) reported by the Foundation. It includes the Communities' share of interest and dividend income, realized and unrealized gains and losses on security transactions, and ordinary expenses. The investment objective is primarily for investment income and secondarily for capital appreciation with a goal of a 5% investment income rate and a 3.5% reinvestment rate. All investments held by the Foundation require a redemption notice of 30 days and are redeemable at fair value of the underlying investments.

Baptist Retirement Communities of Georgia, Inc. and Affiliates
Notes to Combined Financial Statements

NOTE 5: FAIR VALUE MEASUREMENTS (CONTINUED)

Fixed Income Bonds – Bonds are valued based on observable prices of similar assets in the marketplace. The investment objective of the bonds is fixed income. Their investment ratings are provided by Moody’s Corporation.

Interest Rate Cap – Interest rate cap is valued based on uncertain cash flows derived from forward curves, correlation and volatility levels based on observable market inputs and/or good faith estimates, depending on asset class and availability.

Interest Rate Swap – Fair value is determined using a discounted cash flow method based on forward interest rates and expected cash flows.

The following table sets forth by level within the fair value hierarchy, the Communities’ financial assets measured at fair value as of December 31, 2014:

	Level 1	Level 2	Level 3	Total
Fixed income bonds:				
AAA*	\$ -	\$ 110,782	\$ -	\$ 110,782
AA2	-	50,161	-	50,161
AA3	-	52,498	-	52,498
A1	-	29,282	-	29,282
A2	-	51,848	-	51,848
BAA1	-	29,608	-	29,608
Total fixed income bonds	-	324,179	-	324,179
Corporate stocks:				
Utilities	362,600	-	-	362,600
Gas & Oil	40,926	-	-	40,926
Auto & Truck	49,555	-	-	49,555
Total corporate stocks	453,081	-	-	453,081
Interest rate cap agreement	-	5,815	-	5,815
General endowment pool	-	5,022,542	-	5,022,542
	\$ 453,081	\$ 5,352,536	\$ -	\$ 5,805,617
Interest rate swap liability	\$ -	\$ 247,736	\$ -	\$ 247,736

Baptist Retirement Communities of Georgia, Inc. and Affiliates
Notes to Combined Financial Statements

NOTE 5: FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by level within the fair value hierarchy, the Communities' financial assets measured at fair value as of December 31, 2013:

	Level 1	Level 2	Level 3	Total
Fixed income bonds:				
AAA	\$ -	\$ 45,000	\$ -	\$ 45,000
AAA*	-	99,950	-	99,950
AA2	-	51,940	-	51,940
AA3	-	84,673	-	84,673
A1	-	28,472	-	28,472
A2	-	53,127	-	53,127
BAA1	-	28,018	-	28,018
Not rated	-	20,842	-	20,842
Total fixed income bonds	-	412,022	-	412,022
Corporate stocks:				
Utilities	303,328	-	-	303,328
Gas & Oil	45,222	-	-	45,222
Auto & Truck	38,683	-	-	38,683
Total corporate stocks	387,233	-	-	387,233
General endowment pool	-	5,034,565	-	5,034,565
	\$ 387,233	\$ 5,446,587	\$ -	\$ 5,833,820

NOTE 6: REAL ESTATE NOT USED IN OPERATIONS

At December 31, 2014 and 2013, the Communities owned five Westview Cemetery plots, in Atlanta, Georgia, that are not used in operations.

NOTE 7: RETIREMENT PLAN

The Communities have a defined contribution plan covering substantially all full-time employees with at least one year of service. The Communities match participants' contributions to the plan up to 5% of the individual participant's compensation. Total expenses for the years ended December 31, 2014 and 2013, were \$53,828 and \$44,860, respectively.

Baptist Retirement Communities of Georgia, Inc. and Affiliates
Notes to Combined Financial Statements

NOTE 8: GRATUITY PLAN

For employees with ten years of service or greater, the Communities provide a retirement gratuity of 25% of the employees' final annual salary, plus \$100 for each year in excess of ten years or service. In order to be eligible for the gratuity, an employee must have attained the age of 62. Payments to employees are made in lump sums. Costs of this gratuity are accrued over the service period.

Total gratuity costs for the years ended December 31, 2014 and 2013, were \$26,234 and \$49,159, respectively.

NOTE 9: PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2014 and 2013, consisted of the following:

	2014	2013
Land	\$ 5,583,075	\$ 5,583,075
Land improvements	4,915,190	4,067,028
Building and improvements	28,335,296	26,084,283
Furniture, fixtures and equipment	3,481,764	3,425,476
Construction in progress	-	2,866,123
	42,315,325	42,025,985
Less accumulated depreciation	10,120,646	8,960,819
	\$ 32,194,679	\$ 33,065,166

Depreciation expense totaled \$1,160,269 and \$1,051,744, for the years ended December 31, 2014 and 2013, respectively.

Construction in progress at December 31, 2013, represents the costs associated with the construction of Hiawassee Park, a retirement community in Hiawassee, Georgia. The interest incurred and capitalized as construction in progress was \$15,748 and \$78,367 for the years 2014 and 2013, respectively.

NOTE 10: DEBT ISSUE COSTS, NET

Costs relating to obtaining the notes payable, as fully described in Notes 14 and 15, are capitalized and amortized over the terms of the related debt using the straight-line method.

Baptist Retirement Communities of Georgia, Inc. and Affiliates
Notes to Combined Financial Statements

NOTE 10: DEBT ISSUE COSTS, NET (CONTINUED)

Debt issue costs consist of the following at December 31, 2014 and 2013:

	2014	2013
Debt issue costs, notes payable	\$ 162,951	\$ 251,427
Less: accumulated amortization	(56,233)	(185,383)
	\$ 106,718	\$ 66,044

At December 31, 2014, future total estimated amortization expense of debt issue costs are as follows:

Year ending December 31,	
2015	\$ 15,809
2016	15,809
2017	15,809
2018	15,809
2019	10,638
Thereafter	32,844
	\$ 106,718

Amortization of debt issuance costs totaled \$21,734 and \$54,654 during the years ended December 31, 2014 and 2013, respectively.

NOTE 11: INTEREST RATE CAP AGREEMENT

Under the terms of the mortgage note agreement more fully described in Note 15, the Communities were required to purchase an interest rate cap agreement (Agreement) to provide rate protection for the Communities' floating rate mortgage note payable. The terms of the Agreement require payments to the Communities by the Agreement's provider whenever the interest rates on the note exceed 5.16%. As of October 1, 2009, the Communities had an interest rate cap agreement with a notional amount of \$8,120,255 over the term of the agreement. This agreement expired on October 1, 2014, and the Communities purchased a new agreement with an effective date of October 1, 2014, and a maturity date of October 1, 2019. The notional amount of the rate cap is \$6,986,570 over the term of the agreement. Net receipts under the Agreement are recognized and reported as an adjustment to interest expense. The estimated fair value of the Agreement is recorded as an asset or a liability with changes in fair value for each reporting period either included as an increase or decrease in unrestricted net assets. The estimated fair value of the Agreement at December 31, 2014 and 2013, was \$5,815 and \$0, respectively. The change in fair value for the year ended December 31, 2014, resulted in an increase to unrestricted net assets of \$5,815. There was no change in the fair value for the year ended December 31, 2013.

Baptist Retirement Communities of Georgia, Inc. and Affiliates Notes to Combined Financial Statements

NOTE 11: INTEREST RATE CAP AGREEMENT (CONTINUED)

The Communities' risk management strategy associated with this agreement is to manage risks associated with interest rate fluctuations on the mortgage note payable. Provisions of the agreement were not utilized for the years ended December 31, 2014 and 2013, as the interest rate on the mortgage note payable did not reach 5.16%.

NOTE 12: ESCROWS

Under the terms of the mortgage note agreement (Note 15), the Communities are required to maintain certain amounts in separate escrow accounts. The funds are maintained by financial institutions and bear interest at market rates. These funds are accumulated by the financial institutions and when balances reach certain pre-determined levels, payments are made to the lender or loan service provider.

At December 31, 2014 and 2013, the escrow accounts consisted of the following:

	2014	2013
Principal reserve	\$ 100,000	\$ 100,000
Redemption	94,936	110,092
Fees	4,698	17,060
Insurance	40,381	39,430
Total current escrows	240,015	266,582
Interest reserve	71,523	80,582
Rate cap	38,074	158,104
Replacement reserve	143,963	166,395
Operating deficit reserve	148,518	148,518
Total non-current escrows	402,078	553,599
Total escrows	\$ 642,093	\$ 820,181

At December 31, 2014, the monthly payments into the escrow accounts were approximately \$258 into the interest reserve, \$7,673 into the insurance reserve, \$7,934 into the replacement reserve, \$3,100 into the rate cap escrow, \$22,617 into the redemption escrow, and \$235 into the fees escrow.

Baptist Retirement Communities of Georgia, Inc. and Affiliates Notes to Combined Financial Statements

NOTE 13: RELATED PARTIES

One officer of the Convention serves as a board member of the Communities' Board of Trustees. The other twelve members of the Board are elected by the Convention.

During 2014 and 2013, the Convention accounted for approximately 5% of the Communities' total revenues, gains, and other support. The Communities have accrued \$30,563 and \$45,173 as of December 31, 2014 and 2013, respectively, for contributions appropriated by the Convention for operations but not yet received.

The 2014 and 2013 total related party contributions accrued for or received by the Communities include the following:

	2014	2013
Georgia Baptist Covention for operations	\$ 219,807	\$ 244,367
Gifts from churches received through the Convention	17,007	16,062
	\$ 236,814	\$ 260,429

The Foundation holds the assets of various irrevocable trust agreements for the Communities' benefit. The Communities have also placed the assets of certain revocable trusts and other long-term investments with the Foundation.

NOTE 14: CONSTRUCTION NOTE

The Communities obtained a construction line of credit from Community & Southern Bank (the Bank) on May 24, 2011 for \$9,400,000 for construction of the new, Hiawassee Park location. The note bore interest of 5% per annum due on the first of each month. Assets securing this debt obligation included real property, improvements, construction-in-progress, equipment, fixtures and furniture as well as all security deposits, rents and other income of the Communities. The outstanding balance was fully paid off and the line of credit was replaced with a promissory note from Community & Southern Bank (Note 15) during the year ended December 31, 2014.

Baptist Retirement Communities of Georgia, Inc. and Affiliates
Notes to Combined Financial Statements

NOTE 15: LONG-TERM DEBT

Long-term debt as of December 31, 2014 and 2013, are as follows:

	2014	2013
Mortgage note payable to DB Mortgage Services, LLC secured by 1861 Clairmont Road, Decatur, Georgia (Clairmont Crest) and income generated by Clairmont Crest with a variable interest rate of 1.385% plus a weekly variable rate as determined by the Remarketing Agent, not to exceed a maximum of 5.16%, which is the maximum interest rate insured by an interest rate cap, as described in Note 11. Principal payments are escrowed monthly, as described in Note 12.	\$ 7,040,000	\$ 7,340,000
Loan payable to Community & Southern Bank maturing August 13, 2019. The loan is payable in monthly installments of principal and interest equal to the current 1-month LIBOR rate plus 2.5% (combined interest rate totaled 2.67% at December 31, 2014). The loan is secured by certain real property and improvements.	9,361,498	-
	\$ 16,401,498	\$ 7,340,000

Future maturities of long-term debt as of December 31, 2014, are as follows:

Year ending December 31,	
2015	\$ 507,161
2016	515,844
2017	427,361
2018	538,219
2019	8,772,913
Thereafter	5,640,000
	\$ 16,401,498

Payments of principal and interest on the mortgage note payable to DB Mortgage Services, LLC, are made to financial institutions and held in escrows until predetermined levels are attained before actual payments to lenders are made by the financial institutions. See Note 12 for a description of the escrows.

As of December 31, 2014, assets of Clairmont Crest securing the DB Mortgage Services, LLC., debt obligation included real property, improvements, equipment, fixtures and furniture with an aggregate net carrying value of \$11,989,807. Also included in the pledged collateral, are all security deposits, rents, and other income of the Communities.

Baptist Retirement Communities of Georgia, Inc. and Affiliates

Notes to Combined Financial Statements

NOTE 15: LONG-TERM DEBT (CONTINUED)

The DB Mortgage Services LLC., loan agreement includes financial covenants, which require Clairmont Crest to maintain a minimum debt service coverage ratio. Clairmont Crest met the required covenants for the years ended December 31, 2014 and 2013.

On July 31, 2014, Hiawasse Park retired the construction line of credit described in Note 14 by using proceeds from a promissory note payable due to Community & Southern Bank. There was no gain or loss on the retirement of the construction line of credit.

As part of the retirement of the construction line of credit, fully amortized deferred loan costs totaling \$149,499 were written off and replaced by loan costs associated with the new line of credit totaling \$61,023. These loan costs will be amortized over the life of the promissory note and are summarized in Note 10.

The Community and Southern Bank loan agreement includes financial covenants, which require the Communities to maintain certain coverage ratios. The covenants on the promissory note will take effect for the year ending December 31, 2015.

Interest expense on the obligations described in Notes 14 and 15, as well as the interest rate swap agreement described in Note 16, totaled \$564,199 and \$449,046 for the years ended December 31, 2014 and 2013, respectively.

NOTE 16: INTEREST RATE SWAP AGREEMENT

In order to mitigate its exposure to interest rate fluctuations, the Communities entered into an interest rate swap agreement that provides for fixed rates of interest on the promissory note with Community & Southern Bank described in Note 15. The purpose of entering into the swap is to eliminate long-term interest rate variability by converting LIBOR-based variable-rate payments to a fixed-rate payment. The Communities' interest rate swap agreement has been designated and qualifies as a cash flow hedging instrument. Amounts received or paid under this swap are recorded as a reduction or increase in interest expense. The fair value of the liability represents the discounted amount of future cash flows taking into account forward interest rates. The Communities have no plans to terminate the interest rate swap agreement prior to the expiration date of the agreement.

By using a derivative financial instrument to hedge its exposure to changes interest rates, the Communities are exposed to credit and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. Market risk is an adverse effect on the value of a financial instrument that results from a change in interest rates. The market risk associated with the interest rate contract is managed by establishing the monitoring parameters that limit the types and degree of market risk that may be undertaken.

Baptist Retirement Communities of Georgia, Inc. and Affiliates
Notes to Combined Financial Statements

NOTE 16: INTEREST RATE SWAP AGREEMENT (CONTINUED)

The value of the interest rate swap liability totaled \$247,736 as of December 31, 2014, and resulted in a decrease in net assets of \$247,736 for the year then ended. The notional amount of the swap liability was \$9,361,498 as of December 31, 2014. The terms of the agreement fix the interest paid by the Communities at 4.61% and the agreement expires on August 13, 2019.

NOTE 17: RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	2014	2013
Acquisition of property and equipment	\$ 5,000	\$ 5,000
Assistance to retired Southern Baptist Convention ministers and missionaries	5,982	5,582
Other stipulated purposes	193	179
	\$ 11,175	\$ 10,761

Permanently restricted net assets are also maintained in investments of the Communities. On the Communities' statements of financial position at December 31, 2014 and 2013, permanently restricted net assets are included in irrevocable trust agreements and various long-term investments.

These funds are restricted to investments in perpetuity, the income from which is expendable to support the following:

	2014	2013
Any activity of the Communities	\$ 4,626,049	\$ 4,579,326
Assistance to retired Southern Baptist Convention ministers and missionaries	271,789	270,576
Other stipulated purposes	1,788	1,780
	\$ 4,899,626	\$ 4,851,682

NOTE 18: ENDOWMENTS

The Communities' endowments consist of investments in cash and cash equivalents, money market funds, mutual funds, and receivables. The endowments are established for a variety of purposes. Endowments consist solely of donor-restricted endowment funds. No funds designated by the Board of Trustees function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Baptist Retirement Communities of Georgia, Inc. and Affiliates

Notes to Combined Financial Statements

NOTE 18: ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law

The Board of Trustees of the Communities has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value 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, the Communities classify as permanently restricted net assets (a) the original value of the 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 the Communities in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Communities consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Communities 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
- (6) Other resources of the Communities
- (7) The investment policies of the Communities.

Return Objectives and Risk Parameters

The Communities' temporarily restricted net assets and permanently restricted net assets consist primarily of trust agreements more fully described in Notes 3 and 4. Consequently, the Communities do not have the authority to select the types of investments for which they are considered a beneficiary. As such, the Communities do not have investment policies associated with these investments but have adopted the investment policy of the Foundation, the custodian of the assets (see Note 5-*General Endowment Pool*). The Communities follow the restrictions set by each donor in appropriating funds for expenditures.

Deficiencies in Endowment Balances

From time to time, the fair value of assets associated with individual endowment funds may fall below the level that the donor or UPMIFA requires the Communities to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, there were no deficiencies of this nature that are reported in unrestricted net assets for the years ended December 31, 2014 and 2013.

Baptist Retirement Communities of Georgia, Inc. and Affiliates
Notes to Combined Financial Statements

NOTE 18: ENDOWMENTS (CONTINUED)

Changes in Endowment Funds

Changes in endowment net assets for the years ended December 31, 2014 and 2013 are as follows:

December 31, 2014	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 10,761	\$ 4,851,682	\$ 4,862,443
Investment income	11,388	-	11,388
Net appreciation	-	23,101	23,101
Contributions received	-	24,843	24,843
Appropriation of endowment net assets for expenditure	(10,974)	-	(10,974)
	\$ 11,175	\$ 4,899,626	\$ 4,910,801
<hr/>			
December 31, 2013			
Endowment net assets, beginning of year	\$ 10,730	\$ 4,260,023	\$ 4,270,753
Investment income	10,517	-	10,517
Net appreciation	-	590,720	590,720
Contributions received	-	939	939
Appropriation of endowment net assets for expenditure	(10,486)	-	(10,486)
	\$ 10,761	\$ 4,851,682	\$ 4,862,443

NOTE 19: SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 18, 2015, which is the date that the financial statements were available to be issued.



SUPPLEMENTAL INFORMATION

Baptist Retirement Communities of Georgia, Inc. and Affiliates
Statement of Financial Position for Clairmont Crest, Inc.

December 31,	2014	2013
Assets		
Cash and cash equivalents	\$ 340	\$ 340
Accounts receivable	19,746	16,131
Prepaid expenses	19,446	3,763
Due from Baptist Retirement Communities of Georgia, Inc.	2,625,829	2,194,633
Property and equipment, net	11,989,807	12,370,716
Other assets		
Debt issue costs, net	49,832	53,230
Interest rate cap agreement	5,815	-
Escrows	642,093	820,181
Total other assets	697,740	873,411
Total assets	\$ 15,352,908	\$ 15,458,994
Liabilities and Net Assets		
Accounts payable	\$ -	\$ 25,528
Accrued expenses	17,853	19,420
Long-term debt	7,040,000	7,340,000
Accrued retirement gratuity	49,241	29,939
Security and other deposits	32,956	33,771
Total liabilities	7,140,050	7,448,658
Net assets, unrestricted	8,212,858	8,010,336
Total liabilities and net assets	\$ 15,352,908	\$ 15,458,994

Baptist Retirement Communities of Georgia, Inc. and Affiliates
Statement of Activities for Clairmont Crest, Inc.

Year ended December 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and other support				
Rents and other fees	\$ 1,868,954	\$ -	\$ -	\$ 1,868,954
Other income	31,090	-	-	31,090
Interest income	12,637	-	-	12,637
Total revenues and other support	1,912,681	-	-	1,912,681
Expenses				
Program services				
Salaries and benefits	219,186	-	-	219,186
Depreciation	401,923	-	-	401,923
Repairs and maintenance	325,053	-	-	325,053
Utilities	182,476	-	-	182,476
Supplies and other	38,653	-	-	38,653
Insurance	74,543	-	-	74,543
Telephone	11,961	-	-	11,961
Total program services	1,253,795	-	-	1,253,795
Support services				
Salaries and benefits	298,681	-	-	298,681
Interest expense	104,974	-	-	104,974
Professional fees and other	37,143	-	-	37,143
Office expenses	16,598	-	-	16,598
Amortization expense	4,783	-	-	4,783
Total support services	462,179	-	-	462,179
Total expenses	1,715,974	-	-	1,715,974
Other change in net assets				
Gain on interest rate cap agreement	5,815	-	-	5,815
Change in net assets	202,522	-	-	202,522
Net assets, beginning of year	8,010,336	-	-	8,010,336
Net assets, end of year	\$ 8,212,858	\$ -	\$ -	\$ 8,212,858

Baptist Retirement Communities of Georgia, Inc. and Affiliates
Statement of Activities for Clairmont Crest, Inc. (Continued)

Year ended December 31, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and other support				
Rents and other fees	\$ 1,777,524	\$ -	\$ -	\$ 1,777,524
Other income	35,154	-	-	35,154
Interest income	27	-	-	27
Total revenues and other support	1,812,705	-	-	1,812,705
Expenses				
Program services				
Salaries and benefits	192,212	-	-	192,212
Depreciation	399,238	-	-	399,238
Repairs and maintenance	272,610	-	-	272,610
Utilities	149,516	-	-	149,516
Supplies and other	24,059	-	-	24,059
Insurance	64,469	-	-	64,469
Telephone	9,911	-	-	9,911
Total program services	1,112,015	-	-	1,112,015
Support services				
Salaries and benefits	279,784	-	-	279,784
Interest expense	90,495	-	-	90,495
Professional fees and other	31,944	-	-	31,944
Office expenses	15,857	-	-	15,857
Amortization expense	3,397	-	-	3,397
Bad debt expense	-	-	-	-
Total support services	421,477	-	-	421,477
Total expenses	1,533,492	-	-	1,533,492
Change in net assets	279,213	-	-	279,213
Net assets, beginning of year	7,731,123	-	-	7,731,123
Net assets, end of year	\$ 8,010,336	\$ -	\$ -	\$ 8,010,336

Baptist Retirement Communities of Georgia, Inc. and Affiliates
Statement of Financial Position for Baptist Retirement Communities
of Georgia, Inc.

December 31,	2014	2013
Assets		
Cash and cash equivalents	\$ 187,953	\$ 397,066
Accounts receivable		
Contributions - Georgia Baptist Convention, net	30,563	45,173
Accrued interest and investment income	110,707	105,989
Other	6,745	6,445
Total accounts receivable	148,015	157,607
Inventories	3,848	3,848
Prepaid expenses	27,190	28,244
Property and equipment, net	20,204,872	20,694,450
Other assets		
Real estate not used in operations	4,825	4,825
Long-term investments	900,176	982,138
Revocable trust agreements	63,359	63,076
Irrevocable trust agreements	4,836,267	4,788,606
Debt issue costs, net	56,886	12,814
Total other assets	5,861,513	5,851,459
Total assets	\$ 26,433,391	\$ 27,132,674
Liabilities and Net Assets		
Accounts payable	\$ 96,266	\$ 45,670
Accrued expenses	98,750	94,431
Due to Clairmont Crest, Inc.	2,625,829	2,194,633
Long-term debt, construction note	9,361,498	9,163,339
Accrued retirement gratuity	102,992	128,134
Security and other deposits	19,435	25,900
Interest rate swap liability	247,736	-
Total liabilities	12,552,506	11,652,107
Net assets		
Unrestricted	8,970,084	10,618,124
Temporarily restricted	11,175	10,761
Permanently restricted	4,899,626	4,851,682
Total net assets	13,880,885	15,480,567
Total liabilities and net assets	\$ 26,433,391	\$ 27,132,674

Baptist Retirement Communities of Georgia, Inc. and Affiliates
Statement of Activities for Baptist Retirement Communities
of Georgia, Inc.

Year ended December 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and other support				
Rents and other fees	\$ 2,566,545	\$ -	\$ -	\$ 2,566,545
Contributions, net of write-offs:				
Georgia Baptist Convention	219,807	-	-	219,807
Other sources	24,660	-	24,843	49,503
Investment income	190,547	11,388	-	201,935
Other income	152,639	-	-	152,639
Interest and dividend income	34,750	-	-	34,750
Net assets released from restrictions	10,974	(10,974)	-	-
 Total revenues and other support	 3,199,922	 414	 24,843	 3,225,179
Expenses				
Program services				
Salaries and benefits	847,804	-	-	847,804
Depreciation	758,346	-	-	758,346
Repairs and maintenance	443,652	-	-	443,652
Food	228,726	-	-	228,726
Utilities	245,797	-	-	245,797
Supplies and other	181,251	-	-	181,251
Insurance	72,077	-	-	72,077
Telephone	14,895	-	-	14,895
 Total program services	 2,792,548	 -	 -	 2,792,548
Support services				
Salaries and benefits	1,187,074	-	-	1,187,074
Professional fees and other	168,545	-	-	168,545
Interest expense	459,225	-	-	459,225
Office expenses	56,820	-	-	56,820
Amortization expense	16,951	-	-	16,951
 Total support services	 1,888,615	 -	 -	 1,888,615
 Total expenses	 4,681,163	 -	 -	 4,681,163

Baptist Retirement Communities of Georgia, Inc. and Affiliates
Statement of Activities for Baptist Retirement Communities
of Georgia, Inc. (Continued)

Year ended December 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Other changes in net assets				
Net change in irrevocable trusts	-	-	22,818	22,818
Net change in revocable trusts	-	-	283	283
Realized gain on long-term investments	10,657	-	-	10,657
Unrealized gain on long-term investments	62,781	-	-	62,781
Gain on sale of assets	7,499	-	-	7,499
Loss on interest rate swap agreement	(247,736)	-	-	(247,736)
Total other changes in net assets	(166,799)	-	23,101	(143,698)
Change in net assets	(1,648,040)	414	47,944	(1,599,682)
Net assets, beginning of year	10,618,124	10,761	4,851,682	15,480,567
Net assets, end of year	\$ 8,970,084	\$ 11,175	\$ 4,899,626	\$ 13,880,885

Baptist Retirement Communities of Georgia, Inc. and Affiliates
Statement of Activities for Baptist Retirement Communities
of Georgia, Inc. (Continued)

Year ended December 31, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and other support				
Rents and other fees	\$ 2,414,783	\$ -	\$ -	\$ 2,414,783
Contributions, net of write-offs:				
Georgia Baptist Convention	244,367	-	-	244,367
Other sources	44,196	-	939	45,135
Investment income	176,775	10,517	-	187,292
Other income	9,645	-	-	9,645
Interest and dividend income	44,927	-	-	44,927
Net assets released from restrictions	10,486	(10,486)	-	-
 Total revenues and other support	 2,945,179	 31	 939	 2,946,149
Expenses				
Program services				
Salaries and benefits	811,876	-	-	811,876
Depreciation	652,506	-	-	652,506
Repairs and maintenance	291,131	-	-	291,131
Food	214,191	-	-	214,191
Utilities	192,819	-	-	192,819
Supplies and other	183,562	-	-	183,562
Insurance	56,754	-	-	56,754
Telephone	13,139	-	-	13,139
 Total program services	 2,415,978	 -	 -	 2,415,978
Support services				
Salaries and benefits	1,112,676	-	-	1,112,676
Professional fees and other	114,363	-	-	114,363
Interest expense	358,551	-	-	358,551
Office expenses	55,972	-	-	55,972
Amortization expense	51,257	-	-	51,257
 Total support services	 1,692,819	 -	 -	 1,692,819
 Total expenses	 4,108,797	 -	 -	 4,108,797

Baptist Retirement Communities of Georgia, Inc. and Affiliates
Statement of Activities for Baptist Retirement Communities
of Georgia, Inc. (Continued)

Year ended December 31, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Other changes in net assets				
Net change in irrevocable trusts	-	-	586,409	586,409
Net change in revocable trusts	3,415	-	4,311	7,726
Realized loss on long-term investments	(1,732)	-	-	(1,732)
Unrealized gain on long-term investments	14,160	-	-	14,160
Total other changes in net asset	15,843	-	590,720	606,563
Change in net assets	(1,147,775)	31	591,659	(556,085)
Net assets, beginning of year	11,765,899	10,730	4,260,023	16,036,652
Net assets, end of year	\$ 10,618,124	\$ 10,761	\$ 4,851,682	\$ 15,480,567