FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1996-11-14** | Period of Report: **1996-09-30**
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CONSOLIDATED RESOURCES HEALTH CARE FUND V

CIK:**764544**| IRS No.: **581618135** | State of Incorp.:**GA** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **000-14436** | Film No.: **96666648**
SIC: **6500** Real estate

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark one)

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 1996

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to
Commission file number 0-14436

CONSOLIDATED RESOURCES HEALTH CARE FUND V
(Exact name of registrant as specified in its charter)

Georgia	58-1618135
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer identification No.)

400 Perimeter Center Terrace, Suite 650, Atlanta, Georgia 30346
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code 770-698-9040

Indicate by check mark whether the registrant, (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes x No

THERE ARE NO EXHIBITS
PAGE ONE OF 14 PAGES.

PART I. - FINANCIAL INFORMATION

CONSOLIDATED RESOURCES HEALTH CARE FUND V
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	September 30, 1996	December 31, 1995
ASSETS		
Current assets:		
Cash and cash equivalents	$ 285,439	$ 319,587
Accounts receivable, net of allowance for doubtful accounts of $168,133	1,109,442	876,593
Prepaid expenses	342,539	292,926
Property held for sale (Notes 5 and 7)	8,284,780	8,521,347
Total current assets	10,022,200	10,010,453
Other:		
Deferred loan costs, net of accumulated amortization of $130,881 and $120,430	-	10,452
Total other assets	-	10,452
	$ 10,022,200	$ 10,020,905
LIABILITIES AND PARTNERS' DEFICIT		
Current liabilities:		
Current maturities of long-term debt, including debt in default of $3,491,885 (Note 8)	$ 8,390,442	$ 8,499,759
Trade accounts payable	382,635	302,448
Insurance payable	60,113	3,262
Accrued interest (Note 7)	2,063,790	1,955,432
Accrued real estate taxes	420,239	438,769
Other liabilities	265,770	347,289
Total current liabilities	11,582,989	11,546,959
Deferred gain on installment sale	-	278,166
Total liabilities	11,582,989	11,825,125
Partners' deficit:		

Limited partners	(766,276)	(1,014,315)
General partners	(794,513)	(789,905)
Total partners' deficit	(1,560,789)	(1,804,220)
	$ 10,022,200	$ 10,020,905

See accompanying notes to consolidated financial statements.

CONSOLIDATED RESOURCES HEALTH CARE FUND V
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30, 1996	Three months ended September 30, 1995	Nine months ended September 30, 1996	Nine months ended September 30, 1995
Revenues:				
Operating revenues	$2,724,215	$2,537,704	$7,927,362	$7,647,325
Interest income	15,767	19,516	44,544	61,340
Total revenues	2,739,982	2,557,220	7,971,906	7,708,665
Expenses:				
Operating expenses	2,547,532	2,476,924	7,422,390	7,283,429
Interest	132,144	158,515	452,402	474,395
Depreciation and amortization	91,342	91,860	284,477	282,524
Partnership administration costs	15,290	19,799	47,372	50,865
Total expenses	2,786,308	2,747,098	8,206,641	8,091,213
Operating loss	(46,326)	(189,878)	(234,735)	(382,548)
Loss on transfer of property (Note 7)	-	-	-	(1,465,761)
Recognition of Deferred Gain (Note 8)	478,166	-	478,166	-
Income (loss) before extraordinary gain	431,840	(189,878)	243,431	(1,848,309)
Extraordinary gain on extinguishment of debt (Note 7)	-	-	-	2,494,842
Extraordinary gain on settlement of advances	-	-	-	5,860,022

Net income (loss)	$ 431,840	$ (189,878)	$ 243,431	$6,506,555
Net income (loss) per L.P. unit				
Income (loss) before extraordinary gain	14.49	(6.16)	8.38	(61.45)
Extraordinary gain on extinguishment of debt	-	-	-	83.45
Extraordinary gain on settlement of advances	-	-	-	196.02
Net income (loss) per L.P. unit	$ 14.49	$ (6.16)	$ 8.38	$ 218.02
L.P. units outstanding	29,596	29,596	29,596	29,596

See accompanying notes to consolidated financial statements.

CONSOLIDATED RESOURCES HEALTH CARE FUND V
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 1996	1995
Operating Activities:		
Cash received from residents and government agencies	$ 7,694,514	$ 7,769,962
Cash paid to suppliers and employees	(7,344,792)	(7,170,581)
Interest received	44,544	61,340
Interest paid	(344,044)	(416,581)
Property taxes paid	(137,596)	(269,849)
Cash used in operating activities	(87,374)	(25,709)
Investing Activities:		
Additions to property and equipment	(37,458)	(65,762)
Collection of Intercompany Note Receivable	200,000	-
Cash (used in) provided by investing activities	162,542	(65,762)
Financing Activities:		
Principal payments on long-term debt	(109,316)	(74,228)
Cash used in financing activities	(109,316)	(74,228)

Net decrease in cash and cash equivalents	(34,148)	(165,699)
Cash and cash equivalents, beginning of period	319,587	716,188
Cash and cash equivalents, end of period	$ 285,439	$ 550,489

See accompanying notes to consolidated financial statements.

CONSOLIDATED RESOURCES HEALTH CARE FUND V
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September	
	1996	1995
Reconciliation of Net Income to Cash Used in Operating Activities:		
Net income	$ 243,431	$ 4,995,516
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	284,477	282,524
Loss on transfer of property	-	1,465,761
Gain on settlement of advances	-	(4,348,983)
Gain on extinguishment of debt	-	(2,494,842)
Gain on recognition of deferred gain	(478,166)	-
Changes in operating assets and liabilities:		
Accounts receivable	(232,849)	122,637
Other current assets	(49,613)	48,138
Trade accounts payable and other current liabilities	145,346	(96,460)
Cash used in operating activities	$ (87,374)	$ (25,709)

See accompanying notes to consolidated financial statements.

CONSOLIDATED RESOURCES HEALTH CARE FUND V
CONSOLIDATED STATEMENTS OF PARTNERS' DEFICIT
(Unaudited)

Total
Partners'

	General	Limited	Deficit
Balance, at December 31, 1994	$ (1,039,239)	$ (6,998,320)	$ (8,037,559)
Net income	229,390	6,277,165	6,506,555
Balance, at September 30, 1995	$ (809,849)	$ (721,155)	$ (1,531,004)
Balance, at December 31, 1995	$ (789,905)	$ (1,014,315)	$ (1,804,220)
Net income (loss)	(4,608)	248,039	243,431
Balance, at September 30, 1996	$ (794,513)	$ (766,276)	$ (1,560,789)

See accompanying notes to consolidated financial statements.

CONSOLIDATED RESOURCES HEALTH CARE FUND V

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 1996

NOTE 1.

The financial statements are unaudited and reflect all adjustments (consisting only of normal recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of the Partnership's financial position and operating results for the interim periods. The results of operations for the nine months ended September 30, 1996, are not necessarily indicative of the results to be expected for the year ending December 31, 1996.

NOTE 2.

The financial statements should be read in conjunction with the consolidated financial statements and the notes thereto contained in the Partnership's Annual Report on Form 10-K for the year ended

December 31, 1995, as filed with the Securities and Exchange Commission, a copy of which is available upon request by writing to WelCare Service Corporation-V (the "Managing General Partner"), at 400 Perimeter Center Terrace, Suite 650, Atlanta, Georgia, 30346.

NOTE 3.

A summary of compensation paid to or accrued for the benefit of the general partners and affiliates and amounts reimbursed for costs incurred by these parties on the behalf of the Partnership are as follows:

	Nine Months Ended September 30, 1996	Nine Months Ended September 30, 1995
Charged to costs and expenses:		
Property management and oversight management fees	$476,130	$463,113
Financial accounting, data processing, tax reporting, legal and compliance, investor relations and supervision of outside services	$ 47,373	$ 75,629

NOTE 4.

The Partnership's consolidated financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Partnership has working capital deficiencies, has defaulted on certain debt and has no assurance of any financial support from the General Partners. These conditions raise substantial doubt about the Partnership's ability to continue as a going concern. The Partnership's continued existence is dependent on its ability to negotiate satisfactory settlements with its lenders and to sell its facilities in an orderly fashion.

NOTE 5.

At September 30, 1996 and December 31, 1995, the Partnership included all of its remaining facilities in Property held for sale as the Partnership intends to dispose of its remaining facilities.

Champaign Opportunity House ("Champaign") and Village Inn Nursing Home ("Village Inn") were reclassed to Property Held for Sale in 1991. As discussed more fully in Note 6, Champaign was transferred in March 1995, in satisfaction of a note secured by the facility. The net book value of the Village Inn property at September 30, 1996, was $2,279,237.

During 1994, River Hills South and Plantation Care Center were reclassed from property and equipment to Property held for sale. The Partnership anticipates these properties will be disposed of during 1996 or 1997. The net book values of the properties at September 30, 1996, were $4,600,572 and $1,404,972 for River Hills South and Plantation Care Center, respectively.

NOTE 6.

On March 24, 1995, the Partnership transferred a deed in lieu of foreclosure to the holder of the note secured by a mortgage on Champaign. This note was recourse to the Partnership. The General Partner successfully negotiated the transfer of deed in full satisfaction of the note with the lender. The outstanding principal and accrued interest on the note satisfied by the transfer was $2,494,842. In connection with the transfer, the Partnership paid $61,882 in back property taxes on Champaign. The net book value of the property was $1,465,761. The Partnership recognized a net loss on the transfer of the property of $1,029,080 which was recognized in the first quarter ended March 31, 1995.

NOTE 7.

The Partnership continues not to make debt service payments on the mortgage note secured by Village Inn. Debt service payments on this note were ceased when this facility was closed prior to the acquisition of the Corporate General Partner by WelCare Acquisition Corp. on November 20, 1990. Village Inn has tax certificates of approximately $130,000 outstanding for accrued real estate taxes that may require redemption by the Partnership during 1996. The recourse note secured by Village Inn could have an adverse effect on the Partnership and its ability to continue as a going concern, should the holder of the note pursue its satisfaction.

The Partnership ceased debt service on its $1,250,000 note payable secured by a mortgage on Plantation Care Center ("Plantation"), during March 1995. This note accrues interest at 7% per annum.

The Partnership has agreed to sell Plantation to a third party purchaser and is in the process of closing the transaction. Under the agreement, the Partnership will pay $200,000 to the facility's lender for accrued interest and a reduction in the principal balance of the $1,250,000 note payable secured by the facility. As consideration, the purchaser will assume the facility's note payable. The Partnership anticipates that the sale will close before the end of 1996.

Note 8.

In August 1996, the Partnership received $200,000 in satisfaction of a contingent note receivable given by the purchaser of Brushwood Care Center ("Brushwood"), a facility sold by the Partnership in 1991. The amount paid on the note receivable was based on the facility's financial performance subsequent to the sale. A portion of the gain from the sale of Brushwood in 1991, $278,166, was deferred, as the sale was accounted for as an installment sale whereby profit recognition is based on the percentage of profit to the sales price and is recognized on total cash payments to total sales price. Upon collection of the contingent note receivable, the Partnership recognized the deferred gain in the third quarter ended September 30, 1996. Accordingly, the total gain recognized on the sale during the third quarter 1996 was $478,166.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

WelCare Acquisition Corp., an affiliate of WelCare International, Inc. ("WelCare"), acquired the stock of the Partnership's corporate general partner from Southmark Corporation on November 20, 1990. The results of operations for periods prior to November 20, 1990, occurred under the direction and management of Southmark affiliates and not under the direction and management of WelCare's affiliates.

Following the first full year of WelCare's affiliate's management of the affairs of the Partnership, the Limited Partners overwhelmingly elected WelCare Service Corporation-V, a wholly-owned subsidiary of WelCare Acquisition Corp., as Managing General Partner. On January 7, 1992, WelCare Service Corporation-V was admitted as Managing General Partner.

During the first quarter of 1995, the Partnership recognized a gain of $5,860,022 on the settlement of advances as all litigation issues have been resolved with Southmark. Prior to the settlement, Southmark and the Corporate General Partner of the Partnership each asserted their position with respect to operating advances made to the Partnership prior to 1990.

Plan of Operations

A majority in interest of the Partnership's Limited Partners approved a proposal, on October 18, 1994, which provides for the sale of all of the Partnership's remaining assets and the eventual dissolution of the Partnership, as outlined in a proxy statement dated September 28, 1994. Under the approved proposal, the Limited Partners consented for the Managing General Partner to attempt to sell or otherwise dispose of its remaining properties prior to

October 18, 1997. Upon the disposition of all of its assets, the approved proposal requires that the Managing General Partner dissolve the Partnership.

The Partnership will continue to operate Plantation Care Center ("Plantation") and River Hills South ("RHS") and plans to sell all of the Partnership's remaining facilities to prospective purchasers or negotiate a settlement with its lenders.

At September 30, 1996 and December 31, 1995, the Partnership classified its remaining facilities as Property held for sale in the accompanying balance sheets.

Results of Operations

Revenues:

Operating revenue showed an increase of $186,511 for the quarter ended September 30, 1996, as compared to the third quarter of the prior year. Most of this increase was due primarily to a higher patient census at Plantation as compared to the same period in the prior year. RHS experienced an increase in total revenue due in part to a slight increase in the facility's census and a favorable increase in the number of private residents as compared to the same period in the prior year.

Expenses:

Operating expenses showed a increase of $70,608 for the quarter ended September 30, 1996, compared to the same period of the prior year. Operating expenses at Plantation decreased as compared to the same period in the prior year, due primarily to success in controlling the facility's staffing costs. This decrease was offset by increased staffing and ancillary costs experienced by RHS due to an increase in the number of higher acuity patients as compared to the same period in the prior year.

Liquidity and Capital Resources

At September 30, 1996, the Partnership held cash and cash equivalents of $285,439, a decrease of $34,148 from December 31, 1995. Cash is being held in reserve for working capital, capital improvements, and operating contingencies.

On March 24, 1995, the General Partner negotiated the transfer of the Partnership's interest in Champaign to the holder of a recourse note that was secured by a mortgage on the facility. The Partnership paid $61,882 in back taxes in connection with this transfer and satisfied its obligation under the mortgage with the transfer. The remaining closed facility, Village Inn, has tax certificates of approximately $130,000 outstanding for accrued real estate taxes that may require redemption by the Partnership during 1996. The recourse note secured by Village Inn could have an adverse effect on the Partnership and its ability to continue as a going concern, should the holder of the note pursue its satisfaction.

Due to negative operating cash flow generated by Plantation, the Partnership ceased debt service on its $1,250,000 note payable secured by the facility during March 1995. Based on the current agreement to sell the facility, the Partnership will be able to satisfy the note receivable which is recourse to the Partnership. As discussed in Item 1, Note 7, the Partnership will have to pay approximately $200,000 to the lender. Funds for this debt reduction will have to come from cash reserves of the Partnership. Should the Partnership be unable to successfully close the current sale of the facility, the Partnership's ability to continue as a going concern could be adversely affected.

As of September 30, 1996, the Partnership was current on its monthly debt service payments related to its mortgage secured by RHS.

As of September 30, 1996, the Partnership was not obligated to perform any major capital additions or renovations. No such major capital expenditures or renovations are planned for the next 12 months, other than necessary repairs, maintenance and improvements which are expected to be funded by operations.

Significant changes have and will continue to be made in government reimbursement programs, and such changes could have a material impact on future reimbursement formulas. Based on information currently available, Management does not believe proposed legislation will have an adverse effect on the Partnership's operations. However, as health care reform is ongoing, the long-term effects of such changes cannot be accurately predicted at the present time.

The Partnership does not anticipate improved liquidity during the remainder of 1996, due to the continued negative operating results generated by Plantation, the anticipated $200,000 payment to Plantation's lender in conjunction with the sale of the facility, and the potential payment of tax certificates secured by Village Inn. Should the Partnership's cash reserves prove inadequate, the Partnership has no existing lines of credit to draw on or the ability to borrow against its other facilities.

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

None

(b) Reports on Form 8-K

None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CONSOLIDATED RESOURCES HEALTH CARE FUND V

By: WELCARE SERVICE CORPORATION - V
Managing General Partner

Date: November 14, 1996 By: /s/ J. Stephen Eaton
J. Stephen Eaton,
President

Date: November 14, 1996 By: /s/ Alan C. Dahl
Alan C. Dahl,
Vice President and Principal
Financial Officer

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THIS SCHEDULE CONTAINS UNAUDITED SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE SEPTEMBER 30, 1996 10-Q AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH 10-Q.
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