

PRESBYTERIAN SENIOR LIVING

Consolidated Statements of Financial Position

June 30, 2019 and December 31, 2018

Assets	June 30, 2019	December 31, 2018
Cash and cash equivalents	\$ 7,850,583	3,759,797
Investments	74,784,046	73,861,688
Restricted deposits and funded reserves	25,766,200	28,518,903
Accounts receivable, net	18,184,330	20,305,572
Prepaid expenses and other current assets	4,896,167	3,949,379
Assets whose use is limited	7,224,422	8,936,613
Assets whose use is limited, construction funds held by trustee	21,824,107	25,737,965
Promises to give, net	484,063	380,613
Assets held for sale	—	10,000
Property and equipment (net of accumulated depreciation of \$371,060,812 and \$357,692,916 respectively)	515,008,326	516,896,332
Assets under capital leases (net of accumulated amortization of \$2,054,086 and \$1,835,502, respectively)	1,007,746	896,630
Assets under operating leases	5,926,752	6,330,273
Goodwill	3,551,908	3,551,908
Assets held in trust by others	18,345,296	17,388,344
Other assets	637,671	672,031
Total assets	<u>\$ 705,491,618</u>	<u>711,196,048</u>

PRESBYTERIAN SENIOR LIVING

Consolidated Statements of Operations and Changes in Net Assets

Quarters ended June 30, 2019 and year ended December 31, 2018

	June 30, 2019	December 31, 2018
Revenues and other support:		
Resident services	111,986,544	220,991,751
Amortization of entrance fees	8,438,295	17,963,456
Implicit price concession	(1,122,940)	(2,575,991)
Total resident services	<u>119,301,899</u>	<u>236,379,216</u>
Sales of other services and materials	124,516	354,867
Net rental income and developers fees	266,243	493,157
Contributions, grants, gifts and bequests	386,043	904,182
Net assets released from restrictions	<u>436,116</u>	<u>1,002,817</u>
Revenues and other support	120,514,818	239,134,239
Cost of services provided:		
Nursing services	30,363,445	60,361,669
Rehabilitation	8,527,929	17,680,682
Recreation and special services	3,185,481	6,293,347
Pharmacy	1,781,624	3,475,633
Social services	830,630	1,626,183
Physician services	436,817	753,900
Food services	12,759,479	25,185,820
Building operations and maintenance	17,254,606	33,621,437
Housekeeping	2,053,637	4,179,006
Laundry and linen	628,362	1,189,883
General and administrative	16,130,568	35,196,233
Employee benefits	6,544,783	11,682,369
Interest	4,943,272	9,600,983
Depreciation	14,107,142	27,382,443
Amortization	41,407	95,069
Fundraising	<u>345,590</u>	<u>556,180</u>
Total cost of services provided	<u>119,934,772</u>	<u>238,880,837</u>
Excess of revenues and other support over expenses	580,046	253,402
Other income (expenses):		
Investment income, net of investment expense	951,905	2,581,386
Realized gain (loss) on investments	2,397	(2,861,915)
Unrealized gain on investments	4,011,326	1,290,869
Gain (loss) on sale of property and equipment and other assets	<u>99,555</u>	<u>(21,665)</u>
Total other income	5,065,184	988,675
Excess of operating revenues, gains and other support over expenses	5,645,230	1,242,077
Equity received from tax credit limited partner	1,236,965	5,371,843
Change in fair value of interest rate swap	-	5,950
Loss on early extinguishment of debt	-	(122,288)
Loss on impairment of asset	<u>-</u>	<u>(384,945)</u>
Change in net assets without donor restrictions	6,882,195	6,112,637

PRESBYTERIAN SENIOR LIVING

Consolidated Statements of Operations and Changes in Net Assets

Quarters ended June 30, 2019 and year ended December 31, 2018

	June 30, 2019	December 31, 2018
With donor restrictions		
Contributions, gifts and bequests	753,256	931,511
Interest and dividend income	55,757	154,709
Unrealized gain (loss) on investments	1,045,983	(1,692,125)
Net assets released from restrictions	<u>(436,116)</u>	<u>(1,002,817)</u>
Change in net assets with donor restrictions	1,418,880	(1,608,722)
Change in net assets	8,301,075	4,503,915
Net assets, beginning of year	<u>203,130,308</u>	<u>198,626,393</u>
Net assets, end of year	<u>\$ 211,431,383</u>	<u>203,130,308</u>

PRESBYTERIAN SENIOR LIVING

Consolidated Statements of Cash Flows

Quarters ended June 30, 2019 and year ended December 31, 2018

	<u>June 30,</u> <u>2019</u>	<u>December 31,</u> <u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ 8,301,075	4,503,915
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	14,107,142	27,382,443
Bad debt write-offs	947,083	3,269,081
Proceeds non-refundable from entrance fees and deposits	13,132,806	29,952,254
Amortization of entrance fees	(8,438,295)	(17,963,456)
Loss on early extinguishment of debt	-	122,288
Change in fair value of interest rate swaps	-	(5,950)
Unrealized (gain) loss on investments and change in fair value of funds held in trust by others	(5,057,309)	401,256
Realized loss (gain) on investments	(2,397)	2,861,915
Realized (gain) loss on sale of property and equipment and other assets	(99,555)	21,665
Contributions restricted for long-term purposes	(7,000)	(156,494)
Amortization of other deferred costs	40,414	95,069
Amortization of deferred financing costs	116,868	231,173
Amortization of bond premium	(13,381)	(17,030)
Loss on impairment of asset	-	384,945
Change in deferred energy costs	(31,176)	(62,352)
Repayments on operating leases	(403,521)	-
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	1,685,014	(825,195)
(Increase) decrease in entrance fee receivable	(510,855)	2,323,194
Increase in pledges receivable	(103,450)	(15,710)
Increase in other assets	(952,844)	(234,893)
(Decrease) increase in accounts payable	(4,179,435)	2,327,208
Decrease in accrued expenses	(524,410)	(575,962)
Net cash provided by operating activities	<u>18,006,776</u>	<u>54,019,364</u>
Cash flows from investing activities:		
Acquisition of property and equipment, net of disposals	(11,419,493)	(34,679,773)
Net sales of investments	<u>11,559,147</u>	<u>18,087,476</u>
Net cash provided by (used in) investing activities	139,654	(16,592,297)
Cash flows from financing activities:		
Refunds of entrance fees and deposits	(3,472,698)	(7,690,772)
Change in entrance fee payable	(261,008)	(2,428,994)
Principal payments on and redemptions of long-term debt	(7,395,365)	(14,592,453)
Proceeds from issuance of long-term debt	141,062	41,765,620
Refunding, refinancing, or payoff of long-term debt	-	(13,284,591)
Redemption of treasury stock	-	6,197,712
Financing costs incurred	(27,164)	(401,839)
Net repayments on lines of credit	(2,693,976)	(1,364,226)
Borrowings through capital leases	259,465	898,069
Repayments on capital leases	(211,958)	(257,421)
Borrowings through operating leases	5,838	-
Contributions restricted for long-term purposes	7,000	156,494
Decrease in annuities payable	(3,320)	(110,640)
Net cash (used in) provided by financing activities	<u>(13,652,124)</u>	<u>8,886,959</u>
Net increase in cash and cash equivalents	4,494,306	46,314,026
Cash, cash equivalents, and restricted cash, beginning of year		
Unrestricted	7,285,644	6,982,469
Restricted	<u>65,090,211</u>	<u>19,079,360</u>
	72,375,855	26,061,829
Cash, cash equivalents and restricted cash, end of year		
Unrestricted	7,850,583	7,285,644
Restricted	<u>69,019,578</u>	<u>65,090,211</u>
	<u>\$ 76,870,160</u>	<u>72,375,855</u>