

PRESBYTERIAN SENIOR LIVING

Consolidated Statements of Financial Position

June 30, 2020 and December 31, 2019

Assets	June 30, 2020	December 31, 2019
Cash and cash equivalents	\$ 7,616,513	14,558,254
Investments	73,364,232	75,301,655
Restricted deposits and funded reserves	26,851,066	26,607,189
Accounts receivable, net	13,456,151	17,998,912
Prepaid expenses and other current assets	7,456,472	4,748,457
Assets whose use is limited	18,443,599	7,320,425
Assets whose use is limited, construction funds held by trustee	15,605,066	17,324,107
Promises to give, net	384,202	370,041
Assets held for sale	5,728,865	5,719,230
Property and equipment (net of accumulated depreciation of \$399,828,328 and \$385,795,962 respectively)	532,980,724	519,512,846
Assets under financing leases (net of accumulated amortization of \$1,185,741 and \$973,423, respectively)	1,428,707	1,255,293
Assets under operating leases	3,309,695	3,470,358
Goodwill	2,899,340	3,097,807
Assets held in trust by others	17,999,468	19,321,793
Other assets	666,670	2,082,772
Total assets	\$ <u>728,190,769</u>	<u>718,689,139</u>

PRESBYTERIAN SENIOR LIVING

Consolidated Statements of Financial Position

June 30, 2020 and December 31, 2019

Liabilities and Net Assets	June 30, 2020	December 31, 2019
	<u> </u>	<u> </u>
Accounts payable	\$ 11,092,783	13,150,627
Accrued expenses	21,198,324	20,052,369
Lines of credit	2,564,200	20,198,790
Accrued interest	1,648,026	1,877,895
Resident deposits	5,162,662	3,154,014
Entrance fee payable	25,029,763	25,628,166
Deferred revenue - entrance fees	111,145,201	114,311,832
Deferred revenue - other	8,194,533	-
Deferred energy costs	984,601	1,015,777
Annuities payable	1,067,776	1,078,765
Obligations on operating leases	3,309,695	3,470,358
Obligations on capital leases	1,463,091	1,274,185
Long-term debt - senior living	273,278,835	263,086,850
Long-term debt - low income housing	43,446,628	37,043,633
	<u>509,586,119</u>	<u>505,343,261</u>
Total liabilities		
Net assets:		
Without donor restriction (including tax credit equity of \$63,667,147 and \$61,405,216, respectively)	191,378,865	185,269,469
With donor restriction	27,225,786	28,076,409
	<u>218,604,650</u>	<u>213,345,878</u>
Total net assets		
	<u>\$ 728,190,769</u>	<u>718,689,139</u>
Total liabilities and net assets		

PRESBYTERIAN SENIOR LIVING

Consolidated Statements of Operations and Changes in Net Assets

Quarters ended June 30, 2020 and year ended December 31, 2019

	June 30, 2020	December 31, 2019
Revenues and other support:		
Resident services	108,680,935	225,643,302
Amortization of entrance fees	8,970,559	18,164,508
Implicit price concession	<u>(1,223,695)</u>	<u>(2,235,673)</u>
Total resident services	116,427,800	241,572,137
Sales of other services and materials	135,252	260,120
Net rental income and developers fees	540,431	707,793
Contributions, grants, gifts and bequests	1,021,038	646,095
Government stimulus	5,967,812	-
Net assets released from restrictions	<u>161,569</u>	<u>1,265,918</u>
Revenues and other support	124,253,902	244,452,063
Cost of services provided:		
Nursing services	31,931,984	61,993,416
Rehabilitation	7,631,991	16,825,525
Recreation and special services	2,459,536	6,522,813
Pharmacy	1,560,007	3,455,897
Social services	821,157	1,688,939
Physician services	377,510	754,176
Food services	12,998,414	25,958,211
Building operations and maintenance	17,696,072	34,678,581
Housekeeping	2,196,642	4,244,349
Laundry and linen	666,876	1,336,190
General and administrative	22,233,479	33,946,633
Employee benefits	6,565,740	14,479,462
Interest	4,183,607	9,685,825
Depreciation	14,590,510	28,706,696
Amortization	237,796	534,709
Fundraising	<u>479,262</u>	<u>951,268</u>
Total cost of services provided	<u>126,630,584</u>	<u>245,762,690</u>
Deficit of revenues and other support over expenses	(2,376,682)	(1,310,627)
Other (expenses) income:		
Investment income, net of investment expense	974,945	2,406,333
Realized (loss) gain on investments	(82,198)	2,004,623
Unrealized (loss) gain on investments	(3,528,355)	4,667,428
Gain on sale of property and equipment and other assets	<u>8,000</u>	<u>110,983</u>
Total other (expense) income	(2,627,607)	9,189,367
(Deficit) excess of operating revenues, gains and other support over expenses	(5,004,289)	7,878,740
Equity (paid to) received from tax credit limited partner	(299,207)	849,765
Loss on early extinguishment of debt	(75,093)	(165,422)
Loan forgiveness	11,487,982	-
Loss on impairment of asset	<u>-</u>	<u>(872,013)</u>
Change in net assets without donor restrictions	6,109,393	7,691,070

PRESBYTERIAN SENIOR LIVING

Consolidated Statements of Operations and Changes in Net Assets

Quarters ended June 30, 2020 and year ended December 31, 2019

	June 30, 2020	December 31, 2019
With donor restrictions		
Contributions, gifts and bequests	587,942	1,387,401
Interest and dividend income	88,091	169,594
Unrealized (loss) gain on investments	(1,365,087)	2,233,423
Net assets released from restrictions	<u>(161,569)</u>	<u>(1,265,918)</u>
Change in net assets with donor restrictions	(850,622)	2,524,500
 Change in net assets	 5,258,771	 10,215,570
 Net assets, beginning of year	 <u>213,345,879</u>	 <u>203,130,308</u>
Net assets, end of year	<u>\$ 218,604,650</u>	<u>213,345,878</u>

PRESBYTERIAN SENIOR LIVING

Consolidated Statements of Cash Flows

Quarters ended June 30, 2020 and year ended December 31, 2019

	<u>June 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ 5,258,771	10,215,570
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	14,590,510	28,706,696
Provision for implicit price concession	2,278,713	1,971,479
Proceeds non-refundable from entrance fees and deposits	9,937,712	29,040,745
Amortization of entrance fees	(8,970,559)	(18,164,508)
Loan forgiveness	(11,487,982)	-
Loss on early extinguishment of debt	75,093	165,422
Unrealized loss (gain) on investments and change in fair value of funds held in trust by others	4,893,441	(6,900,851)
Realized loss (gain) on investments	82,198	(2,004,623)
Realized gain on sale of property and equipment and other assets	(8,000)	(110,983)
Contributions restricted for long-term purposes	(9,786)	(59,112)
Amortization of other deferred costs	38,336	80,608
Amortization of deferred financing costs	96,903	233,946
Amortization of bond premium	(13,381)	(26,761)
Amortization of goodwill	198,467	454,101
Loss on impairment of asset	-	872,013
Change in deferred energy costs	(31,176)	(62,352)
Changes in assets and liabilities:		
Decrease in accounts receivable	1,306,954	997,104
Decrease (increase) in entrance fee receivable	957,094	(661,923)
(Increase) decrease in pledges receivable	(14,161)	10,572
Increase in other assets	(1,330,249)	(2,290,427)
(Decrease) increase in accounts payable	(2,057,844)	1,739,873
Increase in accrued expenses	9,110,619	3,484,197
Net cash provided by operating activities	<u>24,901,672</u>	<u>47,690,786</u>
Cash flows from investing activities:		
Acquisition of property and equipment, net of disposals	(28,233,437)	(38,152,133)
Net proceeds from purchase of investments	<u>(13,295,656)</u>	<u>(19,054,257)</u>
Net cash used in investing activities	(41,529,093)	(57,206,390)
Cash flows from financing activities:		
Refunds of entrance fees and deposits	(2,125,135)	(6,794,439)
Change in entrance fee payable	(598,403)	(660,229)
Principal payments on and redemptions of long-term debt	(6,738,448)	(14,359,215)
Proceeds from issuance of long-term debt	38,267,625	19,518,074
Refunding, refinancing, or payoff of long-term debt	(3,430,000)	(14,882,520)
Proceeds from sale of treasury bonds	-	50,000
Financing costs incurred	(175,093)	(132,907)
(Payments) borrowings on lines of credit	(17,634,590)	679,992
Borrowings through finance leases	524,412	760,342
Repayments on finance leases	(335,507)	(460,122)
Contributions restricted for long-term purposes	9,786	59,112
(Decrease) increase in annuities payable	(10,988)	7,898
Net cash provided by (used in) financing activities	<u>7,753,660</u>	<u>(16,214,014)</u>
Net decrease in cash and cash equivalents	(8,873,762)	(25,729,618)
Cash, cash equivalents, and restricted cash, beginning of year		
Unrestricted	16,490,275	7,285,644
Restricted	<u>30,155,962</u>	<u>65,090,211</u>
	46,646,237	72,375,855
Cash, cash equivalents and restricted cash, end of year		
Unrestricted	7,616,513	16,490,275
Restricted	<u>30,155,962</u>	<u>30,155,962</u>
	<u>\$ 37,772,475</u>	<u>46,646,237</u>