

PRESBYTERIAN SENIOR LIVING

Consolidated Statements of Financial Position

March 31, 2019 and December 31, 2018

Assets	March 31, 2019	December 31, 2018
Cash and cash equivalents	\$ 3,576,443	3,759,797
Investments	76,212,306	73,861,688
Restricted deposits and funded reserves	25,259,082	28,518,903
Accounts receivable, net	20,266,525	20,305,572
Prepaid expenses and other current assets	5,406,743	3,949,379
Assets whose use is limited	7,404,511	8,936,613
Assets whose use is limited, construction funds held by trustee	23,802,499	25,737,965
Promises to give, net	504,255	380,613
Assets held for sale	9,000	10,000
Property and equipment (net of accumulated depreciation of \$364,264,056 and \$357,692,916 respectively)	513,782,039	516,896,332
Assets under capital leases (net of accumulated amortization of \$1,942,595 and \$1,835,502, respectively)	1,016,134	896,630
Assets under operating leases	6,126,299	6,312,973
Goodwill	3,551,908	3,551,908
Assets held in trust by others	17,877,806	17,388,344
Other assets	658,684	672,031
Total assets	\$ <u>705,454,234</u>	<u>711,178,748</u>

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March 31, 2019 and December 31, 2018

Liabilities and Net Assets	March 31, 2019	December 31, 2018
Accounts payable	\$ 6,848,803	11,410,754
Accrued expenses	15,316,821	16,748,161
Lines of credit	17,486,189	19,518,798
Accrued interest	2,082,536	1,697,906
Resident deposits	2,608,167	2,399,472
Entrance fee payable	26,681,414	26,288,395
Deferred revenue - entrance fees	111,739,266	110,984,576
Deferred energy costs	1,062,541	1,078,129
Annuities payable	1,033,917	1,070,867
Obligations on capital leases	1,026,787	973,965
Obligations on operating leases	6,126,299	6,312,973
Long-term debt - senior living	272,758,936	276,971,925
Long-term debt - low income housing	32,633,507	32,592,519
Total liabilities	<u>497,405,183</u>	<u>508,048,440</u>
Net assets:		
Without donor restriction (including tax credit equity of \$62,156,994 and \$64,943,572, respectively)	181,772,797	177,578,399
With donor restriction	26,276,254	25,551,909
Total net assets	<u>208,049,051</u>	<u>203,130,308</u>
Total liabilities and net assets	<u>\$ 705,454,234</u>	<u>711,178,748</u>

PRESBYTERIAN SENIOR LIVING

Consolidated Statements of Operations and Changes in Net Assets

Quarter ended March 31, 2019 and year ended December 31, 2018

	March 31, 2019	December 31, 2018
Revenues and other support:		
Resident services	55,592,912	222,320,742
Amortization of entrance fees	4,421,344	17,963,456
Implicit price concession	(293,947)	(1,328,991)
Total resident services	<u>59,720,309</u>	<u>238,955,207</u>
Sales of other services and materials	60,057	354,867
Net rental income and developers fees	22,885	493,157
Contributions, grants, gifts and bequests	171,572	904,182
Net assets released from restrictions	<u>400,076</u>	<u>1,002,817</u>
Revenues and other support	60,374,900	241,710,230
Cost of services provided:		
Nursing services	14,944,877	60,361,669
Rehabilitation	4,268,887	17,680,682
Recreation and special services	1,567,493	6,293,347
Pharmacy	869,945	3,475,633
Social services	398,630	1,626,183
Physician services	188,969	753,900
Food services	6,341,865	25,185,820
Building operations and maintenance	9,032,312	33,621,437
Housekeeping	999,758	4,179,006
Laundry and linen	318,376	1,189,883
General and administrative	7,868,409	37,772,224
Employee benefits	3,346,714	11,682,369
Interest	2,487,942	9,600,983
Depreciation	7,043,239	27,382,443
Amortization	21,037	95,069
Fundraising	<u>177,932</u>	<u>556,180</u>
Total cost of services provided	<u>59,876,386</u>	<u>241,456,828</u>
Excess of revenues and other support over expenses	498,514	253,402
Other income (expenses):		
Investment income, net of investment expense	446,777	2,581,386
Realized loss on investments	(143,244)	(2,861,915)
Unrealized gain on investments	3,088,827	1,290,869
Gain (loss) on sale of property and equipment and other assets	<u>90,205</u>	<u>(21,665)</u>
Total other income	3,482,565	988,675
Excess of operating revenues, gains and other support over expenses	3,981,079	1,242,077
Equity received from tax credit limited partner	213,319	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	4,194,398	6,112,637

PRESBYTERIAN SENIOR LIVING

Consolidated Statements of Operations and Changes in Net Assets

Quarter ended March 31, 2019 and year ended December 31, 2018

	March 31, 2019	December 31, 2018
With donor restrictions		
Contributions, gifts and bequests	372,804	931,511
Interest and dividend income	36,297	154,709
Unrealized gain (loss) on investments	715,322	(1,692,125)
Net assets released from restrictions	<u>(400,076)</u>	<u>(1,002,817)</u>
Change in net assets with donor restrictions	724,346	(1,608,722)
 Change in net assets	 4,918,743	 4,503,915
 Net assets, beginning of year	 <u>203,130,308</u>	 <u>198,626,393</u>
Net assets, end of year	<u>\$ 208,049,051</u>	<u>203,130,308</u>

PRESBYTERIAN SENIOR LIVING

Consolidated Statements of Cash Flows

Quarter ended March 31, 2019 and year ended December 31, 2018

	<u>March 31,</u> <u>2019</u>	<u>December 31,</u> <u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ 4,918,743	4,503,915
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	7,043,239	27,382,443
Bad debt write-offs	528,825	3,269,081
Proceeds non-refundable from entrance fees and deposits	6,697,896	29,952,254
Amortization of entrance fees	(4,421,344)	(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	(3,804,149)	401,256
Realized loss on investments	143,244	2,861,915
Realized (gain) loss on sale of property and equipment and other assets	(90,205)	21,665
Contributions restricted for long-term purposes	(7,000)	(156,494)
Amortization of other deferred costs	69,996	95,069
Amortization of deferred financing costs	9,181	231,173
Amortization of bond premium	(6,690)	(17,030)
Loss on impairment of asset	-	384,945
Change in deferred energy costs	(15,588)	(62,352)
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	18,968	(825,195)
(Increase) decrease in entrance fee receivable	(508,745)	2,323,194
Increase in pledges receivable	(123,642)	(15,710)
Increase in other assets	(1,464,971)	(234,893)
(Decrease) increase in accounts payable	(4,561,951)	2,327,208
Decrease in accrued expenses	(1,046,710)	(575,962)
Net cash provided by operating activities	<u>3,379,095</u>	<u>54,019,364</u>
Cash flows from investing activities:		
Acquisition of property and equipment, net of disposals	(3,679,477)	(34,679,773)
Net (purchases) sales of investments	<u>(10,039,317)</u>	<u>18,087,476</u>
Net cash used in investing activities	(13,718,795)	(16,592,297)
Cash flows from financing activities:		
Refunds of entrance fees and deposits	(1,313,166)	(7,690,772)
Change in entrance fee payable	393,019	(2,428,994)
Principal payments on and redemptions of long-term debt	(4,118,150)	(14,592,453)
Proceeds from issuance of long-term debt	95,674	41,765,620
Refunding, refinancing, or payoff of long-term debt	-	(13,284,591)
Redemption of treasury stock	-	6,197,712
Financing costs incurred	(66,281)	(401,839)
Net repayments on lines of credit	(2,032,609)	(1,364,226)
Borrowings through capital leases	155,329	898,069
Repayments on capital leases	(102,508)	(257,421)
Borrowings through operating leases	5,676	-
Repayments on operating leases	(189,879)	-
Contributions restricted for long-term purposes	7,000	156,494
Decrease in annuities payable	<u>(36,950)</u>	<u>(110,640)</u>
Net cash (used in) provided by financing activities	<u>(7,202,844)</u>	<u>8,886,959</u>
Net (decrease) increase in cash and cash equivalents	(17,542,543)	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	3,576,443	7,285,644
Restricted	<u>51,256,869</u>	<u>65,090,211</u>
	<u>\$ 54,833,312</u>	<u>72,375,855</u>