

PRESBYTERIAN SENIOR LIVING

Consolidated Statements of Financial Position

March 31, 2020 and December 31, 2019

Assets	March 31, 2020	December 31, 2019
Cash and cash equivalents	\$ 14,760,404	14,558,254
Investments	68,374,903	75,301,655
Restricted deposits and funded reserves	25,990,815	26,607,189
Accounts receivable, net	16,181,904	17,998,912
Prepaid expenses and other current assets	5,286,854	4,748,457
Assets whose use is limited	7,414,430	7,320,425
Assets whose use is limited, construction funds held by trustee	11,612,317	17,324,107
Promises to give, net	397,936	370,041
Assets held for sale	5,719,230	5,719,230
Property and equipment (net of accumulated depreciation of \$392,798,264 and \$385,795,962 respectively)	522,273,617	519,512,846
Assets under financing leases (net of accumulated amortization of \$1,038,373 and \$2,171,792, respectively)	1,359,830	1,255,293
Assets under operating leases	3,386,016	3,470,358
Goodwill	2,984,281	3,097,807
Assets held in trust by others	16,822,274	19,321,793
Other assets	568,044	2,082,772
Total assets	\$ <u>703,132,857</u>	<u>718,689,139</u>

PRESBYTERIAN SENIOR LIVING

Consolidated Statements of Financial Position

March 31, 2020 and December 31, 2019

Liabilities and Net Assets	March 31, 2020	December 31, 2019
Accounts payable	\$ 10,636,726	13,150,627
Accrued expenses	16,488,647	20,052,369
Lines of credit	21,470,798	20,198,790
Accrued interest	1,956,857	1,877,895
Resident deposits	5,756,128	3,154,014
Entrance fee payable	25,468,812	25,628,166
Deferred revenue - entrance fees	112,488,211	114,311,832
Deferred energy costs	1,000,189	1,015,777
Annuities payable	1,029,777	1,078,765
Obligations on operating leases	3,386,016	3,470,358
Obligations on capital leases	1,388,075	1,274,185
Long-term debt - senior living	259,931,962	263,086,850
Long-term debt - low income housing	38,676,392	37,043,633
Total liabilities	499,678,590	505,343,261
Net assets:		
Without donor restriction (including tax credit equity of \$63,667,147 and \$61,405,216, respectively)	177,720,156	185,269,469
With donor restriction	25,734,112	28,076,409
Total net assets	203,454,268	213,345,878
Total liabilities and net assets	\$ 703,132,857	718,689,139

PRESBYTERIAN SENIOR LIVING

Consolidated Statements of Operations and Changes in Net Assets

Quarter ended March 31, 2020 and year ended December 31, 2019

	March 31, 2020	December 31, 2019
Revenues and other support:		
Resident services	57,298,296	225,643,302
Amortization of entrance fees	4,782,445	18,164,508
Implicit price concession	(520,250)	(2,235,673)
Total resident services	<u>61,560,491</u>	<u>241,572,137</u>
Sales of other services and materials	52,439	260,120
Net rental income and developers fees	251,838	707,793
Contributions, grants, gifts and bequests	844,288	646,095
Net assets released from restrictions	<u>109,707</u>	<u>1,265,918</u>
Revenues and other support	62,818,762	244,452,063
Cost of services provided:		
Nursing services	15,977,889	61,993,416
Rehabilitation	3,916,070	16,825,525
Recreation and special services	1,655,613	6,522,813
Pharmacy	952,326	3,455,897
Social services	406,738	1,688,939
Physician services	189,791	754,176
Food services	6,628,409	25,958,211
Building operations and maintenance	8,904,538	34,678,581
Housekeeping	1,125,747	4,244,349
Laundry and linen	347,680	1,336,190
General and administrative	8,359,106	33,946,633
Employee benefits	3,145,552	14,479,462
Interest	2,199,114	9,685,825
Depreciation	7,276,929	28,706,696
Amortization	133,190	534,709
Fundraising	<u>275,200</u>	<u>951,268</u>
Total cost of services provided	<u>61,493,892</u>	<u>245,762,690</u>
Excess of revenues and other support over expenses	1,324,870	(1,310,627)
Other (expenses) income:		
Investment income, net of investment expense	484,248	2,406,333
Realized (loss) gain on investments	(28,084)	2,004,623
Unrealized (loss) gain on investments	(9,293,669)	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	(8,829,505)	9,189,367
(Deficit) excess of operating revenues, gains and other support over expenses	(7,504,635)	7,878,740
Equity received from tax credit limited partner	(44,677)	849,765
Loss on early extinguishment of debt	-	(165,422)
Loss on impairment of asset	<u>-</u>	<u>(872,013)</u>
Change in net assets without donor restrictions	(7,549,312)	7,691,070

PRESBYTERIAN SENIOR LIVING

Consolidated Statements of Operations and Changes in Net Assets

Quarter ended March 31, 2020 and year ended December 31, 2019

	March 31, 2020	December 31, 2019
	<u> </u>	<u> </u>
With donor restrictions		
Contributions, gifts and bequests	223,250	1,387,401
Interest and dividend income	43,938	169,594
Unrealized (loss) gain on investments	(2,499,776)	2,233,423
Net assets released from restrictions	<u>(109,709)</u>	<u>(1,265,918)</u>
Change in net assets with donor restrictions	(2,342,297)	2,524,500
Change in net assets	(9,891,609)	10,215,570
Net assets, beginning of year	<u>213,345,877</u>	<u>203,130,308</u>
Net assets, end of year	<u>\$ 203,454,268</u>	<u>213,345,878</u>

PRESBYTERIAN SENIOR LIVING

Consolidated Statements of Cash Flows

Quarter ended March 31, 2020 and year ended December 31, 2019

	<u>March 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ (9,891,609)	10,215,570
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	7,276,929	28,706,696
Provision for implicit price concession	893,389	1,971,479
Proceeds non-refundable from entrance fees and deposits	6,909,945	29,040,745
Amortization of entrance fees	(4,782,445)	(18,164,508)
Loss on early extinguishment of debt	-	165,422
Unrealized loss (gain) on investments and change in fair value of funds held in trust by others	11,793,445	(6,900,851)
Realized loss (gain) on investments	28,084	(2,004,623)
Realized gain on sale of property and equipment and other assets	(8,000)	(110,983)
Contributions restricted for long-term purposes	(2,490)	(59,112)
Amortization of other deferred costs	19,168	80,608
Amortization of deferred financing costs	48,565	233,946
Amortization of bond premium	(6,690)	(26,761)
Amortization of goodwill	113,525	454,101
Loss on impairment of asset	-	872,013
Change in deferred energy costs	(15,588)	(62,352)
Changes in assets and liabilities:		
Decrease in accounts receivable	531,453	997,104
Decrease (increase) in entrance fee receivable	392,166	(661,923)
(Increase) decrease in pledges receivable	(27,895)	10,572
Decrease (increase) in other assets	957,164	(2,290,427)
(Decrease) increase in accounts payable	(2,513,899)	1,739,873
(Decrease) increase in accrued expenses	(3,484,760)	3,484,197
Net cash provided by operating activities	<u>8,230,456</u>	<u>47,690,786</u>
Cash flows from investing activities:		
Acquisition of property and equipment, net of disposals	(10,134,238)	(38,152,133)
Net proceeds (purchases) of investments	<u>1,907,110</u>	<u>(19,054,257)</u>
Net cash used in investing activities	(8,227,128)	(57,206,390)
Cash flows from financing activities:		
Refunds of entrance fees and deposits	(1,349,009)	(6,794,439)
Change in entrance fee payable	(159,354)	(660,229)
Principal payments on and redemptions of long-term debt	(3,422,336)	(14,359,215)
Proceeds from issuance of long-term debt	1,870,119	19,518,074
Refunding, refinancing, or payoff of long-term debt	-	(14,882,520)
Proceeds from sale of treasury bonds	-	50,000
Financing costs incurred	-	(132,907)
Net borrowings on lines of credit	1,272,008	679,992
Borrowings through finance leases	298,509	760,342
Repayments on finance leases	(184,619)	(460,122)
Contributions restricted for long-term purposes	2,490	59,112
(Decrease) increase in annuities payable	(48,988)	7,898
Net cash used in financing activities	<u>(1,721,180)</u>	<u>(16,214,014)</u>
Net increase in cash and cash equivalents	(1,717,852)	(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	14,760,404	16,490,275
Restricted	<u>30,155,962</u>	<u>30,155,962</u>
	<u>\$ 44,916,366</u>	<u>46,646,237</u>