

PRESBYTERIAN SENIOR LIVING

Consolidated Statements of Financial Position

September 30, 2020 and December 31, 2019

Assets	September 30, 2020	December 31, 2019
Cash and cash equivalents	\$ 17,464,264	14,558,254
Investments	80,056,398	75,301,655
Restricted deposits and funded reserves	28,040,728	26,607,189
Accounts receivable, net	12,908,609	17,998,912
Prepaid expenses and other current assets	7,290,846	4,748,457
Assets whose use is limited	18,722,753	7,320,425
Assets whose use is limited, construction funds held by trustee	8,308,876	17,324,107
Promises to give, net	380,724	370,041
Assets held for sale	4,450,618	5,719,230
Property and equipment (net of accumulated depreciation of \$343,719,860 and \$385,795,962 respectively)	538,820,075	519,512,846
Assets under financing leases (net of accumulated amortization of \$1,182,933 and \$973,423, respectively)	1,493,734	1,255,293
Assets under operating leases	3,225,973	3,470,358
Goodwill	2,814,398	3,097,807
Assets held in trust by others	18,759,483	19,321,793
Other assets	677,952	2,082,772
Total assets	\$ <u>743,415,432</u>	<u>718,689,139</u>

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Consolidated Statements of Financial Position

September 30, 2020 and December 31, 2019

Liabilities and Net Assets	September 30, 2020	December 31, 2019
Accounts payable	\$ 18,645,898	13,150,627
Accrued expenses	20,788,309	20,052,369
Lines of credit	15,628,606	20,198,790
Accrued interest	1,796,166	1,877,895
Resident deposits	6,294,760	3,154,014
Entrance fee payable	24,116,182	25,628,166
Deferred revenue - entrance fees	110,802,758	114,311,832
Deferred revenue - other	2,860,467	—
Deferred energy costs	969,013	1,015,777
Annuities payable	1,040,507	1,078,765
Obligations on operating leases	3,225,973	3,470,358
Obligations on capital leases	1,528,209	1,274,185
Long-term debt - senior living	274,288,900	263,086,850
Long-term debt - low income housing	43,842,564	37,043,633
Total liabilities	<u>525,828,313</u>	<u>505,343,261</u>
Net assets:		
Without donor restriction (including tax credit equity of \$63,677,147 and \$61,405,216, respectively)	189,371,073	185,269,469
With donor restriction	28,216,046	28,076,409
Total net assets	<u>217,587,119</u>	<u>213,345,878</u>
Total liabilities and net assets	<u>\$ 743,415,432</u>	<u>718,689,139</u>

PRESBYTERIAN SENIOR LIVING

Consolidated Statements of Operations and Changes in Net Assets

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

	September 30, 2020	December 31, 2019
Revenues and other support:		
Resident services	159,667,930	225,643,302
Amortization of entrance fees	13,568,592	18,164,508
Implicit price concession	<u>(2,060,623)</u>	<u>(2,235,673)</u>
Total resident services	171,175,898	241,572,137
Sales of other services and materials	181,438	260,120
Net rental income and developers fees	595,679	707,793
Contributions, grants, gifts and bequests	1,169,046	646,095
Government stimulus funding	9,223,804	-
Net assets released from restriction-Paycheck Protection grant	11,655,000	-
Net assets released from restrictions	<u>214,790</u>	<u>1,265,918</u>
Revenues and other support	194,215,654	244,452,063
Cost of services provided:		
Nursing services	47,065,535	61,993,416
Rehabilitation	11,384,815	16,825,525
Recreation and special services	3,593,338	6,522,813
Pharmacy	2,302,479	3,455,897
Social services	1,251,911	1,688,939
Physician services	566,569	754,176
Food services	19,296,957	25,958,211
Building operations and maintenance	26,745,452	34,678,581
Housekeeping	3,226,573	4,244,349
Laundry and linen	987,733	1,336,190
General and administrative	25,459,422	33,946,633
Employee benefits	10,379,596	14,479,462
Interest	6,253,527	9,685,825
Depreciation	21,961,313	28,706,696
Amortization	348,248	534,709
Fundraising	<u>718,911</u>	<u>951,268</u>
Total cost of services provided	181,542,379	245,762,690
Excess (deficit) of revenues and other support over expenses	12,673,275	(1,310,627)
Other (expense) income:		
Investment income, net of investment expense	1,344,147	2,406,333
Realized gain on investments	3,686,285	2,004,623
Unusual non-recurring expenses - COVID-19	(11,196,573)	-
Unrealized (loss) gain on investments	(2,853,762)	4,667,428
(Loss) gain on sale of property and equipment and other assets	<u>(246,652)</u>	<u>110,983</u>
Total other (expense) income	(9,266,555)	9,189,367
Excess of operating revenues, gains and other support over expenses	3,406,721	7,878,740
Equity received from tax credit limited partner	769,975	849,765
Loss on early extinguishment of debt	(75,093)	(165,422)
Loss on impairment of asset	<u>-</u>	<u>(872,013)</u>
Change in net assets without donor restrictions	4,101,603	7,691,070

PRESBYTERIAN SENIOR LIVING

Consolidated Statements of Operations and Changes in Net Assets

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

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
With donor restrictions		
Contributions, gifts and bequests	12,500,789	1,387,401
Interest and dividend income	132,860	169,594
Unrealized (loss) gain on investments	(624,220)	2,233,423
Net assets released from restriction - Paycheck Protection grant	(11,655,000)	-
Net assets released from restrictions	<u>(214,790)</u>	<u>(1,265,918)</u>
Change in net assets with donor restrictions	139,638	2,524,500
 Change in net assets	 4,241,241	 10,215,570
 Net assets, beginning of year	 <u>213,345,878</u>	 <u>203,130,308</u>
Net assets, end of year	<u>\$ 217,587,119</u>	<u>213,345,878</u>

PRESBYTERIAN SENIOR LIVING

Consolidated Statements of Cash Flows

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

	<u>September 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ 4,241,241	10,215,570
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	21,961,313	28,706,696
Provision for implicit price concession	3,687,489	1,971,479
Proceeds non-refundable from entrance fees and deposits	17,422,341	29,040,745
Amortization of entrance fees	(13,568,592)	(18,164,508)
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	3,477,982	(6,900,851)
Realized gain on investments	(3,686,285)	(2,004,623)
Realized loss (gain) on sale of property and equipment and other assets	246,652	(110,983)
Contributions restricted for long-term purposes	(15,811)	(59,112)
Amortization of other deferred costs	63,349	80,608
Amortization of deferred financing costs	146,925	233,946
Amortization of bond premium	(20,071)	(26,761)
Amortization of goodwill	283,409	454,101
Loss on impairment of asset	-	872,013
Change in deferred energy costs	(46,764)	(62,352)
Changes in assets and liabilities:		
Decrease in accounts receivable	707,402	997,104
Decrease (increase) in entrance fee receivable	695,412	(661,923)
(Increase) decrease in pledges receivable	(10,683)	10,572
Increase in other assets	(1,200,918)	(2,290,427)
Increase in accounts payable	5,495,270	1,739,873
Increase in accrued expenses	3,514,677	3,484,197
Net cash provided by operating activities	<u>43,469,432</u>	<u>47,690,786</u>
Cash flows from investing activities:		
Acquisition of property and equipment, net of disposals	(41,508,341)	(38,152,133)
Net proceeds from sale of property and equipment	1,023,316	-
Net proceeds from purchase of investments	<u>(9,736,211)</u>	<u>(19,054,257)</u>
Net cash used in investing activities	<u>(50,221,235)</u>	<u>(57,206,390)</u>
Cash flows from financing activities:		
Refunds of entrance fees and deposits	(4,222,078)	(6,794,439)
Change in entrance fee payable	(1,511,984)	(660,229)
Principal payments on and redemptions of long-term debt	(11,114,886)	(14,359,215)
Proceeds from issuance of long-term debt	32,612,625	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	(269,278)	(132,907)
(Payments) borrowings on lines of credit	(4,570,184)	679,992
Borrowings through finance leases	759,905	760,342
Repayments on finance leases	(505,881)	(460,122)
Contributions restricted for long-term purposes	15,811	59,112
(Decrease) increase in annuities payable	<u>(38,258)</u>	<u>7,898</u>
Net cash provided by (used in) financing activities	<u>7,725,792</u>	<u>(16,214,014)</u>
Net increase (decrease) in cash and cash equivalents	973,990	(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	17,464,264	16,490,275
Restricted	<u>30,155,962</u>	<u>30,155,962</u>
	<u>\$ 47,620,226</u>	<u>46,646,237</u>