

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Financial Position

April 30, 2020 and December 31, 2019

Assets	April 30, 2020	December 31, 2019
Cash and cash equivalents	\$ 1,202,707	537,221
Investments	1,000,000	1,000,000
Restricted deposits and funded reserves	2,027,619	2,208,365
Accounts receivable, net	1,290,633	1,164,724
Prepaid expenses and other current assets	142,301	264,736
Assets whose use is limited	666,559	778,682
Promises to give, net	2,600	1,000
Property and equipment (net of accumulated depreciation of \$39,936,872 and \$39,183,624 respectively)	26,938,971	27,428,298
Financing leases (net of accumulated depreciation of \$25,129 and \$20,342 respectively)	17,949	22,736
Assets under operating leases	<u>61,960</u>	<u>76,486</u>
Total assets	<u>\$ 33,351,299</u>	<u>33,482,248</u>

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Financial Position

April 30, 2020 and December 31, 2019

Liabilities and Net Liabilities	April 30, 2020	December 31, 2019
Accounts payable	\$ 433,128	760,670
Accrued expenses	548,146	519,201
Resident deposits	29,000	65,267
Entrance fee payable	14,440,267	14,777,610
Deferred revenue - other	668,755	—
Deferred revenue – entrance fees	4,501,702	4,429,982
Annuities payable	23,692	25,173
Obligations under financing leases	18,624	23,425
Obligations under operating lease	61,960	76,486
Long-term debt	11,829,241	11,467,176
Due to affiliated entities	22,351,510	22,967,668
Total liabilities	54,906,025	55,112,658
Net liabilities:		
Without donor restriction	(22,289,612)	(22,355,928)
With donor restriction	734,887	725,518
Total net liabilities	(21,554,726)	(21,630,410)
Total liabilities and net liabilities	\$ 33,351,299	33,482,248

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Consolidated Statements of Operations and Changes in Net Assets (Liabilities)

Periods ended April 30, 2020 and year ended December 31, 2019

	<u>April 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Revenues and other support:		
Resident services		
Resident services	\$ 4,779,769	14,203,978
Amortization of entrance fees	240,310	869,859
Implicit price concession	<u>(6,590)</u>	<u>(25,714)</u>
Total resident services	5,013,489	15,048,123
Gifts and bequests	5,936	3,297
Net assets released from restrictions	<u>500</u>	<u>6,518</u>
Total revenues and other support	<u>5,019,925</u>	<u>15,057,938</u>
Cost of services provided		
Nursing services	866,098	2,504,737
Rehabilitation	250,975	707,066
Recreation and special services	114,334	519,844
Pharmacy	17,034	101,451
Social services	24,413	71,166
Physician services	8,333	25,000
Food services	728,397	2,139,128
Building operations and maintenance	898,262	2,468,938
Housekeeping	122,405	360,250
Laundry and linen	23,999	63,979
General and administrative	873,335	1,915,299
Employee benefits	190,775	555,262
Depreciation	758,035	2,241,480
Interest	162,065	519,723
Fundraising	<u>15,278</u>	<u>51,771</u>
Total cost of services provided	<u>5,053,737</u>	<u>14,245,094</u>
(Deficit) excess of revenues and other support over expenses	(33,812)	812,844
Other (expense) income		
Investment income, net of investment expense	10,553	113,030
Realized (loss) gain on investments	(105,017)	17,526
Unrealized (loss) gain on investments	<u>(209,398)</u>	<u>428,608</u>
Total other (expense) income	<u>(303,861)</u>	<u>559,164</u>
(Deficit) excess of revenue, gains and other support over expenses and losses	(337,674)	1,372,008

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Consolidated Statements of Operations and Changes in Net Assets (Liabilities)

Periods ended April 30, 2020 and year ended December 31, 2019

	<u>April 30, 2020</u>	<u>December 31, 2019</u>
Net assets without donor restrictions:		
(Deficit) excess of revenue, gains and other support over expenses and losses	(337,674)	1,372,008
Loan forgiveness	403,989	-
Change in net assets without donor restrictions	66,315	1,372,008
Net assets with donor restrictions:		
Contributions, grants and bequests	2,924	29,228
Investment income, net of investment expense	6,945	26,553
Net assets released from restrictions	(500)	(6,518)
Change in net assets with donor restrictions	9,369	49,263
Change in net assets	75,684	1,421,271
Net liabilities, beginning of year	(21,630,410)	(23,051,681)
Net liabilities, end of year	<u>\$ (21,554,726)</u>	<u>(21,630,410)</u>

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Cash Flows

Periods ended April 30, 2020 and year ended December 31, 2019

	<u>April 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ 75,684	1,421,271
Adjustments to reconcile change in net liabilities to net cash provided by operating activities:		
Depreciation	758,035	2,241,480
Provision for implicit price concession	13,780	30,533
Proceeds from refundable entrance fees and deposits	929,245	3,027,804
Amortization of entrance fees	(240,310)	(869,859)
Loan forgiveness	(403,989)	—
Unrealized loss (gain) on investments	209,398	(428,608)
Realized loss (gain) on investments	105,017	(17,526)
Amortization on deferred financing costs	5,382	16,146
Change in assets and liabilities:		
Accounts receivable	(270,059)	(133,101)
Entrance fees receivable	130,370	(282,196)
Promise to give	(1,600)	3,000
Prepaid expenses and other current assets	122,435	(48,410)
Accounts payable	(327,542)	(270,194)
Accrued expenses and deferred revenue other	697,701	31,040
Net cash provided by operating activities	<u>1,803,546</u>	<u>4,721,380</u>
Cash flows from investing activities:		
Acquisition of property and equipment	(263,921)	(1,577,422)
Net purchase of investments	<u>(21,546)</u>	<u>(799,089)</u>
Net cash used in investing activities	(285,467)	(2,376,511)
Cash flows from financing activities:		
Refunds of entrance fees and deposits	(653,482)	(2,230,837)
Change in entrance fee payable	(337,343)	652,503
Principal payments on long-term debt	(240,228)	(702,256)
Proceeds on the issuance of debt	1,000,900	—
Repayments on financing lease obligations	(4,801)	(13,996)
Change in annuities payable	(1,481)	(90)
Change in due to affiliated entity	<u>(616,158)</u>	<u>(322,856)</u>
Net cash used in financing activities	<u>(852,593)</u>	<u>(2,617,532)</u>
Net increase (decrease) in cash and cash equivalents	665,486	(272,663)
Cash, cash equivalents and restricted cash, beginning of year	661,966	934,629
Cash, cash equivalents and restricted cash, end of year		
Unrestricted	1,202,707	537,221
Restricted	124,745	124,745
Cash and cash equivalents, end of year	<u>\$ 1,327,452</u>	<u>661,966</u>