

# Presbyterian Senior Living Services, Inc.

Consolidated Statements of Financial Position

April 30, 2021 and December 31, 2020

|   | <u>April 30, 2021</u> | <u>December 31,<br/>2020</u> |
|---|-----------------------|------------------------------|
| <b>Assets</b>                           |                       |                              |
| Cash and cash equivalents               | \$ 372,971            | \$ 1,472,762                 |
| Investments                             | 1,834,809             | 1,730,791                    |
| Restricted deposits and funded reserves | 1,860,545             | 1,798,120                    |
| Accounts receivable, net                | 683,475               | 909,248                      |
| Assets whose use is limited             | 4,177,792             | 4,154,919                    |
| Property and equipment, net             | 25,889,536            | 26,251,649                   |
| Other assets                            | 177,553               | 311,800                      |
|   | <u>34,996,681</u>     | <u>36,629,289</u>            |
| Total assets                            | <u>\$ 34,996,681</u>  | <u>\$ 36,629,289</u>         |
| <b>Liabilities and Net Assets</b>       |                       |                              |
| Accounts payable                        | \$ 265,808            | \$ 466,468                   |
| Accrued expenses                        | 865,109               | 596,623                      |
| Resident deposits                       | 180,930               | 89,000                       |
| Entrance fees payable                   | 13,231,653            | 13,655,486                   |
| Other liabilities                       | 43,692                | 63,965                       |
| Cares act funding liabilities           | 1,547,236             | 378,227                      |
| Long-term debt                          | 14,334,387            | 14,623,314                   |
| Due to affiliated entity                | 22,575,846            | 24,402,329                   |
| Deferred revenues from entrance fees    | 4,029,948             | 4,290,732                    |
|   | <u>57,074,609</u>     | <u>58,566,144</u>            |
| Total liabilities                       | <u>57,074,609</u>     | <u>58,566,144</u>            |
| <b>Net Assets (Deficit)</b>             |                       |                              |
| Without donor restriction               | (22,821,163)          | (22,677,021)                 |
| With donor restrictions                 | 743,235               | 740,166                      |
|   | <u>(22,077,928)</u>   | <u>(21,936,855)</u>          |
| Total net deficit                       | <u>(22,077,928)</u>   | <u>(21,936,855)</u>          |
| Total liabilities and net deficit       | <u>\$ 34,996,681</u>  | <u>\$ 36,629,289</u>         |

## Presbyterian Senior Living Services, Inc.

Consolidated Statements of Operations and Changes in Net Assets  
Period ended April 30, 2021 and year ended December 31, 2020

|  | <u>April 30, 2021</u> | <u>December 31,<br/>2020</u> |
|--|-----------------------|------------------------------|
| <b>Net Assets Without Donor Restrictions</b> |                       |                              |
| Revenues, gains and other support:           |                       |                              |
| Resident services:                           |                       |                              |
| Resident services                            | \$ 4,208,785          | \$ 12,709,178                |
| Amortization of entrance fees                | 424,001               | 947,238                      |
| Total resident services                      | 4,632,786             | 13,656,416                   |
| Contributions, gifts, grants and bequests    | 1,225                 | 1,011,652                    |
| Government Stimulus                          | 42,200                | 488,522                      |
| Net assets released from restrictions        | 2,027                 | 44,293                       |
| Total operating revenues and other support   | 4,678,238             | 15,200,883                   |
| Expenses:                                    |                       |                              |
| Nursing services                             | 885,460               | 2,502,348                    |
| Rehabilitation                               | 207,563               | 715,575                      |
| Recreation and special services              | 136,631               | 382,365                      |
| Pharmacy                                     | 23,224                | 67,881                       |
| Social services                              | 24,287                | 72,787                       |
| Physician services                           | 8,333                 | 25,000                       |
| Food Services                                | 670,969               | 2,164,412                    |
| Building operations and maintenance          | 973,367               | 2,595,101                    |
| Housekeeping                                 | 111,561               | 328,278                      |
| Laundry and linen                            | 18,568                | 58,452                       |
| General and administrative                   | 697,240               | 2,501,873                    |
| Employee benefits                            | 175,007               | 589,524                      |
| Interest                                     | 209,158               | 577,405                      |
| Depreciation                                 | 627,439               | 2,276,474                    |
| Fundraising                                  | 17,536                | 44,504                       |
| Total expenses                               | 4,786,343             | 14,901,979                   |
| Unusual non-recurring expenses - COVID-19    | 221,810               | 866,349                      |
| Operating loss                               | (329,915)             | (567,445)                    |
| Other income (loss):                         |                       |                              |
| Investment income, net of investment expense | 25,669                | 55,776                       |
| Realized gain (loss) on investments          | 14,248                | (55,083)                     |
| Unrealized (loss) gain on investments        | 145,856               | 245,909                      |
| Total other income                           | 185,773               | 246,602                      |
| Revenues (less than) expenses                | (144,142)             | (320,843)                    |

## Presbyterian Senior Living Services, Inc.

Consolidated Statements of Operations and Changes in Net Assets  
Period ended April 30, 2021 and year ended December 31, 2020

|   | <u>April 30, 2021</u>         | <u>December 31,<br/>2020</u>  |
|---|-------------------------------|-------------------------------|
| <b>Net Assets With Donor Restrictions</b>         |                               |                               |
| Contributions, gifts, grants and bequests         | \$ 1,550                      | \$ 30,390                     |
| Investment income, net of investment expense      | 3,546                         | 28,301                        |
| Net assets released from restrictions             | <u>(2,027)</u>                | <u>(44,293)</u>               |
| Increase in net assets with<br>donor restrictions | <u>3,069</u>                  | <u>14,398</u>                 |
| Change in net deficit                             | (141,073)                     | (306,445)                     |
| <b>Net Deficit, Beginning</b>                     | <u>(21,936,855)</u>           | <u>(21,630,410)</u>           |
| <b>Net Deficit, Ending</b>                        | <u><u>\$ (22,077,928)</u></u> | <u><u>\$ (21,936,855)</u></u> |

**Presbyterian Senior Living Services, Inc.**

Consolidated Statements of Cash Flows

Period ended April 30, 2021 and year ended December 31, 2020

|   | <u>April 30, 2021</u> | <u>December 31,<br/>2020</u> |
|---|-----------------------|------------------------------|
| <b>Cash Flows From Operating Activities</b>   |                       |                              |
| (Decrease) in net deficit   | \$ (141,073)          | \$ (306,445)                 |
| Adjustments to reconcile (decrease) increase in net deficit to net cash provided by operating activities: |                       |                              |
| Depreciation  | 627,439               | 2,276,474                    |
| Provision for doubtful collections  | (37,022)              | 150,831                      |
| Proceeds from non-refundable entrance fees and deposits   | 279,940               | 879,553                      |
| Amortization of entrance fees   | (424,001)             | (947,238)                    |
| Unrealized loss (gain) on investments   | (145,856)             | (245,909)                    |
| Realized (gain) loss on investments   | (14,248)              | 55,083                       |
| Amortization of deferred financing costs  | 8,673                 | 21,905                       |
| Changes in assets and liabilities:  |                       |                              |
| Accounts receivable   | 89,452                | (173,277)                    |
| Entrance fees receivable  | 173,343               | 277,922                      |
| Other assets  | 134,247               | 53,158                       |
| Accounts payable  | (200,660)             | (294,203)                    |
| Accrued expenses  | 268,486               | 77,422                       |
| Other liabilities   | (20,273)              | (61,118)                     |
| Cares act funding liabilities   | 1,169,009             | 378,227                      |
| Net cash provided by operating activities   | <u>1,767,456</u>      | <u>2,142,385</u>             |
| <b>Cash Flows From Investing Activities</b>   |                       |                              |
| Acquisition of property and equipment   | (265,326)             | (1,099,825)                  |
| Purchases of investments  | (81,209)              | (5,340,602)                  |
| Proceeds from sale of investments   | 312,062               | 5,220,285                    |
| Net cash used in investing activities   | <u>(34,473)</u>       | <u>(1,220,142)</u>           |
| <b>Cash Flows From Financing Activities</b>   |                       |                              |
| Refunds of entrance fees and deposits   | (636,636)             | (2,493,364)                  |
| Proceeds from refundable entrance fees and deposits, resales  | 188,010               | 1,323,408                    |
| Principal payments on long-term debt  | (297,600)             | (796,664)                    |
| Proceeds from issuance of long-term debt  | -                     | 4,000,000                    |
| Financing costs incurred  | -                     | (69,103)                     |
| Change in due to affiliated entity  | (1,826,483)           | 1,434,661                    |
| Net cash (used in) provided by financing activities   | <u>(2,572,709)</u>    | <u>3,398,938</u>             |
| Net change in cash, cash equivalents and restricted cash  | (839,726)             | 4,321,181                    |
| <b>Cash, Cash Equivalents and Restricted Cash, Beginning</b>  | <u>4,983,147</u>      | <u>661,966</u>               |
| <b>Cash, Cash Equivalents and Restricted Cash, Ending</b>   |                       |                              |
| Unrestricted  | \$ 372,971            | \$ 1,472,762                 |
| Restricted  | <u>3,770,450</u>      | <u>3,510,385</u>             |
|   | <u>\$ 4,143,421</u>   | <u>\$ 4,983,147</u>          |