

Presbyterian Senior Living Services, Inc.

Consolidated Statements of Financial Position

August 31, 2021 and December 31, 2020

	<u>August 31, 2021</u>	<u>December 31, 2020</u>
Assets		
Cash and cash equivalents	\$ 225,620	\$ 1,472,762
Investments	1,956,572	1,730,791
Restricted deposits and funded reserves	1,860,545	1,798,120
Accounts receivable, net	696,691	909,248
Assets whose use is limited	3,776,539	4,154,919
Property and equipment, net	25,883,410	26,251,649
Other assets	405,783	311,800
	<u>34,805,160</u>	<u>36,629,289</u>
Total assets	<u>\$ 34,805,160</u>	<u>\$ 36,629,289</u>
Liabilities and Net Assets		
Accounts payable	\$ 365,430	\$ 466,468
Accrued expenses	822,164	596,623
Resident deposits	166,975	89,000
Entrance fees payable	13,015,142	13,655,486
Other liabilities	14,881	63,965
Cares act funding liabilities	1,444,130	378,227
Long-term debt	14,042,943	14,623,314
Due to affiliated entity	22,869,348	24,402,329
Deferred revenues from entrance fees	4,464,088	4,290,732
	<u>57,205,101</u>	<u>58,566,144</u>
Total liabilities	<u>57,205,101</u>	<u>58,566,144</u>
Net Assets (Deficit)		
Without donor restriction	(23,145,584)	(22,677,021)
With donor restrictions	745,643	740,166
	<u>(22,399,941)</u>	<u>(21,936,855)</u>
Total net deficit	<u>(22,399,941)</u>	<u>(21,936,855)</u>
Total liabilities and net deficit	<u>\$ 34,805,160</u>	<u>\$ 36,629,289</u>

Presbyterian Senior Living Services, Inc.

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

	<u>August 31, 2021</u>	<u>December 31, 2020</u>
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 8,364,622	\$ 12,709,178
Amortization of entrance fees	651,187	947,238
Total resident services	9,015,809	13,656,416
Contributions, gifts, grants and bequests	3,324	1,011,652
Government stimulus	42,200	488,522
Net assets released from restrictions	2,027	44,293
Total operating revenues and other support	9,063,360	15,200,883
Expenses:		
Nursing services	1,750,588	2,502,348
Rehabilitation	431,486	715,575
Recreation and special services	282,668	382,365
Pharmacy	49,746	67,881
Social services	48,523	72,787
Physician services	16,667	25,000
Food Services	1,368,771	2,164,412
Building operations and maintenance	1,862,026	2,595,101
Housekeeping	247,389	328,278
Laundry and linen	37,235	58,452
General and administrative	1,454,141	2,501,873
Employee benefits	366,590	589,524
Interest	413,457	577,405
Depreciation	1,253,384	2,276,474
Fundraising	26,417	44,504
Total expenses	9,609,088	14,901,979
Unusual non-recurring expenses - COVID-19	271,302	866,349
Operating loss	(817,030)	(567,445)
Other income (loss):		
Investment income, net of investment expense	45,055	55,776
Realized gain (loss) on investments	30,584	(55,083)
Unrealized gain on investments	272,828	245,909
Total other income	348,467	246,602
Revenues (less than) expenses	(468,563)	(320,843)

Presbyterian Senior Living Services, Inc.

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

	<u>August 31, 2021</u>	<u>December 31, 2020</u>
Net Assets With Donor Restrictions		
Contributions, gifts, grants and bequests	\$ 400	\$ 30,390
Investment income, net of investment expense	7,104	28,301
Net assets released from restrictions	<u>(2,027)</u>	<u>(44,293)</u>
Increase in net assets with donor restrictions	<u>5,477</u>	<u>14,398</u>
Change in net deficit	(463,086)	(306,445)
Net Deficit, Beginning	<u>(21,936,855)</u>	<u>(21,630,410)</u>
Net Deficit, Ending	<u><u>\$ (22,399,941)</u></u>	<u><u>\$ (21,936,855)</u></u>

Presbyterian Senior Living Services, Inc.

Consolidated Statements of Cash Flows

Period ended August 31, 2021 and year ended December 31, 2020

	<u>August 31, 2021</u>	<u>December 31, 2020</u>
Cash Flows From Operating Activities		
(Decrease) in net deficit	\$ (463,086)	\$ (306,445)
Adjustments to reconcile (decrease) increase in net deficit to net cash provided by operating activities:		
Depreciation	1,253,384	2,276,474
Provision for doubtful collections	(4,659)	150,831
Proceeds from non-refundable entrance fees and deposits	927,312	879,553
Amortization of entrance fees	(651,187)	(947,238)
Unrealized gain on investments	(272,828)	(245,909)
Realized (gain) loss on investments	(30,584)	55,083
Amortization of deferred financing costs	17,345	21,905
Changes in assets and liabilities:		
Accounts receivable	219,228	(173,277)
Entrance fees receivable	(2,012)	277,922
Other assets	(93,983)	53,158
Accounts payable	(101,038)	(294,203)
Accrued expenses	225,541	77,422
Other liabilities	(49,084)	(61,118)
Cares act funding liabilities	1,065,903	378,227
Net cash provided by operating activities	<u>2,040,252</u>	<u>2,142,385</u>
Cash Flows From Investing Activities		
Acquisition of property and equipment	(885,145)	(1,099,825)
Purchases of investments	(275,483)	(5,340,602)
Proceeds from sale of investments	929,134	5,220,285
Net cash used in investing activities	<u>(231,494)</u>	<u>(1,220,142)</u>
Cash Flows From Financing Activities		
Refunds of entrance fees and deposits	(1,620,673)	(2,493,364)
Proceeds from refundable entrance fees and deposits, resales	955,535	1,323,408
Principal payments on long-term debt	(597,716)	(796,664)
Proceeds from issuance of long-term debt	-	4,000,000
Financing costs incurred	-	(69,103)
Change in due to affiliated entity	(1,532,981)	1,434,661
Net cash (used in) provided by financing activities	<u>(2,795,835)</u>	<u>3,398,938</u>
Net change in cash, cash equivalents and restricted cash	(987,077)	4,321,181
Cash, Cash Equivalents and Restricted Cash, Beginning	<u>4,983,147</u>	<u>661,966</u>
Cash, Cash Equivalents and Restricted Cash, Ending		
Unrestricted	\$ 225,620	\$ 1,472,762
Restricted	<u>3,770,450</u>	<u>3,510,385</u>
	<u>\$ 3,996,070</u>	<u>\$ 4,983,147</u>