

Presbyterian Senior Living Services, Inc.

Consolidated Statements of Financial Position
August 31, 2022 and December 31, 2021

	<u>August 31, 2022</u>	<u>December 31, 2021</u>
Assets		
Cash and cash equivalents	\$ 385,934	\$ 3,231,435
Investments	1,402,479	1,924,740
Restricted deposits and funded reserves	1,890,545	1,890,545
Accounts receivable, net	595,975	605,602
Assets whose use is limited	1,384,604	2,270,200
Property and equipment, net	26,204,953	26,193,280
Other assets	611,992	261,138
	<u>32,476,482</u>	<u>36,376,940</u>
Total assets	<u>\$ 32,476,482</u>	<u>\$ 36,376,940</u>
Liabilities and Net Assets		
Accounts payable	\$ 149,720	\$ 700,487
Accrued expenses	646,499	622,359
Resident deposits	36,120	41,280
Entrance fees payable	12,996,225	12,625,990
Other liabilities	241,473	9,201
Cares act funding liabilities	-	143,010
Long-term debt	13,142,904	13,747,332
Due to affiliated entity	21,548,623	24,448,364
Deferred revenues from entrance fees	4,601,630	4,557,908
	<u>53,363,194</u>	<u>56,895,931</u>
Total liabilities	<u>53,363,194</u>	<u>56,895,931</u>
Net Assets (Deficit)		
Without donor restriction	(21,642,709)	(21,262,786)
With donor restrictions	755,997	743,795
	<u>(20,886,712)</u>	<u>(20,518,991)</u>
Total net deficit	<u>(20,886,712)</u>	<u>(20,518,991)</u>
Total liabilities and net deficit	<u>\$ 32,476,482</u>	<u>\$ 36,376,940</u>

Presbyterian Senior Living Services, Inc.

Consolidated Statements of Operations and Changes in Net Assets
Period ended August 31, 2022 and year ended December 31, 2021

	<u>August 31, 2022</u>	<u>December 31, 2021</u>
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 9,238,559	\$ 12,806,357
Amortization of entrance fees	658,853	962,791
Total resident services	9,897,412	13,769,148
Contributions, gifts, grants and bequests	8,979	5,979
Government grants	-	1,169,009
Government stimulus	47,891	711,731
Net assets released from restrictions	-	8,389
Total operating revenues and other support	9,954,282	15,664,256
Expenses:		
Nursing services	1,703,740	2,648,877
Rehabilitation	409,950	647,183
Recreation and special services	298,340	422,229
Pharmacy	50,441	103,839
Social services	45,429	54,384
Physician services	16,667	25,000
Food Services	1,376,729	2,106,195
Building operations and maintenance	1,755,242	2,731,106
Housekeeping	274,322	403,310
Laundry and linen	36,358	55,596
General and administrative	1,501,438	2,158,237
Employee benefits	296,593	481,858
Interest	405,778	614,154
Depreciation	1,327,122	1,891,504
Fundraising	37,968	52,476
Total expenses	9,536,117	14,395,948
Unusual non-recurring expenses - COVID-19	200,582	202,093
Operating (loss) gain	217,583	1,066,215
Other income (loss):		
Investment income, net of investment expense	46,936	115,689
Realized gain on investments	136,413	116,890
Unrealized (loss) gain on investments	(780,855)	115,441
Total other income (loss)	(597,506)	348,020
Revenues (less than) in excess of expenses	(379,923)	1,414,235

Presbyterian Senior Living Services, Inc.

Consolidated Statements of Operations and Changes in Net Assets
Period ended August 31, 2022 and year ended December 31, 2021

	<u>August 31, 2022</u>	<u>December 31, 2021</u>
Net Assets With Donor Restrictions		
Contributions, gifts, grants and bequests	\$ 3,221	\$ 2,029
Investment income, net of investment expense	8,981	9,989
Net assets released from restrictions	<u>-</u>	<u>(8,389)</u>
Increase in net assets with donor restrictions	<u>12,202</u>	<u>3,629</u>
Change in net assets	(367,721)	1,417,864
Net Deficit, Beginning	<u>(20,518,991)</u>	<u>(21,936,855)</u>
Net Deficit, Ending	<u><u>\$ (20,886,712)</u></u>	<u><u>\$ (20,518,991)</u></u>

Presbyterian Senior Living Services, Inc.

Consolidated Statements of Cash Flows

Period ended August 31, 2022 and year ended December 31, 2021

	<u>August 31, 2022</u>	<u>December 31, 2021</u>
Cash Flows From Operating Activities		
(Decrease) increase in net assets	\$ (367,721)	\$ 1,417,864
Adjustments to reconcile (decrease) increase in net deficit to net cash provided by operating activities:		
Depreciation	1,327,122	1,891,504
Provision for doubtful collections	214	(41,237)
Proceeds from non-refundable entrance fees and deposits	775,640	1,207,040
Amortization of entrance fees	(658,853)	(962,791)
Unrealized loss (gain) on investments	780,855	(115,441)
Realized gain on investments	(136,413)	(116,890)
Amortization of deferred financing costs	17,345	26,018
Changes in assets and liabilities:		
Accounts receivable	10,942	138,210
Entrance fees receivable	(1,530)	206,673
Other assets	(350,854)	50,662
Accounts payable	(550,767)	234,019
Accrued expenses	24,140	25,736
Other liabilities	232,272	(54,764)
Cares act funding liabilities	(143,010)	(235,217)
Net cash provided by operating activities	<u>959,383</u>	<u>3,671,386</u>
Cash Flows From Investing Activities		
Acquisition of property and equipment	(1,338,795)	(1,833,135)
Purchases of investments	(2,325,632)	(634,175)
Proceeds from sale of investments	<u>3,089,047</u>	<u>500,104</u>
Net cash used in investing activities	<u>(575,380)</u>	<u>(1,967,206)</u>
Cash Flows From Financing Activities		
Refunds of entrance fees and deposits	(932,590)	(2,664,899)
Proceeds from refundable entrance fees and deposits, resales	1,224,600	1,610,610
Principal payments on long-term debt	(621,773)	(902,000)
Change in due to affiliated entity	<u>(2,899,741)</u>	<u>46,035</u>
Net cash used in financing activities	<u>(3,229,504)</u>	<u>(1,910,254)</u>
Net change in cash, cash equivalents and restricted cash	(2,845,501)	(206,074)
Cash, Cash Equivalents and Restricted Cash, Beginning	<u>4,777,073</u>	<u>4,983,147</u>
Cash, Cash Equivalents and Restricted Cash, Ending		
Unrestricted	\$ 385,934	\$ 3,231,435
Restricted	<u>1,545,638</u>	<u>1,545,638</u>
	<u>\$ 1,931,572</u>	<u>\$ 4,777,073</u>