

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Financial Position

December 31, 2019 and 2018

Assets	2019	2018
Cash and cash equivalents	\$ 537,221	154,733
Investments	1,000,000	1,000,000
Restricted deposits and funded reserves	2,208,365	1,733,278
Accounts receivable, net	1,164,724	779,960
Prepaid expenses and other current assets	264,736	216,326
Assets whose use is limited	778,682	663,697
Promises to give, net	1,000	4,000
Property and equipment (net of accumulated depreciation of \$39,183,624 and \$36,956,504 respectively)	27,428,298	28,077,997
Financing leases (net of accumulated depreciation of \$20,342 and \$93,022 respectively)	22,736	37,095
Assets under operating leases	<u>76,486</u>	<u>118,821</u>
Total assets	<u>\$ 33,482,247</u>	<u>32,785,907</u>

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Financial Position

December 31, 2019 and 2018

Liabilities and Net Liabilities	2019	2018
	<u> </u>	<u> </u>
Accounts payable	\$ 760,670	1,030,864
Accrued expenses	519,201	488,161
Resident deposits	65,267	63,230
Entrance fee payable	14,777,610	14,125,107
Deferred revenue – entrance fees	4,429,982	4,504,911
Annuities payable	25,173	25,263
Obligations under financing leases	23,425	37,421
Obligations under operating lease	76,486	118,821
Long-term debt	11,467,176	12,153,286
Due to affiliated entities	22,967,668	23,290,524
Total liabilities	<u>55,112,657</u>	<u>55,837,588</u>
Net liabilities:		
Without donor restriction	(22,356,178)	(23,727,936)
With donor restriction	725,768	676,255
Total net liabilities	<u>(21,630,410)</u>	<u>(23,051,681)</u>
Total liabilities and net liabilities	<u>\$ 33,482,247</u>	<u>32,785,907</u>

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

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

Years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues and other support:		
Resident services		
Resident services	\$ 14,203,979	13,822,007
Amortization of entrance fees	869,859	918,089
Implicit price concession	(25,714)	(23,118)
Total resident services	<u>15,048,123</u>	<u>14,716,978</u>
Gifts and bequests	3,047	2,031
Net assets released from restrictions	6,518	4,951
Total revenues and other support	<u>15,057,688</u>	<u>14,723,960</u>
Cost of services provided		
Nursing services	2,504,737	2,324,037
Rehabilitation	707,066	631,824
Recreation and special services	519,844	500,804
Pharmacy	101,451	95,856
Social services	71,166	69,657
Physician services	25,000	25,000
Food services	2,139,128	2,097,179
Building operations and maintenance	2,468,938	2,360,881
Housekeeping	360,250	314,761
Laundry and linen	63,979	59,695
General and administrative	1,932,643	1,990,439
Employee benefits	555,262	503,339
Depreciation	2,241,480	2,160,519
Interest	519,723	548,861
Fundraising	34,426	51,089
Total cost of services provided	<u>14,245,094</u>	<u>13,733,941</u>
Excess of revenues and other support over expenses	812,594	990,019
Other income (expense)		
Investment income, net of investment expense	113,030	71,397
Realized gain on investments	17,526	10,945
Unrealized gain (loss) on investments	428,608	(328,954)
Total other income (expense)	<u>559,164</u>	<u>(246,612)</u>
Excess of revenue, gains and other support over expenses and losses	1,371,758	743,407

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

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

Years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Net assets without donor restrictions:		
Excess of revenue, gains and other support over expenses and losses	1,371,758	743,407
Change in net assets without donor restrictions	1,371,758	743,407
Net assets with donor restrictions:		
Contributions, grants and bequests	29,478	31,998
Investment income	26,553	24,859
Net assets released from restrictions	(6,518)	(4,951)
Change in net assets with donor restrictions	49,513	51,906
Change in net assets	1,421,271	795,313
Net liabilities, beginning of year	(23,051,681)	(23,846,994)
Net liabilities, end of year	\$ (21,630,410)	(23,051,681)

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Cash Flows

Years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,421,271	795,313
Adjustments to reconcile change in net liabilities to net cash provided by operating activities:		
Depreciation	2,241,480	2,160,519
Provision for implicit price concession	30,262	11,108
Proceeds from refundable entrance fees and deposits	3,027,804	3,290,342
Amortization of entrance fees	(869,859)	(918,089)
Unrealized (gain) loss on investments	(428,608)	328,954
Realized gain on investments	(17,526)	(10,945)
Amortization on deferred financing costs	16,146	16,146
Change in assets and liabilities:		
Accounts receivable	(132,830)	(149,544)
Entrance fees receivable	(282,196)	158,731
Promise to give	3,000	(4,000)
Prepaid expenses and other current assets	(48,410)	(14,364)
Accounts payable	(270,194)	648,542
Accrued expenses and deferred revenue other	31,040	(14,321)
Net cash provided by operating activities	<u>4,721,381</u>	<u>6,298,392</u>
Cash flows from investing activities:		
Acquisition of property and equipment	(1,577,422)	(1,480,026)
Net (purchase of) proceeds from the sale of investments	<u>(799,090)</u>	<u>328,962</u>
Net cash used in investing activities	<u>(2,376,511)</u>	<u>(1,151,064)</u>
Cash flows from financing activities:		
Refunds of entrance fees and deposits	(2,230,837)	(2,363,326)
Change in entrance fee payable	652,503	(65,694)
Principal payments on long-term debt	(702,256)	(673,371)
Borrowings under financing leases	—	43,078
Repayments on financing lease obligations	(13,996)	(11,028)
Change in annuities payable	(90)	(2,225)
Change in due to affiliated entity	<u>(322,856)</u>	<u>(1,590,518)</u>
Net cash used in financing activities	<u>(2,617,533)</u>	<u>(4,663,084)</u>
Net (decrease) increase in cash and cash equivalents	<u>(272,663)</u>	<u>484,244</u>
Cash, cash equivalents and restricted cash, beginning of year	934,629	450,385
Cash, cash equivalents and restricted cash, end of year		
Unrestricted	537,221	154,733
Restricted	124,745	779,896
Cash and cash equivalents, end of year	<u>\$ 661,966</u>	<u>934,629</u>