

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Financial Position

December 31, 2020 and 2019

Assets	2020	2019
Cash and cash equivalents	\$ 1,472,762	537,221
Investments	1,000,000	1,000,000
Restricted deposits and funded reserves	2,528,911	2,208,365
Accounts receivable, net	909,248	1,164,724
Other assets	271,156	265,736
Assets whose use is limited	756,996	778,682
Assets whose use is limited, capital assets	3,397,924	—
Property and equipment (net of accumulated depreciation of \$41,445,739 and \$39,183,624 respectively)	26,251,649	27,428,298
Financing leases (net of accumulated depreciation of \$34,702 and \$20,342 respectively)	8,376	22,736
Assets under operating leases	32,268	76,486
Total assets	\$ 36,629,289	33,482,248

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Financial Position

December 31, 2020 and 2019

Liabilities and Net Liabilities	2020	2019
	<hr/>	<hr/>
Accounts payable	\$ 844,695	760,670
Accrued expenses	596,623	519,201
Other liabilities	22,882	25,173
Resident deposits	89,000	65,267
Entrance fee payable	13,655,486	14,777,610
Deferred revenue – entrance fees	4,290,732	4,429,982
Obligations under financing leases	8,816	23,425
Obligations under operating lease	32,268	76,486
Long-term debt	14,623,314	11,467,176
Due to affiliated entities	24,402,329	22,967,668
Total liabilities	<hr/> 58,566,146	<hr/> 55,112,658
Net liabilities:		
Without donor restriction	(22,676,772)	(22,355,928)
With donor restriction	739,916	725,518
Total net liabilities	<hr/> (21,936,856)	<hr/> (21,630,410)
Total liabilities and net liabilities	<hr/> \$ 36,629,289	<hr/> 33,482,248

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

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

Years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenues and other support:		
Resident services		
Resident services	\$ 12,710,605	14,203,978
Amortization of entrance fees	945,811	869,859
Total resident services	<u>13,656,416</u>	<u>15,073,837</u>
Gifts and bequests	1,011,652	3,297
Government stimulus funding	488,522	-
Net assets released from restrictions	44,293	6,518
Total revenues and other support	<u>15,200,883</u>	<u>15,083,652</u>
Cost of services provided		
Nursing services	2,502,348	2,504,737
Rehabilitation	715,575	707,066
Recreation and special services	382,365	519,844
Pharmacy	67,881	101,451
Social services	72,787	71,166
Physician services	25,000	25,000
Food services	2,164,415	2,139,128
Building operations and maintenance	2,595,101	2,468,938
Housekeeping	328,278	360,250
Laundry and linen	58,452	63,979
General and administrative	2,501,873	1,941,013
Employee benefits	589,524	555,262
Depreciation	2,276,474	2,241,480
Interest	577,405	519,723
Fundraising	44,504	51,771
Total cost of services provided	<u>14,901,981</u>	<u>14,270,808</u>
Unusual non-recurring expenses - COVID-19	866,349	-
(Deficit) excess of revenues and other support over expenses	<u>(567,446)</u>	812,844
Other (expense) income		
Investment income, net of investment expense	55,776	113,030
Realized (loss) gain on investments	(55,083)	17,526
Unrealized gain on investments	245,909	428,608
Total other (expense) income	<u>246,602</u>	<u>559,164</u>
(Deficit) excess of revenue, gains and other support over expenses and losses	<u>(320,844)</u>	1,372,008
Change in net assets without donor restrictions	<u>(320,844)</u>	1,372,008

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

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

Years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Net assets without donor restrictions:		
(Deficit) excess of revenue, gains and other support over expenses and losses	(320,844)	1,372,008
Change in net assets without donor restrictions	(320,844)	1,372,008
Net assets with donor restrictions:		
Contributions, grants and bequests	30,390	29,228
Investment income, net of investment expense	28,301	26,553
Net assets released from restrictions	(44,293)	(6,518)
Change in net assets with donor restrictions	14,398	49,263
Change in net assets	(306,446)	1,421,271
Net liabilities, beginning of year	(21,630,410)	(23,051,681)
Net liabilities, end of year	\$ (21,936,856)	(21,630,410)

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Cash Flows

Years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ (306,446)	1,421,271
Adjustments to reconcile change in net liabilities to net cash provided by operating activities:		
Depreciation	2,276,474	2,241,480
Provision for implicit price concession and bad debt	72,947	55,977
Proceeds from refundable entrance fees and deposits	3,323,659	3,027,804
Amortization of entrance fees	(945,811)	(869,859)
Unrealized gain on investments	(245,909)	(428,608)
Realized loss (gain) on investments	55,083	(17,526)
Amortization on deferred financing costs	21,905	16,146
Change in assets and liabilities:		
Accounts receivable	(95,393)	(158,545)
Entrance fees receivable	277,922	(282,196)
Other assets	(5,420)	(45,410)
Accounts payable	84,025	(270,194)
Accrued expenses and deferred revenue other	77,422	31,040
Net cash provided by operating activities	<u>4,590,458</u>	<u>4,721,380</u>
Cash flows from investing activities:		
Acquisition of property and equipment	(1,085,466)	(1,577,422)
Net purchase of investments	<u>(120,318)</u>	<u>(799,089)</u>
Net cash used in investing activities	(1,205,784)	(2,376,511)
Cash flows from financing activities:		
Refunds of entrance fees and deposits	(2,493,364)	(2,230,837)
Change in entrance fee payable	(1,122,124)	652,503
Principal payments on long-term debt	(796,663)	(702,256)
Proceeds on the issuance of debt	4,000,000	—
Financing costs incurred	(69,103)	—
Repayments on financing lease obligations	(14,609)	(13,996)
Change in annuities payable	(2,291)	(90)
Change in due to affiliated entity	1,434,661	(322,856)
Net cash provided by (used in) financing activities	<u>936,506</u>	<u>(2,617,532)</u>
Net increase (decrease) in cash and cash equivalents	4,321,181	(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	1,472,762	537,221
Restricted	3,510,385	124,745
Cash and cash equivalents, end of year	\$ <u><u>4,983,147</u></u>	<u><u>661,966</u></u>