

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Financial Position

February 29, 2020 and December 31, 2019

Assets	February 29, 2020	December 31, 2019
Cash and cash equivalents	\$ 200,139	537,221
Investments	1,000,000	1,000,000
Restricted deposits and funded reserves	2,110,134	2,208,365
Accounts receivable, net	1,290,780	1,164,724
Prepaid expenses and other current assets	180,834	264,736
Assets whose use is limited	716,221	778,682
Promises to give, net	1,000	1,000
Property and equipment (net of accumulated depreciation of \$39,553,157 and \$39,183,624 respectively)	27,182,554	27,428,298
Financing leases (net of accumulated depreciation of \$22,736 and \$20,342 respectively)	20,342	22,736
Assets under operating leases	<u>69,249</u>	<u>76,486</u>
Total assets	<u>\$ 32,771,253</u>	<u>33,482,248</u>

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Financial Position

February 29, 2020 and December 31, 2019

Liabilities and Net Liabilities	February 29, 2020	December 31, 2019
Accounts payable	\$ 262,650	760,670
Accrued expenses	560,011	519,201
Resident deposits	57,720	65,267
Entrance fee payable	14,535,616	14,777,610
Deferred revenue – entrance fees	4,423,942	4,429,982
Annuities payable	23,692	25,173
Obligations under financing leases	21,033	23,425
Obligations under operating lease	69,249	76,486
Long-term debt	11,351,493	11,467,176
Due to affiliated entities	23,150,531	22,967,668
Total liabilities	<u>54,455,936</u>	<u>55,112,658</u>
Net liabilities:		
Without donor restriction	(22,410,201)	(22,355,928)
With donor restriction	725,518	725,518
Total net liabilities	<u>(21,684,683)</u>	<u>(21,630,410)</u>
Total liabilities and net liabilities	<u>\$ 32,771,253</u>	<u>33,482,248</u>

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

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

Months ended February 29, 2020 and year ended December 31, 2019

	<u>February 29,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Revenues and other support:		
Resident services		
Resident services	\$ 2,420,551	14,203,978
Amortization of entrance fees	144,869	869,859
Implicit price concession	(1,871)	(25,714)
Total resident services	<u>2,563,549</u>	<u>15,048,123</u>
Gifts and bequests	1,214	3,297
Net assets released from restrictions	-	6,518
Total revenues and other support	<u>2,564,763</u>	<u>15,057,938</u>
Cost of services provided		
Nursing services	424,516	2,504,737
Rehabilitation	127,956	707,066
Recreation and special services	82,184	519,844
Pharmacy	8,264	101,451
Social services	12,413	71,166
Physician services	4,167	25,000
Food services	349,780	2,139,128
Building operations and maintenance	419,008	2,468,938
Housekeeping	64,787	360,250
Laundry and linen	10,259	63,979
General and administrative	389,463	1,915,299
Employee benefits	103,211	555,262
Depreciation	371,927	2,241,480
Interest	82,568	519,723
Fundraising	8,944	51,771
Total cost of services provided	<u>2,459,447</u>	<u>14,245,094</u>
Excess of revenues and other support over expenses	105,316	812,844
Other (expense) income		
Investment income, net of investment expense	6,901	113,030
Realized gain on investments	7,599	17,526
Unrealized (loss) gain on investments	(174,089)	428,608
Total other (expense) income	<u>(159,589)</u>	<u>559,164</u>
(Deficit) excess of revenue, gains and other support over expenses and losses	(54,273)	1,372,008

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

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

Months ended February 29, 2020 and year ended December 31, 2019

	February 29, 2020	December 31, 2019
Net assets without donor restrictions:		
(Deficit) excess of revenue, gains and other support over expenses and losses	(54,273)	1,372,008
Change in net assets without donor restrictions	(54,273)	1,372,008
Net assets with donor restrictions:		
Contributions, grants and bequests	–	29,228
Investment income, net of investment expense	–	26,553
Net assets released from restrictions	–	(6,518)
Change in net assets with donor restrictions	–	49,263
Change in net assets	(54,273)	1,421,271
Net liabilities, beginning of year	(21,630,410)	(23,051,681)
Net liabilities, end of year	\$ (21,684,683)	(21,630,410)

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Cash Flows

Months ended February 29, 2020 and year ended December 31, 2019

	February 29, 2020	December 31, 2019
	<u> </u>	<u> </u>
Cash flows from operating activities:		
Change in net assets	\$ (54,273)	1,421,271
Adjustments to reconcile change in net liabilities to net cash provided by operating activities:		
Depreciation	371,927	2,241,480
Provision for implicit price concession	1,871	30,533
Proceeds from refundable entrance fees and deposits	516,216	3,027,804
Amortization of entrance fees	(144,869)	(869,859)
Unrealized loss (gain) on investments	174,089	(428,608)
Realized gain on investments	(7,599)	(17,526)
Amortization on deferred financing costs	2,691	16,146
Change in assets and liabilities:		
Accounts receivable	(359,622)	(133,101)
Entrance fees receivable	231,695	(282,196)
Promise to give	—	3,000
Prepaid expenses and other current assets	83,902	(48,410)
Accounts payable	(498,020)	(270,194)
Accrued expenses and deferred revenue other	40,810	31,040
	<u> </u>	<u> </u>
Net cash provided by operating activities	358,818	4,721,380
Cash flows from investing activities:		
Acquisition of property and equipment	(123,790)	(1,577,422)
Net purchase of investments	(5,797)	(799,089)
	<u> </u>	<u> </u>
Net cash used in investing activities	(129,586)	(2,376,511)
Cash flows from financing activities:		
Refunds of entrance fees and deposits	(384,933)	(2,230,837)
Change in entrance fee payable	(241,994)	652,503
Principal payments on long-term debt	(118,375)	(702,256)
Repayments on financing lease obligations	(2,392)	(13,996)
Change in annuities payable	(1,481)	(90)
Change in due to affiliated entity	182,863	(322,856)
	<u> </u>	<u> </u>
Net cash used in financing activities	(566,313)	(2,617,532)
Net decrease in cash and cash equivalents	(337,082)	(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	200,139	537,221
Restricted	124,745	124,745
	<u> </u>	<u> </u>
Cash and cash equivalents, end of year	\$ <u>324,884</u>	<u>661,966</u>