

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Financial Position

January 31, 2019 and December 31, 2018

Assets	January 31, 2019	December 31, 2018
Cash and cash equivalents	\$ 320,399	154,733
Investments	1,000,000	1,000,000
Restricted deposits and funded reserves	1,869,241	1,733,278
Accounts receivable, net	693,464	779,960
Prepaid expenses and other current assets	229,635	216,326
Assets whose use is limited	675,698	663,697
Promises to give, net	4,000	4,000
Property and equipment (net of accumulated depreciation of \$37,138,031 and \$36,956,504 respectively)	27,943,962	28,077,997
Financing leases (net of accumulated depreciation of \$94,219 and \$93,022 respectively)	35,898	37,095
Assets under operating leases	<u>106,500</u>	<u>110,050</u>
Total assets	<u>\$ 32,878,798</u>	<u>32,777,136</u>

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

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January 31, 2019 and December 31, 2018

Liabilities and Net Liabilities	January 31, 2019	December 31, 2018
Accounts payable	\$ 386,121	1,030,864
Accrued expenses	642,408	488,161
Resident deposits	55,910	63,230
Entrance fee payable	14,235,240	14,125,107
Deferred revenue – entrance fees	4,471,891	4,504,911
Annuities payable	25,136	25,263
Obligations under financing leases	36,277	37,421
Obligations under operating lease	106,500	110,050
Long-term debt	12,096,839	12,153,286
Due to affiliated entities	23,654,556	23,290,524
Total liabilities	<u>55,710,878</u>	<u>55,828,817</u>
Net liabilities:		
Without donor restriction	(23,508,335)	(23,727,936)
With donor restriction	676,255	676,255
Total net liabilities	<u>(22,832,080)</u>	<u>(23,051,681)</u>
Total liabilities and net liabilities	<u>\$ 32,878,798</u>	<u>32,777,136</u>

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

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

Month ended January 31, 2019 and year ended December 31, 2018

	January 31, 2019	December 30, 2018
	<hr/>	<hr/>
Revenues and other support:		
Resident services, including amortization of entrance fees of \$81,834 and \$918,089, respectively	\$ 1,214,082	14,740,096
Gifts and bequests	313	2,031
Net assets released from restrictions	-	4,951
Total revenues and other support	<hr/> 1,214,394 <hr/>	<hr/> 14,747,078 <hr/>
Cost of services provided		
Nursing services	205,572	2,324,037
Rehabilitation	53,176	631,824
Recreation and special services	37,332	500,804
Pharmacy	7,963	95,856
Social services	6,446	69,657
Physician services	2,083	25,000
Food services	155,056	2,097,179
Building operations and maintenance	198,230	2,360,881
Housekeeping	29,773	314,761
Laundry and linen	4,771	59,695
General and administrative	167,020	2,013,557
Employee benefits	43,126	503,339
Depreciation	182,724	548,861
Interest	45,300	2,160,519
Fundraising	4,185	51,089
Total cost of services provided	<hr/> 1,142,759 <hr/>	<hr/> 13,757,059 <hr/>
Excess of revenues and other support over expenses	71,636	990,019
Other income (expense)		
Investment income, net of investment expense	3,075	71,397
Realized (loss) gain on investments	(20,983)	10,945
Unrealized gain (loss) on investments	165,874	(328,954)
Total other income (expense)	<hr/> 147,965 <hr/>	<hr/> (246,612) <hr/>
Excess of revenue, gains and other support over expenses and losses	219,601	743,407

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

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

Month ended January 31, 2019 and year ended December 31, 2018

	January 31, 2019	December 30, 2018
Net assets without donor restrictions:		
Excess of revenue, gains and other support over expenses and losses	219,601	743,407
Change in net assets without donor restrictions	219,601	743,407
Net assets with donor restrictions:		
Contributions, grants and bequests	–	31,998
Investment income	–	24,859
Unrealized gain on investments	–	–
Net assets released from restrictions	–	(4,951)
Change in net assets with donor restrictions	–	51,906
Change in net assets	219,601	795,313
Net liabilities, beginning of year	(23,051,681)	(23,846,994)
Net liabilities, end of year	\$ (22,832,080)	(23,051,681)

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Cash Flows

Month ended January 31, 2019 and year ended December 31, 2018

	<u>January 31,</u> <u>2019</u>	<u>December 31,</u> <u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ 219,601	795,313
Adjustments to reconcile change in net liabilities to net cash provided by operating activities:		
Depreciation	182,724	2,160,519
Provision for bad debt	958	11,108
Proceeds from refundable entrance fees and deposits	244,439	3,290,342
Amortization of entrance fees	(81,834)	(918,089)
Unrealized (gain) loss on investments	(165,874)	328,954
Realized loss (gain) on investments	20,983	(10,945)
Amortization on deferred financing costs	1,346	16,146
Change in assets and liabilities:		
Accounts receivable	117,489	(149,544)
Entrance fees receivable	(31,951)	158,731
Pledges receivable	—	(4,000)
Prepaid expenses and other current assets	(13,309)	(14,364)
Accounts payable	(644,743)	648,542
Accrued expenses and deferred revenue other	154,247	(14,321)
Net cash provided by operating activities	<u>4,075</u>	<u>6,298,392</u>
Cash flows from investing activities:		
Acquisition of property and equipment	(47,493)	(1,480,026)
Net purchase of investments	<u>(3,073)</u>	<u>328,962</u>
Net cash used in investing activities	(50,566)	(1,151,064)
Cash flows from financing activities:		
Refunds of entrance fees and deposits	(202,946)	(2,363,326)
Change in entrance fee payable	110,133	(65,694)
Principal payments on long-term debt	(57,792)	(673,371)
Borrowings under capital leases	—	43,078
Repayments on capital lease obligations	(1,144)	(11,028)
Change in annuities payable	(127)	(2,225)
Change in due to affiliated entity	<u>364,032</u>	<u>(1,590,518)</u>
Net cash provided by (used in) financing activities	<u>212,156</u>	<u>(4,663,084)</u>
Net increase in cash and cash equivalents	165,666	484,244
Cash, cash equivalents and restricted cash, beginning of year		
Unrestricted	154,733	74,754
Restricted	<u>779,896</u>	<u>375,631</u>
	934,629	450,385
Cash, cash equivalents and restricted cash, end of year		
Unrestricted	320,399	154,733
Restricted	<u>779,896</u>	<u>779,896</u>
Cash and cash equivalents, end of year	<u>\$ 1,100,295</u>	<u>934,629</u>
Supplemental schedule of non-cash investing activities		
Decrease in assets held for sale through increase in property and equipment	<u>\$ —</u>	<u>—</u>