

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Financial Position

January 31, 2020 and December 31, 2019

Assets	January 31, 2020	December 31, 2019
Cash and cash equivalents	\$ 262,542	537,221
Investments	1,000,000	1,000,000
Restricted deposits and funded reserves	2,216,656	2,208,365
Accounts receivable, net	847,486	1,164,724
Prepaid expenses and other current assets	225,556	264,736
Assets whose use is limited	765,700	778,682
Promises to give, net	1,000	1,000
Property and equipment (net of accumulated depreciation of \$39,368,555 and \$39,183,624 respectively)	27,260,304	27,428,298
Financing leases (net of accumulated depreciation of \$21,539 and \$20,342 respectively)	21,539	22,736
Assets under operating leases	<u>72,874</u>	<u>76,486</u>
Total assets	<u>\$ 32,673,658</u>	<u>33,482,248</u>

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Financial Position

January 31, 2020 and December 31, 2019

Liabilities and Net Liabilities	January 31, 2020	December 31, 2019
Accounts payable	\$ 207,526	760,670
Accrued expenses	512,093	519,201
Resident deposits	45,170	65,267
Entrance fee payable	14,563,797	14,777,610
Deferred revenue – entrance fees	4,463,121	4,429,982
Annuities payable	24,918	25,173
Obligations under financing leases	22,231	23,425
Obligations under operating lease	72,874	76,486
Long-term debt	11,409,443	11,467,176
Due to affiliated entities	22,952,625	22,967,668
Total liabilities	<u>54,273,799</u>	<u>55,112,658</u>
Net liabilities:		
Without donor restriction	(22,325,659)	(22,355,928)
With donor restriction	725,518	725,518
Total net liabilities	<u>(21,600,141)</u>	<u>(21,630,410)</u>
Total liabilities and net liabilities	<u>\$ 32,673,658</u>	<u>33,482,248</u>

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

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

Month ended January 31, 2020 and year ended December 31, 2019

	<u>January 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Revenues and other support:		
Resident services		
Resident services	\$ 1,239,337	14,203,978
Amortization of entrance fees	55,181	869,859
Implicit price concession	<u>(1,515)</u>	<u>(25,714)</u>
Total resident services	1,293,003	15,048,123
Gifts and bequests	364	3,297
Net assets released from restrictions	<u>—</u>	<u>6,518</u>
Total revenues and other support	<u>1,293,367</u>	<u>15,057,938</u>
Cost of services provided		
Nursing services	220,969	2,504,737
Rehabilitation	66,889	707,066
Recreation and special services	45,116	519,844
Pharmacy	3,962	101,451
Social services	6,284	71,166
Physician services	2,083	25,000
Food services	172,892	2,139,128
Building operations and maintenance	224,325	2,468,938
Housekeeping	32,172	360,250
Laundry and linen	6,458	63,979
General and administrative	192,119	1,915,299
Employee benefits	51,906	555,262
Depreciation	186,128	2,241,480
Interest	42,726	519,723
Fundraising	<u>5,275</u>	<u>51,771</u>
Total cost of services provided	<u>1,259,305</u>	<u>14,245,094</u>
Excess of revenues and other support over expenses	34,062	812,844
Other (expense) income		
Investment income, net of investment expense	1,980	113,030
Realized gain on investments	—	17,526
Unrealized (loss) gain on investments	<u>(5,773)</u>	<u>428,608</u>
Total other (expense) income	<u>(3,793)</u>	<u>559,164</u>
Excess of revenue, gains and other support over expenses and losses	30,269	1,372,008

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

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

Month ended January 31, 2020 and year ended December 31, 2019

	January 31, 2020	December 31, 2019
Net assets without donor restrictions:		
Excess of revenue, gains and other support over expenses and losses	30,269	1,372,008
Change in net assets without donor restrictions	30,269	1,372,008
Net assets with donor restrictions:		
Contributions, grants and bequests	-	29,228
Investment income	-	26,553
Net assets released from restrictions	-	(6,518)
Change in net assets with donor restrictions	-	49,263
Change in net assets	30,269	1,421,271
Net liabilities, beginning of year	(21,630,410)	(23,051,681)
Net liabilities, end of year	\$ (21,600,141)	(21,630,410)

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Cash Flows

Month ended January 31, 2020 and year ended December 31, 2019

	January 31, 2020	December 31, 2019
Cash flows from operating activities:		
Change in net assets	\$ 30,269	1,421,271
Adjustments to reconcile change in net liabilities to net cash provided by operating activities:		
Depreciation	186,128	2,241,480
Provision for implicit price concession	1,515	30,533
Proceeds from refundable entrance fees and deposits	344,126	3,027,804
Amortization of entrance fees	(55,181)	(869,859)
Unrealized loss (gain) on investments	5,773	(428,608)
Realized gain on investments	—	(17,526)
Amortization on deferred financing costs	1,346	16,146
Change in assets and liabilities:		
Accounts receivable	(62,502)	(133,101)
Entrance fees receivable	378,225	(282,196)
Promise to give	—	3,000
Prepaid expenses and other current assets	39,180	(48,410)
Accounts payable	(553,144)	(270,194)
Accrued expenses and deferred revenue other	(7,108)	31,040
Net cash provided by operating activities	308,627	4,721,380
Cash flows from investing activities:		
Acquisition of property and equipment	(16,937)	(1,577,422)
Net purchase of investments	(1,083)	(799,089)
Net cash used in investing activities	(18,020)	(2,376,511)
Cash flows from financing activities:		
Refunds of entrance fees and deposits	(275,903)	(2,230,837)
Change in entrance fee payable	(213,813)	652,503
Principal payments on long-term debt	(59,078)	(702,256)
Repayments on financing lease obligations	(1,194)	(13,996)
Change in annuities payable	(255)	(90)
Change in due to affiliated entity	(15,043)	(322,856)
Net cash used in financing activities	(565,286)	(2,617,532)
Net decrease in cash and cash equivalents	(274,679)	(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	262,542	537,221
Restricted	124,745	124,745
Cash and cash equivalents, end of year	\$ 387,287	661,966