

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Financial Position

July 31, 2019 and December 31, 2018

Assets	July 31, 2019	December 31, 2018
Cash and cash equivalents	\$ 413,351	154,733
Investments	1,000,000	1,000,000
Restricted deposits and funded reserves	2,072,390	1,733,278
Accounts receivable, net	636,830	779,960
Prepaid expenses and other current assets	389,363	216,326
Assets whose use is limited	691,606	663,697
Promises to give, net	6,400	4,000
Property and equipment (net of accumulated depreciation of \$38,237,879 and \$36,956,504 respectively)	27,552,301	28,077,997
Financing leases (net of accumulated depreciation of \$101,399 and \$93,022 respectively)	28,719	37,095
Assets under operating leases	<u>85,200</u>	<u>110,050</u>
Total assets	<u>\$ 32,876,160</u>	<u>32,777,136</u>

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Financial Position

July 31, 2019 and December 31, 2018

Liabilities and Net Liabilities	July 31, 2019	December 31, 2018
Accounts payable	\$ 252,767	1,030,864
Accrued expenses	603,354	488,161
Resident deposits	92,264	63,230
Entrance fee payable	14,335,750	14,125,107
Deferred revenue – entrance fees	4,263,109	4,504,911
Annuities payable	25,766	25,263
Obligations under financing leases	29,329	37,421
Obligations under operating lease	85,200	110,050
Long-term debt	11,755,386	12,153,286
Due to affiliated entities	23,559,034	23,290,524
Total liabilities	<u>55,001,959</u>	<u>55,828,817</u>
Net liabilities:		
Without donor restriction	(22,826,423)	(23,727,936)
With donor restriction	700,624	676,255
Total net liabilities	<u>(22,125,799)</u>	<u>(23,051,681)</u>
Total liabilities and net liabilities	<u>\$ 32,876,160</u>	<u>32,777,136</u>

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

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

Months ended July 31, 2019 and year ended December 31, 2018

	<u>July 31,</u> <u>2019</u>	<u>December 31,</u> <u>2018</u>
Revenues and other support:		
Resident services		
Resident services	\$ 8,203,646	13,822,007
Amortization of entrance fees	545,788	918,089
Implicit price concession	(13,856)	(23,118)
Total resident services	<u>8,735,579</u>	<u>14,716,978</u>
Gifts and bequests	17,215	2,031
Net assets released from restrictions	-	4,951
Total revenues and other support	<u>8,752,794</u>	<u>14,723,960</u>
Cost of services provided		
Nursing services	1,429,368	2,324,037
Rehabilitation	430,947	631,824
Recreation and special services	296,822	500,804
Pharmacy	61,592	95,856
Social services	41,763	69,657
Physician services	14,583	25,000
Food services	1,227,957	2,097,179
Building operations and maintenance	1,453,111	2,360,881
Housekeeping	204,928	314,761
Laundry and linen	36,676	59,695
General and administrative	1,075,088	1,990,439
Employee benefits	312,477	503,339
Depreciation	1,289,752	2,160,519
Interest	305,587	548,861
Fundraising	21,997	51,089
Total cost of services provided	<u>8,202,647</u>	<u>13,733,941</u>
Excess of revenues and other support over expenses	550,146	990,019
Other income (expense)		
Investment income, net of investment expense	21,538	71,397
Realized (loss) gain on investments	(11,596)	10,945
Unrealized gain (loss) on investments	341,425	(328,954)
Total other income (expense)	<u>351,367</u>	<u>(246,612)</u>
Excess of revenue, gains and other support over expenses and losses	901,513	743,407

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

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

Months ended July 31, 2019 and year ended December 31, 2018

	July 31, 2019	December 31, 2018
Net assets without donor restrictions:		
Excess of revenue, gains and other support over expenses and losses	901,513	743,407
Change in net assets without donor restrictions	901,513	743,407
Net assets with donor restrictions:		
Contributions, grants and bequests	11,343	31,998
Investment income	13,026	24,859
Net assets released from restrictions	—	(4,951)
Change in net assets with donor restrictions	24,369	51,906
Change in net assets	925,882	795,313
Net liabilities, beginning of year	(23,051,681)	(23,846,994)
Net liabilities, end of year	\$ (22,125,799)	(23,051,681)

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Cash Flows

Months ended July 31, 2019 and year ended December 31, 2018

	July 31, 2019	December 31, 2018
	<u> </u>	<u> </u>
Cash flows from operating activities:		
Change in net assets	\$ 925,882	795,313
Adjustments to reconcile change in net liabilities to net cash provided by operating activities:		
Depreciation	1,289,752	2,160,519
Provision for bad debt	19,963	11,108
Proceeds from refundable entrance fees and deposits	1,467,070	3,290,342
Amortization of entrance fees	(545,788)	(918,089)
Unrealized (gain) loss on investments	(341,425)	328,954
Realized loss (gain) on investments	11,596	(10,945)
Amortization on deferred financing costs	9,419	16,146
Repayments on operating lease obligations	(24,850)	—
Change in assets and liabilities:		
Accounts receivable	125,645	(149,544)
Entrance fees receivable	(2,478)	158,731
Promise to give	(2,400)	(4,000)
Prepaid expenses and other current assets	(173,037)	(14,364)
Accounts payable	(778,097)	648,542
Accrued expenses and deferred revenue other	115,193	(14,321)
Net cash provided by operating activities	<u>2,096,444</u>	<u>6,298,392</u>
Cash flows from investing activities:		
Acquisition of property and equipment	(730,830)	(1,480,026)
Net (purchase of) proceeds from the sale of investments	<u>(93,910)</u>	<u>328,962</u>
Net cash used in investing activities	(824,740)	(1,151,064)
Cash flows from financing activities:		
Refunds of entrance fees and deposits	(1,134,050)	(2,363,326)
Change in entrance fee payable	210,643	(65,694)
Principal payments on long-term debt	(407,319)	(673,371)
Borrowings under financing leases	—	43,078
Repayments on financing lease obligations	(8,092)	(11,028)
Change in annuities payable	503	(2,225)
Change in due to affiliated entity	268,510	(1,590,518)
Net cash used in financing activities	<u>(1,069,804)</u>	<u>(4,663,084)</u>
Net increase in cash and cash equivalents	201,900	484,244
Cash, cash equivalents and restricted cash, beginning of year	934,629	450,385
Cash, cash equivalents and restricted cash, end of year		
Unrestricted	413,351	154,733
Restricted	723,178	779,896
Cash and cash equivalents, end of year	\$ <u><u>1,136,529</u></u>	<u><u>934,629</u></u>