

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Financial Position

July 31, 2020 and December 31, 2019

Assets	July 31, 2020	December 31, 2019
Cash and cash equivalents	\$ 160,408	537,221
Investments	1,000,000	1,000,000
Restricted deposits and funded reserves	2,240,718	2,208,365
Accounts receivable, net	564,401	1,164,724
Prepaid expenses and other current assets	72,867	264,736
Assets whose use is limited	703,315	778,682
Assets whose use is limited, capital assets	3,989,861	—
Promises to give, net	2,200	1,000
Property and equipment (net of accumulated depreciation of \$40,508,622 and \$39,183,624 respectively)	26,477,227	27,428,298
Financing leases (net of accumulated depreciation of \$28,719 and \$20,342 respectively)	14,359	22,736
Assets under operating leases	<u>50,926</u>	<u>76,486</u>
Total assets	<u>\$ 35,276,282</u>	<u>33,482,248</u>

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Financial Position

July 31, 2020 and December 31, 2019

Liabilities and Net Liabilities	July 31, 2020	December 31, 2019
Accounts payable	\$ 446,819	760,670
Accrued expenses	574,849	519,201
Resident deposits	90,000	65,267
Entrance fee payable	14,205,759	14,777,610
Deferred revenue – entrance fees	4,152,940	4,429,982
Annuities payable	23,738	25,173
Obligations under financing leases	14,979	23,425
Obligations under operating lease	50,926	76,486
Long-term debt	14,995,470	11,467,176
Due to affiliated entities	21,775,001	22,967,668
Total liabilities	<u>56,330,481</u>	<u>55,112,658</u>
Net liabilities:		
Without donor restriction	(21,813,739)	(22,355,928)
With donor restriction	759,540	725,518
Total net liabilities	<u>(21,054,199)</u>	<u>(21,630,410)</u>
Total liabilities and net liabilities	<u>\$ 35,276,282</u>	<u>33,482,248</u>

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

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

Periods ended July 31, 2020 and year ended December 31, 2019

	<u>July 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Revenues and other support:		
Resident services		
Resident services	\$ 7,603,256	14,203,978
Amortization of entrance fees	555,333	869,859
Implicit price concession	<u>(68,960)</u>	<u>(25,714)</u>
Total resident services	8,089,629	15,048,123
Gifts and bequests	1,014	3,297
Government stimulus	418,028	-
Net assets released from restrictions	<u>500</u>	<u>6,518</u>
Total revenues and other support	<u>8,509,171</u>	<u>15,057,938</u>
Cost of services provided		
Nursing services	1,450,830	2,504,737
Rehabilitation	386,988	707,066
Recreation and special services	209,169	519,844
Pharmacy	27,301	101,451
Social services	42,584	71,166
Physician services	14,583	25,000
Food services	1,253,512	2,139,128
Building operations and maintenance	1,495,957	2,468,938
Housekeeping	188,809	360,250
Laundry and linen	36,358	63,979
General and administrative	1,769,426	1,915,299
Employee benefits	368,747	555,262
Depreciation	1,333,375	2,241,480
Interest	306,932	519,723
Fundraising	<u>21,401</u>	<u>51,771</u>
Total cost of services provided	<u>8,905,972</u>	<u>14,245,094</u>
(Deficit) excess of revenues and other support over expenses	(396,801)	812,844
Other (expense) income		
Investment income, net of investment expense	19,845	113,030
Realized (loss) gain on investments	(99,921)	17,526
Unrealized gain on investments	<u>18,166</u>	<u>428,608</u>
Total other (expense) income	<u>(61,910)</u>	<u>559,164</u>
(Deficit) excess of revenue, gains and other support over expenses and losses	(458,711)	1,372,008

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

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

Periods ended July 31, 2020 and year ended December 31, 2019

	July 31, 2020	December 31, 2019
Net assets without donor restrictions:		
(Deficit) excess of revenue, gains and other support over expenses and losses	(458,711)	1,372,008
Loan forgiveness	1,000,900	—
Change in net assets without donor restrictions	542,189	1,372,008
Net assets with donor restrictions:		
Contributions, grants and bequests	20,529	29,228
Investment income, net of investment expense	13,993	26,553
Net assets released from restrictions	(500)	(6,518)
Change in net assets with donor restrictions	34,022	49,263
Change in net assets	576,211	1,421,271
Net liabilities, beginning of year	(21,630,410)	(23,051,681)
Net liabilities, end of year	\$ (21,054,199)	(21,630,410)

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Cash Flows

Periods ended July 31, 2020 and year ended December 31, 2019

	<u>July 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ 576,211	1,421,271
Adjustments to reconcile change in net liabilities to net cash provided by operating activities:		
Depreciation	1,333,375	2,241,480
Provision for implicit price concession and bad debt	151,805	30,533
Proceeds from refundable entrance fees and deposits	1,223,326	3,027,804
Amortization of entrance fees	(555,333)	(869,859)
Loan forgiveness	(1,000,900)	—
Unrealized gain on investments	(18,166)	(428,608)
Realized loss (gain) on investments	99,921	(17,526)
Amortization on deferred financing costs	10,829	16,146
Change in assets and liabilities:		
Accounts receivable	(18,676)	(133,101)
Entrance fees receivable	467,195	(282,196)
Promise to give	(1,200)	3,000
Prepaid expenses and other current assets	191,869	(48,410)
Accounts payable	(313,851)	(270,194)
Accrued expenses and deferred revenue other	55,648	31,040
Net cash provided by operating activities	<u>2,202,051</u>	<u>4,721,380</u>
Cash flows from investing activities:		
Acquisition of property and equipment	(373,927)	(1,577,422)
Net purchase of investments	<u>(4,028,601)</u>	<u>(799,089)</u>
Net cash used in investing activities	(4,402,528)	(2,376,511)
Cash flows from financing activities:		
Refunds of entrance fees and deposits	(920,303)	(2,230,837)
Change in entrance fee payable	(571,851)	652,503
Principal payments on long-term debt	(423,313)	(702,256)
Proceeds on the issuance of debt	5,000,900	—
Financing costs incurred	(59,222)	—
Repayments on financing lease obligations	(8,446)	(13,996)
Change in annuities payable	(1,435)	(90)
Change in due to affiliated entity	<u>(1,192,667)</u>	<u>(322,856)</u>
Net cash provided by (used in) financing activities	<u>1,823,664</u>	<u>(2,617,532)</u>
Net decrease in cash and cash equivalents	(376,813)	(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	160,408	537,221
Restricted	124,745	124,745
Cash and cash equivalents, end of year	\$ <u><u>285,153</u></u>	<u><u>661,966</u></u>