

Presbyterian Senior Living Services, Inc.

Consolidated Statements of Financial Position

July 31, 2022 and December 31, 2021

	<u>July 31, 2022</u>	<u>December 31, 2021</u>
Assets		
Cash and cash equivalents	\$ 134,843	\$ 3,231,435
Investments	1,499,502	1,924,740
Restricted deposits and funded reserves	1,890,545	1,890,545
Accounts receivable, net	739,929	605,602
Assets whose use is limited	1,411,373	2,270,200
Property and equipment, net	26,421,245	26,193,280
Other assets	602,785	261,138
	<u>32,700,222</u>	<u>36,376,940</u>
Total assets	<u>\$ 32,700,222</u>	<u>\$ 36,376,940</u>
Liabilities and Net Assets		
Accounts payable	\$ 299,920	\$ 700,487
Accrued expenses	612,671	622,359
Resident deposits	56,200	41,280
Entrance fees payable	13,122,817	12,625,990
Other liabilities	254,318	9,201
Cares act funding liabilities	-	143,010
Long-term debt	13,215,142	13,747,332
Due to affiliated entity	21,435,081	24,448,364
Deferred revenues from entrance fees	4,545,639	4,557,908
	<u>53,541,788</u>	<u>56,895,931</u>
Total liabilities	<u>53,541,788</u>	<u>56,895,931</u>
Net Assets (Deficit)		
Without donor restriction	(21,597,563)	(21,262,786)
With donor restrictions	755,997	743,795
	<u>(20,841,566)</u>	<u>(20,518,991)</u>
Total net deficit	<u>(20,841,566)</u>	<u>(20,518,991)</u>
Total liabilities and net deficit	<u>\$ 32,700,222</u>	<u>\$ 36,376,940</u>

Presbyterian Senior Living Services, Inc.

Consolidated Statements of Operations and Changes in Net Assets
Period ended July 31, 2022 and year ended December 31, 2021

	<u>July 31, 2022</u>	<u>December 31, 2021</u>
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 8,054,642	\$ 12,806,357
Amortization of entrance fees	553,844	962,791
Total resident services	8,608,486	13,769,148
Contributions, gifts, grants and bequests	6,255	5,979
Government grants	-	1,169,009
Government stimulus	41,162	711,731
Net assets released from restrictions	-	8,389
Total operating revenues and other support	<u>8,655,903</u>	<u>15,664,256</u>
Expenses:		
Nursing services	1,491,593	2,648,877
Rehabilitation	355,902	647,183
Recreation and special services	254,222	422,229
Pharmacy	46,181	103,839
Social services	40,450	54,384
Physician services	14,583	25,000
Food Services	1,186,759	2,106,195
Building operations and maintenance	1,571,737	2,731,106
Housekeeping	240,394	403,310
Laundry and linen	31,702	55,596
General and administrative	1,308,591	2,158,237
Employee benefits	255,960	481,858
Interest	345,522	614,154
Depreciation	1,136,647	1,891,504
Fundraising	33,222	52,476
Total expenses	<u>8,313,465</u>	<u>14,395,948</u>
Unusual non-recurring expenses - COVID-19	<u>203,500</u>	<u>202,093</u>
Operating (loss) gain	<u>138,938</u>	<u>1,066,215</u>
Other income (loss):		
Investment income, net of investment expense	41,942	115,689
Realized gain on investments	119,853	116,890
Unrealized (loss) gain on investments	<u>(635,510)</u>	<u>115,441</u>
Total other income (loss)	<u>(473,715)</u>	<u>348,020</u>
Revenues (less than) in excess of expenses	<u>(334,777)</u>	<u>1,414,235</u>

Presbyterian Senior Living Services, Inc.

Consolidated Statements of Operations and Changes in Net Assets
Period ended July 31, 2022 and year ended December 31, 2021

	<u>July 31, 2022</u>	<u>December 31, 2021</u>
Net Assets With Donor Restrictions		
Contributions, gifts, grants and bequests	\$ 3,221	\$ 2,029
Investment income, net of investment expense	8,981	9,989
Net assets released from restrictions	<u>-</u>	<u>(8,389)</u>
Increase in net assets with donor restrictions	<u>12,202</u>	<u>3,629</u>
Change in net assets	(322,575)	1,417,864
Net Deficit, Beginning	<u>(20,518,991)</u>	<u>(21,936,855)</u>
Net Deficit, Ending	<u><u>\$ (20,841,566)</u></u>	<u><u>\$ (20,518,991)</u></u>

Presbyterian Senior Living Services, Inc.

Consolidated Statements of Cash Flows

Period ended July 31, 2022 and year ended December 31, 2021

	<u>July 31, 2022</u>	<u>December 31, 2021</u>
Cash Flows From Operating Activities		
(Decrease) increase in net assets	\$ (322,575)	\$ 1,417,864
Adjustments to reconcile (decrease) increase in net deficit to net cash provided by operating activities:		
Depreciation	1,136,647	1,891,504
Provision for doubtful collections	(1,148)	(41,237)
Proceeds from non-refundable entrance fees and deposits	634,720	1,207,040
Amortization of entrance fees	(553,844)	(962,791)
Unrealized loss (gain) on investments	635,510	(115,441)
Realized gain on investments	(119,853)	(116,890)
Amortization of deferred financing costs	15,177	26,018
Changes in assets and liabilities:		
Accounts receivable	29,300	138,210
Entrance fees receivable	(162,480)	206,673
Other assets	(341,647)	50,662
Accounts payable	(400,567)	234,019
Accrued expenses	(9,688)	25,736
Other liabilities	245,117	(54,764)
Cares act funding liabilities	(143,010)	(235,217)
Net cash provided by operating activities	<u>641,660</u>	<u>3,671,386</u>
Cash Flows From Investing Activities		
Acquisition of property and equipment	(1,364,612)	(1,833,135)
Purchases of investments	(2,277,767)	(634,175)
Proceeds from sale of investments	<u>3,046,175</u>	<u>500,104</u>
Net cash used in investing activities	<u>(596,204)</u>	<u>(1,967,206)</u>
Cash Flows From Financing Activities		
Refunds of entrance fees and deposits	(644,998)	(2,664,899)
Proceeds from refundable entrance fees and deposits, resales	1,063,600	1,610,610
Principal payments on long-term debt	(547,367)	(902,000)
Change in due to affiliated entity	<u>(3,013,283)</u>	<u>46,035</u>
Net cash used in financing activities	<u>(3,142,048)</u>	<u>(1,910,254)</u>
Net change in cash, cash equivalents and restricted cash	(3,096,592)	(206,074)
Cash, Cash Equivalents and Restricted Cash, Beginning	<u>4,777,073</u>	<u>4,983,147</u>
Cash, Cash Equivalents and Restricted Cash, Ending		
Unrestricted	\$ 134,843	\$ 3,231,435
Restricted	<u>1,545,638</u>	<u>1,545,638</u>
	<u>\$ 1,680,481</u>	<u>\$ 4,777,073</u>