

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Financial Position

June 30, 2019 and December 31, 2018

Assets	June 30, 2019	December 31, 2018
Cash and cash equivalents	\$ 358,750	154,733
Investments	1,000,000	1,000,000
Restricted deposits and funded reserves	2,057,265	1,733,278
Accounts receivable, net	528,197	779,960
Prepaid expenses and other current assets	80,788	216,326
Assets whose use is limited	691,317	663,697
Promises to give, net	6,400	4,000
Property and equipment (net of accumulated depreciation of \$38,056,167 and \$36,956,504 respectively)	27,497,849	28,077,997
Financing leases (net of accumulated depreciation of \$100,202 and \$93,022 respectively)	29,915	37,095
Assets under operating leases	<u>88,750</u>	<u>110,050</u>
Total assets	<u>\$ 32,339,231</u>	<u>32,777,136</u>

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Financial Position

June 30, 2019 and December 31, 2018

Liabilities and Net Liabilities	June 30, 2019	December 31, 2018
Accounts payable	\$ 163,903	1,030,864
Accrued expenses	614,368	488,161
Resident deposits	68,398	63,230
Entrance fee payable	14,337,846	14,125,107
Deferred revenue – entrance fees	4,221,672	4,504,911
Annuities payable	25,766	25,263
Obligations under financing leases	30,498	37,421
Obligations under operating lease	88,750	110,050
Long-term debt	11,813,223	12,153,286
Due to affiliated entities	23,160,851	23,290,524
Total liabilities	<u>54,525,274</u>	<u>55,828,817</u>
Net liabilities:		
Without donor restriction	(22,886,667)	(23,727,936)
With donor restriction	700,624	676,255
Total net liabilities	<u>(22,186,043)</u>	<u>(23,051,681)</u>
Total liabilities and net liabilities	<u>\$ 32,339,231</u>	<u>32,777,136</u>

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

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

Quarters ended June 30, 2019 and year ended December 31, 2018

	<u>June 30,</u> <u>2019</u>	<u>December 31,</u> <u>2018</u>
Revenues and other support:		
Resident services		
Resident services	\$ 7,008,220	13,822,007
Amortization of entrance fees	465,039	918,089
Implicit price concession	(6,630)	(23,118)
Total resident services	<u>7,466,629</u>	<u>14,716,978</u>
Gifts and bequests	16,390	2,031
Net assets released from restrictions	-	4,951
Total revenues and other support	<u>7,483,019</u>	<u>14,723,960</u>
Cost of services provided		
Nursing services	1,223,621	2,324,037
Rehabilitation	335,069	631,824
Recreation and special services	246,151	500,804
Pharmacy	48,764	95,856
Social services	35,685	69,657
Physician services	12,500	25,000
Food services	1,061,955	2,097,179
Building operations and maintenance	1,252,807	2,360,881
Housekeeping	170,149	314,761
Laundry and linen	31,380	59,695
General and administrative	906,521	1,990,439
Employee benefits	265,464	503,339
Depreciation	1,106,844	2,160,519
Interest	261,549	548,861
Fundraising	19,129	51,089
Total cost of services provided	<u>6,977,587</u>	<u>13,733,941</u>
Excess of revenues and other support over expenses	505,432	990,019
Other income (expense)		
Investment income, net of investment expense	17,215	71,397
Realized (loss) gain on investments	(11,596)	10,945
Unrealized gain (loss) on investments	330,218	(328,954)
Total other income (expense)	<u>335,837</u>	<u>(246,612)</u>
Excess of revenue, gains and other support over expenses and losses	841,269	743,407

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

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

Quarters ended June 30, 2019 and year ended December 31, 2018

	June 30, 2019	December 31, 2018
Net assets without donor restrictions:		
Excess of revenue, gains and other support over expenses and losses	841,269	743,407
Change in net assets without donor restrictions	841,269	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	865,638	795,313
Net liabilities, beginning of year	(23,051,681)	(23,846,994)
Net liabilities, end of year	\$ (22,186,043)	(23,051,681)

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Cash Flows

Quarters ended June 30, 2019 and year ended December 31, 2018

	June 30, 2019	December 31, 2018
	<u> </u>	<u> </u>
Cash flows from operating activities:		
Change in net assets	\$ 865,638	795,313
Adjustments to reconcile change in net liabilities to net cash provided by operating activities:		
Depreciation	1,106,844	2,160,519
Provision for bad debt	12,737	11,108
Proceeds from refundable entrance fees and deposits	1,130,158	3,290,342
Amortization of entrance fees	(465,039)	(918,089)
Unrealized (gain) loss on investments	(330,218)	328,954
Realized loss (gain) on investments	11,596	(10,945)
Amortization on deferred financing costs	8,073	16,146
Repayments on operating lease obligations	(21,300)	—
Change in assets and liabilities:		
Accounts receivable	104,442	(149,544)
Entrance fees receivable	134,584	158,731
Promise to give	(2,400)	(4,000)
Prepaid expenses and other current assets	135,538	(14,364)
Accounts payable	(866,961)	648,542
Accrued expenses and deferred revenue other	126,207	(14,321)
Net cash provided by operating activities	<u>1,949,898</u>	<u>6,298,392</u>
Cash flows from investing activities:		
Acquisition of property and equipment	(498,216)	(1,480,026)
Net (purchase of) proceeds from the sale of investments	<u>(89,703)</u>	<u>328,962</u>
Net cash used in investing activities	(587,919)	(1,151,064)
Cash flows from financing activities:		
Refunds of entrance fees and deposits	(943,190)	(2,363,326)
Change in entrance fee payable	212,739	(65,694)
Principal payments on long-term debt	(348,136)	(673,371)
Borrowings under financing leases	—	43,078
Repayments on financing lease obligations	(6,923)	(11,028)
Change in annuities payable	503	(2,225)
Change in due to affiliated entity	(129,673)	(1,590,518)
Net cash used in financing activities	<u>(1,214,680)</u>	<u>(4,663,084)</u>
Net increase in cash and cash equivalents	147,299	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	358,750	154,733
Restricted	723,178	779,896
Cash and cash equivalents, end of year	\$ <u><u>1,081,928</u></u>	<u><u>934,629</u></u>