

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Financial Position

June 30, 2020 and December 31, 2019

Assets	June 30, 2020	December 31, 2019
Cash and cash equivalents	\$ 202,794	537,221
Investments	1,000,000	1,000,000
Restricted deposits and funded reserves	2,170,496	2,208,365
Accounts receivable, net	747,030	1,164,724
Prepaid expenses and other current assets	81,920	264,736
Assets whose use is limited	684,083	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 \$40,320,557 and \$39,183,624 respectively)	26,581,988	27,428,298
Financing leases (net of accumulated depreciation of \$27,522 and \$20,342 respectively)	15,556	22,736
Assets under operating leases	<u>54,617</u>	<u>76,486</u>
Total assets	<u>\$ 35,530,546</u>	<u>33,482,248</u>

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Financial Position

June 30, 2020 and December 31, 2019

Liabilities and Net Liabilities	June 30, 2020	December 31, 2019
Accounts payable	\$ 475,641	760,670
Accrued expenses	647,878	519,201
Resident deposits	31,000	65,267
Entrance fee payable	14,347,659	14,777,610
Deferred revenue – entrance fees	4,274,787	4,429,982
Annuities payable	23,738	25,173
Obligations under financing leases	16,198	23,425
Obligations under operating lease	54,617	76,486
Long-term debt	15,055,091	11,467,176
Due to affiliated entities	21,514,961	22,967,668
Total liabilities	<u>56,441,571</u>	<u>55,112,658</u>
Net liabilities:		
Without donor restriction	(21,670,566)	(22,355,928)
With donor restriction	759,540	725,518
Total net liabilities	<u>(20,911,025)</u>	<u>(21,630,410)</u>
Total liabilities and net liabilities	<u>\$ 35,530,546</u>	<u>33,482,248</u>

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

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

Quarters ended June 30, 2020 and year ended December 31, 2019

	<u>June 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Revenues and other support:		
Resident services		
Resident services	\$ 6,781,363	14,203,978
Amortization of entrance fees	443,154	869,859
Implicit price concession	(69,199)	(25,714)
Total resident services	<u>7,155,318</u>	<u>15,048,123</u>
Gifts and bequests	715	3,297
Government stimulus	418,028	-
Net assets released from restrictions	500	6,518
Total revenues and other support	<u>7,574,561</u>	<u>15,057,938</u>
Cost of services provided		
Nursing services	1,287,130	2,504,737
Rehabilitation	340,840	707,066
Recreation and special services	177,454	519,844
Pharmacy	25,862	101,451
Social services	36,451	71,166
Physician services	12,500	25,000
Food services	1,089,056	2,139,128
Building operations and maintenance	1,290,965	2,468,938
Housekeeping	165,253	360,250
Laundry and linen	33,738	63,979
General and administrative	1,548,009	1,915,299
Employee benefits	319,532	555,262
Depreciation	1,144,113	2,241,480
Interest	246,094	519,723
Fundraising	21,495	51,771
Total cost of services provided	<u>7,738,495</u>	<u>14,245,094</u>
(Deficit) excess of revenues and other support over expenses	(163,934)	812,844
Other (expense) income		
Investment income, net of investment expense	17,320	113,030
Realized (loss) gain on investments	(110,889)	17,526
Unrealized (loss) gain on investments	(58,034)	428,608
Total other (expense) income	<u>(151,603)</u>	<u>559,164</u>
(Deficit) excess of revenue, gains and other support over expenses and losses	(315,537)	1,372,008

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

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

Quarters ended June 30, 2020 and year ended December 31, 2019

	June 30, 2020	December 31, 2019
Net assets without donor restrictions:		
(Deficit) excess of revenue, gains and other support over expenses and losses	(315,537)	1,372,008
Loan forgiveness	1,000,900	—
Change in net assets without donor restrictions	685,363	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	719,385	1,421,271
Net liabilities, beginning of year	(21,630,410)	(23,051,681)
Net liabilities, end of year	\$ (20,911,025)	(21,630,410)

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Cash Flows

Quarters ended June 30, 2020 and year ended December 31, 2019

	<u>June 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ 719,385	1,421,271
Adjustments to reconcile change in net liabilities to net cash provided by operating activities:		
Depreciation	1,144,113	2,241,480
Provision for implicit price concession and bad debt	151,029	30,533
Proceeds from refundable entrance fees and deposits	1,022,426	3,027,804
Amortization of entrance fees	(443,154)	(869,859)
Loan forgiveness	(1,000,900)	—
Unrealized loss (gain) on investments	58,034	(428,608)
Realized loss (gain) on investments	110,889	(17,526)
Amortization on deferred financing costs	8,778	16,146
Change in assets and liabilities:		
Accounts receivable	(53,125)	(133,101)
Entrance fees receivable	319,790	(282,196)
Promise to give	(1,200)	3,000
Prepaid expenses and other current assets	182,816	(48,410)
Accounts payable	(285,029)	(270,194)
Accrued expenses and deferred revenue other	128,677	31,040
Net cash provided by operating activities	<u>2,062,529</u>	<u>4,721,380</u>
Cash flows from investing activities:		
Acquisition of property and equipment	(290,623)	(1,577,422)
Net purchase of investments	<u>(4,026,316)</u>	<u>(799,089)</u>
Net cash used in investing activities	(4,316,938)	(2,376,511)
Cash flows from financing activities:		
Refunds of entrance fees and deposits	(768,734)	(2,230,837)
Change in entrance fee payable	(429,951)	652,503
Principal payments on long-term debt	(361,642)	(702,256)
Proceeds on the issuance of debt	5,000,900	—
Financing costs incurred	(59,222)	—
Repayments on financing lease obligations	(7,227)	(13,996)
Change in annuities payable	(1,435)	(90)
Change in due to affiliated entity	<u>(1,452,707)</u>	<u>(322,856)</u>
Net cash provided by (used in) financing activities	<u>1,919,982</u>	<u>(2,617,532)</u>
Net decrease in cash and cash equivalents	(334,427)	(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	202,794	537,221
Restricted	124,745	124,745
Cash and cash equivalents, end of year	<u>\$ 327,539</u>	<u>661,966</u>