

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Financial Position

March 31, 2019 and December 31, 2018

Assets	March 31, 2019	December 31, 2018
Cash and cash equivalents	\$ 412,053	154,733
Investments	1,000,000	1,000,000
Restricted deposits and funded reserves	1,958,866	1,733,278
Accounts receivable, net	758,134	779,960
Prepaid expenses and other current assets	176,775	216,326
Assets whose use is limited	683,630	663,697
Promises to give, net	6,000	4,000
Property and equipment (net of accumulated depreciation of \$37,498,865 and \$36,956,504 respectively)	27,735,159	28,077,997
Financing leases (net of accumulated depreciation of \$96,612 and \$93,022 respectively)	33,505	37,095
Assets under operating leases	<u>99,400</u>	<u>110,050</u>
Total assets	<u>\$ 32,863,522</u>	<u>32,777,136</u>

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Financial Position

March 31, 2019 and December 31, 2018

Liabilities and Net Liabilities	March 31, 2019	December 31, 2018
Accounts payable	\$ 377,627	1,030,864
Accrued expenses	535,288	488,161
Resident deposits	43,150	63,230
Entrance fee payable	14,663,732	14,125,107
Deferred revenue – entrance fees	4,413,576	4,504,911
Annuities payable	23,957	25,263
Obligations under financing leases	33,978	37,421
Obligations under operating lease	99,400	110,050
Long-term debt	11,982,792	12,153,286
Due to affiliated entities	23,308,912	23,290,524
Total liabilities	<u>55,482,412</u>	<u>55,828,817</u>
Net liabilities:		
Without donor restriction	(23,305,060)	(23,727,936)
With donor restriction	686,170	676,255
Total net liabilities	<u>(22,618,890)</u>	<u>(23,051,681)</u>
Total liabilities and net liabilities	<u>\$ 32,863,522</u>	<u>32,777,136</u>

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

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

Quarter ended March 31, 2019 and year ended December 31, 2018

	<u>March 31,</u> <u>2019</u>	<u>December 31,</u> <u>2018</u>
Revenues and other support:		
Resident services		
Resident services	\$ 3,420,122	13,822,007
Amortization of entrance fees	213,105	918,089
Implicit price concession	(558)	(13,118)
Total resident services	<u>3,632,669</u>	<u>14,726,978</u>
Gifts and bequests	339	2,031
Net assets released from restrictions	-	4,951
Total revenues and other support	<u>3,633,007</u>	<u>14,733,960</u>
Cost of services provided		
Nursing services	595,457	2,324,037
Rehabilitation	157,136	631,824
Recreation and special services	112,586	500,804
Pharmacy	18,623	95,856
Social services	17,678	69,657
Physician services	6,250	25,000
Food services	520,815	2,097,179
Building operations and maintenance	676,247	2,360,881
Housekeeping	85,200	314,761
Laundry and linen	15,241	59,695
General and administrative	429,170	2,000,439
Employee benefits	130,362	503,339
Depreciation	545,952	548,861
Interest	128,855	2,160,519
Fundraising	10,408	51,089
Total cost of services provided	<u>3,449,979</u>	<u>13,743,941</u>
Excess of revenues and other support over expenses	183,028	990,019
Other income (expense)		
Investment income, net of investment expense	7,635	71,397
Realized (loss) gain on investments	(20,983)	10,945
Unrealized gain (loss) on investments	253,196	(328,954)
Total other income (expense)	<u>239,848</u>	<u>(246,612)</u>
Excess of revenue, gains and other support over expenses and losses	422,876	743,407

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

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

Quarter ended March 31, 2019 and year ended December 31, 2018

	March 31, 2019	December 31, 2018
Net assets without donor restrictions:		
Excess of revenue, gains and other support over expenses and losses	422,876	743,407
Change in net assets without donor restrictions	422,876	743,407
Net assets with donor restrictions:		
Contributions, grants and bequests	3,456	31,998
Investment income	6,459	24,859
Net assets released from restrictions	-	(4,951)
Change in net assets with donor restrictions	9,915	51,906
Change in net assets	432,791	795,313
Net liabilities, beginning of year	(23,051,681)	(23,846,994)
Net liabilities, end of year	\$ (22,618,890)	(23,051,681)

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Cash Flows

Quarter ended March 31, 2019 and year ended December 31, 2018

	<u>March 31,</u> <u>2019</u>	<u>December 31,</u> <u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ 432,791	795,313
Adjustments to reconcile change in net liabilities to net cash provided by operating activities:		
Depreciation	545,952	2,160,519
Provision for bad debt	9,165	11,108
Proceeds from refundable entrance fees and deposits	546,655	3,290,342
Amortization of entrance fees	(213,105)	(918,089)
Unrealized (gain) loss on investments	(253,196)	328,954
Realized loss (gain) on investments	20,983	(10,945)
Amortization on deferred financing costs	4,037	16,146
Change in assets and liabilities:		
Accounts receivable	84,852	(149,544)
Entrance fees receivable	(72,191)	158,731
Promise to give	(2,000)	(4,000)
Prepaid expenses and other current assets	39,551	(14,364)
Accounts payable	(653,237)	648,542
Accrued expenses and deferred revenue other	47,127	(14,321)
Net cash provided by operating activities	<u>537,384</u>	<u>6,298,392</u>
Cash flows from investing activities:		
Acquisition of property and equipment	(188,875)	(1,480,026)
Net (purchase of) proceeds from the sale of investments	<u>(20,593)</u>	<u>328,962</u>
Net cash used in investing activities	(209,468)	(1,151,064)
Cash flows from financing activities:		
Refunds of entrance fees and deposits	(444,965)	(2,363,326)
Change in entrance fee payable	538,625	(65,694)
Principal payments on long-term debt	(174,530)	(673,371)
Borrowings under financing leases	—	43,078
Repayments on financing lease obligations	(3,443)	(11,028)
Repayments on operating lease obligations	(10,650)	—
Change in annuities payable	(1,306)	(2,225)
Change in due to affiliated entity	18,388	(1,590,518)
Net cash used in financing activities	<u>(77,881)</u>	<u>(4,663,084)</u>
Net increase in cash and cash equivalents	250,035	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	412,053	154,733
Restricted	772,611	779,896
Cash and cash equivalents, end of year	\$ <u><u>1,184,664</u></u>	<u><u>934,629</u></u>