

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Financial Position

March 31, 2020 and December 31, 2019

Assets	March 31, 2020	December 31, 2019
Cash and cash equivalents	\$ 87,811	537,221
Investments	1,000,000	1,000,000
Restricted deposits and funded reserves	1,855,180	2,208,365
Accounts receivable, net	1,697,692	1,164,724
Prepaid expenses and other current assets	11,318	264,736
Assets whose use is limited	612,119	778,682
Promises to give, net	2,600	1,000
Property and equipment (net of accumulated depreciation of \$39,749,325 and \$39,183,624 respectively)	27,112,431	27,428,298
Financing leases (net of accumulated depreciation of \$23,932 and \$20,342 respectively)	19,146	22,736
Assets under operating leases	<u>65,611</u>	<u>76,486</u>
Total assets	<u>\$ 32,463,908</u>	<u>33,482,248</u>

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Financial Position

March 31, 2020 and December 31, 2019

Liabilities and Net Liabilities	March 31, 2020	December 31, 2019
Accounts payable	\$ 339,513	760,670
Accrued expenses	666,129	519,201
Resident deposits	29,000	65,267
Entrance fee payable	14,661,652	14,777,610
Deferred revenue – entrance fees	4,549,559	4,429,982
Annuities payable	23,692	25,173
Obligations under financing leases	19,831	23,425
Obligations under operating lease	65,611	76,486
Long-term debt	11,290,707	11,467,176
Due to affiliated entities	22,916,345	22,967,668
Total liabilities	<u>54,562,039</u>	<u>55,112,658</u>
Net liabilities:		
Without donor restriction	(22,833,018)	(22,355,928)
With donor restriction	734,887	725,518
Total net liabilities	<u>(22,098,131)</u>	<u>(21,630,410)</u>
Total liabilities and net liabilities	<u>\$ 32,463,908</u>	<u>33,482,248</u>

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

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

Quarter ended March 31, 2020 and year ended December 31, 2019

	<u>March 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Revenues and other support:		
Resident services		
Resident services	\$ 3,638,832	14,203,978
Amortization of entrance fees	192,952	869,859
Implicit price concession	(4,922)	(25,714)
Total resident services	<u>3,826,863</u>	<u>15,048,123</u>
Gifts and bequests	494	3,297
Net assets released from restrictions	500	6,518
Total revenues and other support	<u>3,827,857</u>	<u>15,057,938</u>
Cost of services provided		
Nursing services	642,801	2,504,737
Rehabilitation	188,890	707,066
Recreation and special services	125,503	519,844
Pharmacy	12,777	101,451
Social services	18,493	71,166
Physician services	6,250	25,000
Food services	574,233	2,139,128
Building operations and maintenance	652,116	2,468,938
Housekeeping	95,945	360,250
Laundry and linen	16,225	63,979
General and administrative	598,643	1,915,299
Employee benefits	140,952	555,262
Depreciation	569,291	2,241,480
Interest	124,899	519,723
Fundraising	12,440	51,771
Total cost of services provided	<u>3,779,459</u>	<u>14,245,094</u>
Excess of revenues and other support over expenses	48,398	812,844
Other (expense) income		
Investment income, net of investment expense	7,057	113,030
Realized (loss) gain on investments	(4,211)	17,526
Unrealized (loss) gain on investments	(528,334)	428,608
Total other (expense) income	<u>(525,488)</u>	<u>559,164</u>
(Deficit) excess of revenue, gains and other support over expenses and losses	(477,090)	1,372,008

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

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

Quarter ended March 31, 2020 and year ended December 31, 2019

	March 31, 2020	December 31, 2019
Net assets without donor restrictions:		
(Deficit) excess of revenue, gains and other support over expenses and losses	(477,090)	1,372,008
Change in net assets without donor restrictions	(477,090)	1,372,008
Net assets with donor restrictions:		
Contributions, grants and bequests	2,924	29,228
Investment income, net of investment expense	6,945	26,553
Net assets released from restrictions	(500)	(6,518)
Change in net assets with donor restrictions	9,369	49,263
Change in net assets	(467,721)	1,421,271
Net liabilities, beginning of year	(21,630,410)	(23,051,681)
Net liabilities, end of year	\$ (22,098,131)	(21,630,410)

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Cash Flows

Quarter ended March 31, 2020 and year ended December 31, 2019

	<u>March 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ (467,721)	1,421,271
Adjustments to reconcile change in net liabilities to net cash provided by operating activities:		
Depreciation	569,291	2,241,480
Provision for implicit price concession	11,278	30,533
Proceeds from refundable entrance fees and deposits	708,360	3,027,804
Amortization of entrance fees	(192,952)	(869,859)
Unrealized loss (gain) on investments	528,334	(428,608)
Realized loss (gain) on investments	4,211	(17,526)
Amortization on deferred financing costs	4,037	16,146
Change in assets and liabilities:		
Accounts receivable	(502,895)	(133,101)
Entrance fees receivable	(41,350)	(282,196)
Promise to give	(1,600)	3,000
Prepaid expenses and other current assets	253,418	(48,410)
Accounts payable	(421,157)	(270,194)
Accrued expenses and deferred revenue other	146,928	31,040
Net cash provided by operating activities	<u>598,181</u>	<u>4,721,380</u>
Cash flows from investing activities:		
Acquisition of property and equipment	(249,834)	(1,577,422)
Net purchase of investments	<u>(12,797)</u>	<u>(799,089)</u>
Net cash used in investing activities	(262,631)	(2,376,511)
Cash flows from financing activities:		
Refunds of entrance fees and deposits	(432,098)	(2,230,837)
Change in entrance fee payable	(115,958)	652,503
Principal payments on long-term debt	(180,506)	(702,256)
Repayments on financing lease obligations	(3,594)	(13,996)
Change in annuities payable	(1,481)	(90)
Change in due to affiliated entity	<u>(51,323)</u>	<u>(322,856)</u>
Net cash used in financing activities	<u>(784,960)</u>	<u>(2,617,532)</u>
Net decrease in cash and cash equivalents	(449,410)	(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	87,811	537,221
Restricted	<u>124,745</u>	<u>124,745</u>
Cash and cash equivalents, end of year	<u>\$ 212,556</u>	<u>661,966</u>