

**PRESBYTERIAN SENIOR LIVING SERVICES, INC.**

Statements of Financial Position

November 30, 2018 and December 30, 2017

<b>Assets</b>	<b>November 30, 2018</b>	<b>December 30, 2017</b>
Cash and cash equivalents	\$ 188,153	74,754
Investments	1,100,000	1,100,000
Restricted deposits and funded reserves	1,778,053	1,779,683
Accounts receivable, net	706,321	800,255
Prepaid expenses and other current assets	239,944	201,962
Assets whose use is limited	708,075	759,998
Pledges receivable	4,000	—
Property and equipment (net of accumulated depreciation of \$36,762,815 and \$34,807,129 respectively)	27,961,545	28,790,424
Assets under capital leases (net of accumulated depreciation of \$91,826 and \$81,878, respectively)	<u>38,292</u>	<u>5,161</u>
Total assets	<u>\$ 32,724,383</u>	<u>33,512,237</u>

**PRESBYTERIAN SENIOR LIVING SERVICES, INC.**

Statements of Financial Position

November 30, 2018 and December 30, 2017

<b>Liabilities and Net Liabilities</b>	<b>November 30, 2018</b>	<b>December 30, 2017</b>
Accounts payable	\$ 279,181	382,322
Accrued expenses	366,434	502,482
Resident deposits	75,313	36,260
Entrance fee payable	14,293,257	14,190,801
Deferred revenue – entrance fees	4,378,342	4,522,954
Annuities payable	25,263	27,488
Obligations under capital lease	38,561	5,371
Long-term debt	12,209,732	12,810,511
Due to affiliated entities	23,846,771	24,881,042
Total liabilities	<u>55,512,853</u>	<u>57,359,231</u>
Net liabilities:		
Without donor restriction	(23,427,748)	(24,468,653)
With donor restriction	639,278	621,659
Total net liabilities	<u>(22,788,471)</u>	<u>(23,846,994)</u>
Total liabilities and net liabilities	<u>\$ 32,724,383</u>	<u>33,512,237</u>

**PRESBYTERIAN SENIOR LIVING SERVICES, INC.**

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

Periods ended November 30, 2018 and year ended December 30, 2017

	<b>November 30, 2018</b>	<b>December 30, 2017</b>
Operating revenues, gains, and other support:		
Resident services, including amortization of entrance fees of \$865,398 and \$987,162, respectively	\$ 13,465,520	13,682,559
Interest and dividend income	54,297	93,866
Realized gain on investments	20,492	302,719
Gifts and bequests	31,163	52,386
Net assets released from restrictions	4,000	8,274
Total operating revenues, gains, and other support	13,575,472	14,139,804
Expenses:		
Nursing services	2,092,028	2,346,649
Rehabilitation	579,806	560,086
Recreation and special services	442,641	446,177
Pharmacy	82,925	125,858
Social services	63,738	64,247
Physician services	22,917	25,000
Food services	1,906,132	1,859,847
Building operations and maintenance	2,134,717	2,315,917
Housekeeping	284,861	333,866
Laundry and linen	53,232	51,344
General and administrative	1,782,169	2,139,667
Employee benefits	467,104	657,288
Interest	503,361	539,642
Depreciation	1,965,634	2,075,984
Fundraising and investment fee	36,620	45,769
Total expenses	12,417,886	13,587,341
Income from continuing operations	1,157,587	552,463
Loss on early extinguishment of debt	-	(179,752)
Excess of operating revenues, gains and other support over expenses	1,157,587	372,711
Other changes:		
Unrealized (loss) gain on investments	(116,683)	50,564
Total other changes	(116,683)	50,564
Change in net liabilities without donor restrictions	1,040,904	423,275

**PRESBYTERIAN SENIOR LIVING SERVICES, INC.**

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

Periods ended November 30, 2018 and year ended December 30, 2017

	<b>November 30, 2018</b>	<b>December 30, 2017</b>
	<u>                    </u>	<u>                    </u>
Net assets with donor restrictions:		
Contributions, grants and bequests	2,956	1,658
Interest and dividend income	18,664	18,383
Net assets released from restrictions	<u>(4,000)</u>	<u>(8,274)</u>
Change in net assets with donor restrictions	<u>17,619</u>	<u>11,767</u>
Change in net assets	1,058,523	435,042
Net liabilities, beginning of year	<u>(23,846,994)</u>	<u>(24,282,036)</u>
Net liabilities, end of year	<u><u>\$ (22,788,471)</u></u>	<u><u>(23,846,994)</u></u>

**PRESBYTERIAN SENIOR LIVING SERVICES, INC.**

Statements of Cash Flows

Periods ended November 30, 2018 and year ended December 30, 2017

	<b>November 30, 2018</b>	<b>December 30, 2017</b>
	<u>                    </u>	<u>                    </u>
Cash flows from operating activities:		
Change in net assets	\$ 1,058,523	435,042
Adjustments to reconcile change in net liabilities to net cash provided by operating activities:		
Depreciation	1,965,634	2,075,984
Provision for bad debt	16,131	43,912
Proceeds from refundable entrance fees and deposits	2,757,734	4,866,554
Amortization of entrance fees	(865,398)	(987,162)
Loss on extinguishment of debt	—	179,752
Unrealized loss (gain) on investments	116,683	(50,564)
Realized gain on investments	(20,492)	(302,719)
Amortization on deferred financing costs	14,801	16,167
Change in assets and liabilities:		
Accounts receivable	(113,377)	82,499
Entrance fees receivable	191,180	(11,801)
Prepaid expenses and other current assets	(37,982)	35,082
Accounts payable	(103,141)	(237,600)
Accrued expenses and deferred revenue other	(136,048)	15,621
	<u>                    </u>	<u>                    </u>
Net cash provided by operating activities	4,840,246	6,160,767
Cash flows from investing activities:		
Acquisition of property and equipment	(1,169,886)	(2,016,325)
Net proceeds from (purchase) sale of investments	(42,636)	1,025,870
	<u>                    </u>	<u>                    </u>
Net cash used in investing activities	(1,212,522)	(990,455)
Cash flows from financing activities:		
Refunds of entrance fees and deposits	(1,997,895)	(3,565,790)
Change in entrance fee payable	102,456	(785,788)
Principal payments on long-term debt	(615,580)	(440,137)
Proceeds on the issuance of bonds	—	13,400,000
Refunding, refinancing or payoff of long-term debt	—	(13,855,000)
Borrowings under capital leases	43,078	-
Repayments on capital lease obligations	(9,889)	(15,844)
Change in annuities payable	(2,225)	(1,206)
Due to affiliated entity	(1,034,271)	112,879
	<u>                    </u>	<u>                    </u>
Net cash used in financing activities	(3,514,325)	(5,312,348)
Net increase (decrease) in cash and cash equivalents	113,399	(142,036)
Cash and cash equivalents, beginning of year	<u>74,754</u>	<u>216,790</u>
Cash and cash equivalents, end of year	\$ <u>188,153</u>	<u>74,754</u>