

Presbyterian Senior Living Services, Inc.

Consolidated Statements of Financial Position

October 31, 2021 and December 31, 2020

	October 31, 2021	December 31, 2020
Assets		
Cash and cash equivalents	\$ 149,045	\$ 1,472,762
Investments	1,949,688	1,730,791
Restricted deposits and funded reserves	1,860,545	1,798,120
Accounts receivable, net	575,378	909,248
Assets whose use is limited	3,180,903	4,154,919
Property and equipment, net	26,150,346	26,251,649
Other assets	310,252	311,800
	<u>34,176,157</u>	<u>36,629,289</u>
Total assets	<u>\$ 34,176,157</u>	<u>\$ 36,629,289</u>
Liabilities and Net Assets		
Accounts payable	\$ 140,344	\$ 466,468
Accrued expenses	903,612	596,623
Resident deposits	45,170	89,000
Entrance fees payable	12,584,249	13,655,486
Other liabilities	29,490	63,965
Cares act funding liabilities	1,378,566	378,227
Long-term debt	13,895,669	14,623,314
Due to affiliated entity	22,895,773	24,402,329
Deferred revenues from entrance fees	4,627,628	4,290,732
	<u>56,500,501</u>	<u>58,566,144</u>
Total liabilities	<u>56,500,501</u>	<u>58,566,144</u>
Net Assets (Deficit)		
Without donor restriction	(23,070,765)	(22,677,021)
With donor restrictions	746,421	740,166
	<u>(22,324,344)</u>	<u>(21,936,855)</u>
Total net deficit	<u>(22,324,344)</u>	<u>(21,936,855)</u>
Total liabilities and net deficit	<u>\$ 34,176,157</u>	<u>\$ 36,629,289</u>

Presbyterian Senior Living Services, Inc.

Consolidated Statements of Operations and Changes in Net Assets
Period ended October 31, 2021 and year ended December 31, 2020

	<u>October 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 10,676,618	\$ 12,709,178
Amortization of entrance fees	796,221	947,238
Total resident services	11,472,839	13,656,416
Contributions, gifts, grants and bequests	5,064	1,011,652
Government stimulus	51,652	488,522
Net assets released from restrictions	4,818	44,293
Total operating revenues and other support	11,534,373	15,200,883
Expenses:		
Nursing services	2,193,240	2,502,348
Rehabilitation	542,193	715,575
Recreation and special services	351,003	382,365
Pharmacy	71,729	67,881
Social services	47,809	72,787
Physician services	20,833	25,000
Food Services	1,723,215	2,164,412
Building operations and maintenance	2,261,835	2,595,101
Housekeeping	322,879	328,278
Laundry and linen	46,169	58,452
General and administrative	1,826,118	2,501,873
Employee benefits	446,903	589,524
Interest	513,925	577,405
Depreciation	1,570,968	2,276,474
Fundraising	35,185	44,504
Total expenses	11,974,004	14,901,979
Unusual non-recurring expenses - COVID-19	291,608	866,349
Operating loss	(731,239)	(567,445)
Other income (loss):		
Investment income, net of investment expense	61,558	55,776
Realized gain (loss) on investments	49,060	(55,083)
Unrealized gain on investments	226,877	245,909
Total other income	337,495	246,602
Revenues (less than) expenses	(393,744)	(320,843)

Presbyterian Senior Living Services, Inc.

Consolidated Statements of Operations and Changes in Net Assets
Period ended October 31, 2021 and year ended December 31, 2020

	<u>October 31, 2021</u>	<u>December 31, 2020</u>
Net Assets With Donor Restrictions		
Contributions, gifts, grants and bequests	\$ 400	\$ 30,390
Investment income, net of investment expense	10,673	28,301
Net assets released from restrictions	<u>(4,818)</u>	<u>(44,293)</u>
Increase in net assets with donor restrictions	<u>6,255</u>	<u>14,398</u>
Change in net deficit	(387,489)	(306,445)
Net Deficit, Beginning	<u>(21,936,855)</u>	<u>(21,630,410)</u>
Net Deficit, Ending	<u><u>\$ (22,324,344)</u></u>	<u><u>\$ (21,936,855)</u></u>

Presbyterian Senior Living Services, Inc.

Consolidated Statements of Cash Flows

Period ended October 31, 2021 and year ended December 31, 2020

	<u>October 31, 2021</u>	<u>December 31, 2020</u>
Cash Flows From Operating Activities		
(Decrease) in net deficit	\$ (387,489)	\$ (306,445)
Adjustments to reconcile (decrease) increase in net deficit to net cash provided by operating activities:		
Depreciation	1,570,968	2,276,474
Provision for doubtful collections	(4,034)	150,831
Proceeds from non-refundable entrance fees and deposits	1,114,081	879,553
Amortization of entrance fees	(796,221)	(947,238)
Unrealized gain on investments	(226,877)	(245,909)
Realized (gain) loss on investments	(49,060)	55,083
Amortization of deferred financing costs	21,682	21,905
Changes in assets and liabilities:		
Accounts receivable	212,806	(173,277)
Entrance fees receivable	125,098	277,922
Other assets	1,548	53,158
Accounts payable	(326,124)	(294,203)
Accrued expenses	306,989	77,422
Other liabilities	(34,475)	(61,118)
Cares act funding liabilities	1,000,339	378,227
Net cash provided by operating activities	<u>2,529,230</u>	<u>2,142,385</u>
Cash Flows From Investing Activities		
Acquisition of property and equipment	(1,469,665)	(1,099,825)
Purchases of investments	(357,780)	(5,340,602)
Proceeds from sale of investments	1,586,476	5,220,285
Net cash used in investing activities	<u>(240,969)</u>	<u>(1,220,142)</u>
Cash Flows From Financing Activities		
Refunds of entrance fees and deposits	(2,516,991)	(2,493,364)
Proceeds from refundable entrance fees and deposits, resales	1,420,960	1,323,408
Principal payments on long-term debt	(749,327)	(796,664)
Proceeds from issuance of long-term debt	-	4,000,000
Financing costs incurred	-	(69,103)
Change in due to affiliated entity	(1,506,556)	1,434,661
Net cash (used in) provided by financing activities	<u>(3,351,913)</u>	<u>3,398,938</u>
Net change in cash, cash equivalents and restricted cash	(1,063,652)	4,321,181
Cash, Cash Equivalents and Restricted Cash, Beginning	<u>4,983,147</u>	<u>661,966</u>
Cash, Cash Equivalents and Restricted Cash, Ending		
Unrestricted	\$ 149,045	\$ 1,472,762
Restricted	<u>3,770,450</u>	<u>3,510,385</u>
	<u>\$ 3,919,495</u>	<u>\$ 4,983,147</u>