

**PRESBYTERIAN SENIOR LIVING SERVICES, INC.**

Statements of Financial Position

October 31, 2019 and December 31, 2018

<b>Assets</b>	<b>October 31, 2019</b>	<b>December 31, 2018</b>
Cash and cash equivalents	\$ 333,736	154,733
Investments	1,000,000	1,000,000
Restricted deposits and funded reserves	2,086,814	1,733,278
Accounts receivable, net	967,478	779,960
Prepaid expenses and other current assets	295,059	216,326
Assets whose use is limited	727,541	663,697
Promises to give, net	3,400	4,000
Property and equipment (net of accumulated depreciation of \$38,789,312 and \$36,956,504 respectively)	27,367,784	28,077,997
Financing leases (net of accumulated depreciation of \$104,988 and \$93,022 respectively)	25,129	37,095
Assets under operating leases	<u>78,080</u>	<u>110,100</u>
Total assets	<u>\$ 32,885,021</u>	<u>32,777,186</u>

**PRESBYTERIAN SENIOR LIVING SERVICES, INC.**

Statements of Financial Position

October 31, 2019 and December 31, 2018

<b>Liabilities and Net Liabilities</b>	<b>October 31, 2019</b>	<b>December 31, 2018</b>
Accounts payable	\$ 170,634	1,030,864
Accrued expenses	581,383	488,161
Resident deposits	121,282	63,230
Entrance fee payable	14,486,866	14,125,107
Deferred revenue – entrance fees	4,297,996	4,504,911
Annuities payable	24,587	25,263
Obligations under financing leases	25,799	37,421
Obligations under operating lease	78,080	110,100
Long-term debt	11,583,357	12,153,286
Due to affiliated entities	23,354,172	23,290,524
Total liabilities	<u>54,724,156</u>	<u>55,828,867</u>
Net liabilities:		
Without donor restriction	(22,552,419)	(23,727,936)
With donor restriction	713,284	676,255
Total net liabilities	<u>(21,839,135)</u>	<u>(23,051,681)</u>
Total liabilities and net liabilities	<u>\$ 32,885,021</u>	<u>32,777,186</u>

**PRESBYTERIAN SENIOR LIVING SERVICES, INC.**

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

Months ended October 31, 2019 and year ended December 31, 2018

	<u>October 31,</u> <u>2019</u>	<u>December 31,</u> <u>2018</u>
Revenues and other support:		
Resident services		
Resident services	\$ 11,878,849	13,822,007
Amortization of entrance fees	746,660	918,089
Implicit price concession	(17,909)	(23,118)
Total resident services	<u>12,607,601</u>	<u>14,716,978</u>
Gifts and bequests	5,987	2,031
Net assets released from restrictions	1,518	4,951
Total revenues and other support	<u>12,615,106</u>	<u>14,723,960</u>
Cost of services provided		
Nursing services	2,070,883	2,324,037
Rehabilitation	639,518	631,824
Recreation and special services	423,571	500,804
Pharmacy	93,026	95,856
Social services	59,407	69,657
Physician services	20,833	25,000
Food services	1,762,621	2,097,179
Building operations and maintenance	2,061,939	2,360,881
Housekeeping	298,387	314,761
Laundry and linen	52,688	59,695
General and administrative	1,601,672	1,990,439
Employee benefits	447,000	503,339
Depreciation	1,844,775	2,160,519
Interest	434,981	548,861
Fundraising	23,800	51,089
Total cost of services provided	<u>11,835,101</u>	<u>13,733,941</u>
Excess of revenues and other support over expenses	780,005	990,019
Other income (expense)		
Investment income, net of investment expense	27,126	71,397
Realized gain on investments	17,526	10,945
Unrealized gain (loss) on investments	350,861	(328,954)
Total other income (expense)	<u>395,512</u>	<u>(246,612)</u>
Excess of revenue, gains and other support over expenses and losses	1,175,517	743,407

**PRESBYTERIAN SENIOR LIVING SERVICES, INC.**

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

Months ended October 31, 2019 and year ended December 31, 2018

	<b>October 31, 2019</b>	<b>December 31, 2018</b>
Net assets without donor restrictions:		
Excess of revenue, gains and other support over expenses and losses	<u>1,175,517</u>	<u>743,407</u>
Change in net assets without donor restrictions	1,175,517	743,407
Net assets with donor restrictions:		
Contributions, grants and bequests	18,849	31,998
Investment income	19,699	24,859
Net assets released from restrictions	<u>(1,518)</u>	<u>(4,951)</u>
Change in net assets with donor restrictions	<u>37,029</u>	<u>51,906</u>
Change in net assets	1,212,546	795,313
Net liabilities, beginning of year	<u>(23,051,681)</u>	<u>(23,846,994)</u>
Net liabilities, end of year	<u>\$ (21,839,135)</u>	<u>(23,051,681)</u>

**PRESBYTERIAN SENIOR LIVING SERVICES, INC.**

Statements of Cash Flows

Months ended October 31, 2019 and year ended December 31, 2018

	<b>October 31,</b>	<b>December 31,</b>
	<b>2019</b>	<b>2018</b>
Cash flows from operating activities:		
Change in net assets	\$ 1,212,546	795,313
Adjustments to reconcile change in net liabilities to net cash provided by operating activities:		
Depreciation	1,844,775	2,160,519
Provision for bad debt	12,668	11,108
Proceeds from refundable entrance fees and deposits	2,427,392	3,290,342
Amortization of entrance fees	(746,660)	(918,089)
Unrealized (gain) loss on investments	(350,861)	328,954
Realized gain on investments	(17,526)	(10,945)
Amortization on deferred financing costs	13,455	16,146
Repayments on operating lease obligations	(32,020)	—
Change in assets and liabilities:		
Accounts receivable	(121,200)	(149,544)
Entrance fees receivable	(78,986)	158,731
Promise to give	600	(4,000)
Prepaid expenses and other current assets	(78,733)	(14,364)
Accounts payable	(860,230)	648,542
Accrued expenses and deferred revenue other	93,222	(14,321)
Net cash provided by operating activities	<u>3,318,442</u>	<u>6,298,392</u>
Cash flows from investing activities:		
Acquisition of property and equipment	(1,090,576)	(1,480,026)
Net (purchase of) proceeds from the sale of investments	<u>(747,651)</u>	<u>328,962</u>
Net cash used in investing activities	<u>(1,838,227)</u>	<u>(1,151,064)</u>
Cash flows from financing activities:		
Refunds of entrance fees and deposits	(1,829,595)	(2,363,326)
Change in entrance fee payable	361,759	(65,694)
Principal payments on long-term debt	(583,384)	(673,371)
Borrowings under financing leases	—	43,078
Repayments on financing lease obligations	(11,622)	(11,028)
Change in annuities payable	(676)	(2,225)
Change in due to affiliated entity	63,648	(1,590,518)
Net cash used in financing activities	<u>(1,999,870)</u>	<u>(4,663,084)</u>
Net (decrease) increase in cash and cash equivalents	<u>(519,656)</u>	<u>484,244</u>
Cash, cash equivalents and restricted cash, beginning of year	934,629	450,385
Cash, cash equivalents and restricted cash, end of year		
Unrestricted	333,736	154,733
Restricted	81,237	779,896
Cash and cash equivalents, end of year	<u>\$ 414,973</u>	<u>934,629</u>