

**PRESBYTERIAN SENIOR LIVING SERVICES, INC.**

Statements of Financial Position

October 31, 2020 and December 31, 2019

<b>Assets</b>	<b>October 31, 2020</b>	<b>December 31, 2019</b>
Cash and cash equivalents	\$ 298,508	537,221
Investments	1,000,000	1,000,000
Restricted deposits and funded reserves	2,250,828	2,208,365
Accounts receivable, net	1,084,621	1,164,724
Prepaid expenses and other current assets	299,015	264,736
Assets whose use is limited	691,024	778,682
Assets whose use is limited, capital assets	3,989,861	—
Promises to give, net	3,800	1,000
Property and equipment (net of accumulated depreciation of \$41,071,699 and \$39,183,624 respectively)	26,263,179	27,428,298
Financing leases (net of accumulated depreciation of \$32,309 and \$20,342 respectively)	10,770	22,736
Assets under operating leases	<u>39,772</u>	<u>76,486</u>
Total assets	<u>\$ 35,931,376</u>	<u>33,482,248</u>

**PRESBYTERIAN SENIOR LIVING SERVICES, INC.**

Statements of Financial Position

October 31, 2020 and December 31, 2019

<b>Liabilities and Net Liabilities</b>	<b>October 31, 2020</b>	<b>December 31, 2019</b>
Accounts payable	\$ 578,976	760,670
Accrued expenses	782,851	519,201
Resident deposits	181,074	65,267
Entrance fee payable	13,558,711	14,777,610
Deferred revenue - other	17,733	—
Deferred revenue – entrance fees	4,269,541	4,429,982
Annuities payable	22,559	25,173
Obligations under financing leases	11,294	23,425
Obligations under operating lease	39,772	76,486
Long-term debt	14,765,416	11,467,176
Due to affiliated entities	23,510,443	22,967,668
Total liabilities	<u>57,738,370</u>	<u>55,112,658</u>
Net liabilities:		
Without donor restriction	(22,577,806)	(22,355,928)
With donor restriction	770,812	725,518
Total net liabilities	<u>(21,806,994)</u>	<u>(21,630,410)</u>
Total liabilities and net liabilities	<u>\$ 35,931,376</u>	<u>33,482,248</u>

**PRESBYTERIAN SENIOR LIVING SERVICES, INC.**

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

Periods ended October 31, 2020 and year ended December 31, 2019

	<u>October 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Revenues and other support:		
Resident services		
Resident services	\$ 10,720,892	14,203,978
Amortization of entrance fees	746,635	869,859
Implicit price concession	<u>(89,773)</u>	<u>(25,714)</u>
Total resident services	11,377,754	15,048,123
Gifts and bequests	29,751	3,297
Government stimulus funding	455,245	-
Net assets released from restriction-Paycheck Protection grant	1,000,900	-
Net assets released from restrictions	<u>500</u>	<u>6,518</u>
Total revenues and other support	<u>12,864,150</u>	<u>15,057,938</u>
Cost of services provided		
Nursing services	2,055,793	2,504,737
Rehabilitation	595,285	707,066
Recreation and special services	310,217	519,844
Pharmacy	62,511	101,451
Social services	60,735	71,166
Physician services	20,833	25,000
Food services	1,816,759	2,139,128
Building operations and maintenance	2,152,339	2,468,938
Housekeeping	270,383	360,250
Laundry and linen	49,663	63,979
General and administrative	2,065,758	1,915,299
Employee benefits	514,889	555,262
Depreciation	1,900,041	2,241,480
Interest	470,848	519,723
Fundraising	<u>35,733</u>	<u>51,771</u>
Total cost of services provided	<u>12,381,789</u>	<u>14,245,094</u>
Excess of revenues and other support over expenses	482,360	812,844
Other (expense) income		
Investment income, net of investment expense	28,808	113,030
Realized (loss) gain on investments	(107,413)	17,526
Unusual non-recurring expenses - COVID-19	(633,012)	-
Unrealized gain on investments	<u>7,379</u>	<u>428,608</u>
Total other (expense) income	<u>(704,239)</u>	<u>559,164</u>
(Deficit) excess of revenue, gains and other support over expenses and losses	<u>(221,878)</u>	<u>1,372,008</u>
Change in net assets without donor restrictions	<u>(221,878)</u>	<u>1,372,008</u>

See accompanying notes to consolidated financial statements.

**PRESBYTERIAN SENIOR LIVING SERVICES, INC.**

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

Periods ended October 31, 2020 and year ended December 31, 2019

	<b>October 31, 2020</b>	<b>December 31, 2019</b>
Net assets without donor restrictions:		
(Deficit) excess of revenue, gains and other support over expenses and losses	(221,878)	1,372,008
Change in net assets without donor restrictions	(221,878)	1,372,008
Net assets with donor restrictions:		
Contributions, grants and bequests	1,025,563	29,228
Investment income, net of investment expense	21,131	26,553
Net assets released from restriction-Paycheck Protection grant	(1,000,900)	-
Net assets released from restrictions	(500)	(6,518)
Change in net assets with donor restrictions	45,295	49,263
Change in net assets	(176,584)	1,421,271
Net liabilities, beginning of year	(21,630,410)	(23,051,681)
Net liabilities, end of year	\$ (21,806,994)	(21,630,410)

**PRESBYTERIAN SENIOR LIVING SERVICES, INC.**

Statements of Cash Flows

Periods ended October 31, 2020 and year ended December 31, 2019

	<b>October 31, 2020</b>	<b>December 31, 2019</b>
	<u>                    </u>	<u>                    </u>
Cash flows from operating activities:		
Change in net assets	\$ (176,584)	1,421,271
Adjustments to reconcile change in net liabilities to net cash provided by operating activities:		
Depreciation	1,900,041	2,241,480
Provision for implicit price concession and bad debt	244,448	30,533
Proceeds from refundable entrance fees and deposits	3,007,443	3,027,804
Amortization of entrance fees	(746,635)	(869,859)
Unrealized gain on investments	(7,379)	(428,608)
Realized loss (gain) on investments	107,413	(17,526)
Amortization on deferred financing costs	17,568	16,146
Change in assets and liabilities:		
Accounts receivable	(291,479)	(133,101)
Entrance fees receivable	127,134	(282,196)
Promise to give	(2,800)	3,000
Prepaid expenses and other current assets	(34,279)	(48,410)
Accounts payable	(181,694)	(270,194)
Accrued expenses and deferred revenue other	281,384	31,040
	<u>                    </u>	<u>                    </u>
Net cash provided by operating activities	4,244,581	4,721,380
Cash flows from investing activities:		
Acquisition of property and equipment	(722,955)	(1,577,422)
Net purchase of investments	(4,044,700)	(799,089)
	<u>                    </u>	<u>                    </u>
Net cash used in investing activities	(4,767,656)	(2,376,511)
Cash flows from financing activities:		
Refunds of entrance fees and deposits	(2,305,442)	(2,230,837)
Change in entrance fee payable	(1,218,899)	652,503
Principal payments on long-term debt	(660,106)	(702,256)
Proceeds on the issuance of debt	4,000,000	—
Financing costs incurred	(59,222)	—
Repayments on financing lease obligations	(12,131)	(13,996)
Change in annuities payable	(2,614)	(90)
Change in due to affiliated entity	542,775	(322,856)
	<u>                    </u>	<u>                    </u>
Net cash provided by (used in) financing activities	284,361	(2,617,532)
Net decrease in cash and cash equivalents	(238,713)	(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	298,508	537,221
Restricted	124,745	124,745
	<u>                    </u>	<u>                    </u>
Cash and cash equivalents, end of year	\$ <u>423,253</u>	<u>661,966</u>