

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Financial Position

September 30, 2019 and December 31, 2018

Assets	September 30, 2019	December 31, 2018
Cash and cash equivalents	\$ 432,498	154,733
Investments	1,000,000	1,000,000
Restricted deposits and funded reserves	2,080,837	1,733,278
Accounts receivable, net	1,124,029	779,960
Prepaid expenses and other current assets	311,870	216,326
Assets whose use is limited	708,801	663,697
Promises to give, net	6,400	4,000
Property and equipment (net of accumulated depreciation of \$38,599,106 and \$36,956,504 respectively)	27,469,704	28,077,997
Financing leases (net of accumulated depreciation of \$103,792 and \$93,022 respectively)	26,326	37,095
Assets under operating leases	81,334	110,100
Total assets	\$ <u>33,241,799</u>	<u>32,777,186</u>

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Financial Position

September 30, 2019 and December 31, 2018

Liabilities and Net Liabilities	September 30, 2019	December 31, 2018
Accounts payable	\$ 215,656	1,030,864
Accrued expenses	490,814	488,161
Resident deposits	65,955	63,230
Entrance fee payable	14,533,373	14,125,107
Deferred revenue – entrance fees	4,342,156	4,504,911
Annuities payable	24,715	25,263
Obligations under financing leases	26,980	37,421
Obligations under operating lease	81,334	110,100
Long-term debt	11,641,807	12,153,286
Due to affiliated entities	23,757,131	23,290,524
Total liabilities	55,179,922	55,828,867
Net liabilities:		
Without donor restriction	(22,651,407)	(23,727,936)
With donor restriction	713,284	676,255
Total net liabilities	(21,938,123)	(23,051,681)
Total liabilities and net liabilities	\$ 33,241,799	32,777,186

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

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

Quarters ended September 30, 2019 and year ended December 31, 2018

	September 30, 2019	December 31, 2018
Revenues and other support:		
Resident services		
Resident services	\$ 10,593,735	13,822,007
Amortization of entrance fees	697,011	918,089
Implicit price concession	(16,031)	(23,118)
Total resident services	11,274,716	14,716,978
Gifts and bequests	4,047	2,031
Net assets released from restrictions	1,518	4,951
Total revenues and other support	11,280,281	14,723,960
Cost of services provided		
Nursing services	1,855,696	2,324,037
Rehabilitation	544,077	631,824
Recreation and special services	380,515	500,804
Pharmacy	76,283	95,856
Social services	53,637	69,657
Physician services	18,750	25,000
Food services	1,588,482	2,097,179
Building operations and maintenance	1,858,466	2,360,881
Housekeeping	269,273	314,761
Laundry and linen	48,120	59,695
General and administrative	1,410,209	1,990,439
Employee benefits	401,782	503,339
Depreciation	1,653,373	2,160,519
Interest	391,594	548,861
Fundraising	24,138	51,089
Total cost of services provided	10,574,394	13,733,941
Excess of revenues and other support over expenses	705,888	990,019
Other income (expense)		
Investment income, net of investment expense	25,798	71,397
Realized gain on investments	17,526	10,945
Unrealized gain (loss) on investments	327,317	(328,954)
Total other income (expense)	370,641	(246,612)
Excess of revenue, gains and other support over expenses and losses	1,076,529	743,407

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

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

Quarters ended September 30, 2019 and year ended December 31, 2018

	September 30, 2019	December 31, 2018
Net assets without donor restrictions:		
Excess of revenue, gains and other support over expenses and losses	<u>1,076,529</u>	<u>743,407</u>
Change in net assets without donor restrictions	1,076,529	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	1,113,558	795,313
Net liabilities, beginning of year	<u>(23,051,681)</u>	<u>(23,846,994)</u>
Net liabilities, end of year	<u>\$ (21,938,123)</u>	<u>(23,051,681)</u>

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Cash Flows

Quarters ended September 30, 2019 and year ended December 31, 2018

	September 30, 2019	December 31, 2018
Cash flows from operating activities:		
Change in net assets	\$ 1,113,558	795,313
Adjustments to reconcile change in net liabilities to net cash provided by operating activities:		
Depreciation	1,653,373	2,160,519
Provision for bad debt	10,791	11,108
Proceeds from refundable entrance fees and deposits	2,297,248	3,290,342
Amortization of entrance fees	(697,011)	(918,089)
Unrealized (gain) loss on investments	(327,317)	328,954
Realized gain on investments	(17,526)	(10,945)
Amortization on deferred financing costs	12,110	16,146
Repayments on operating lease obligations	(28,765)	—
Change in assets and liabilities:		
Accounts receivable	48,867	(149,544)
Entrance fees receivable	(403,727)	158,731
Promise to give	(2,400)	(4,000)
Prepaid expenses and other current assets	(95,544)	(14,364)
Accounts payable	(815,208)	648,542
Accrued expenses and deferred revenue other	2,653	(14,321)
Net cash provided by operating activities	2,751,101	6,298,392
Cash flows from investing activities:		
Acquisition of property and equipment	(1,005,544)	(1,480,026)
Net (purchase of) proceeds from the sale of investments	(746,480)	328,962
Net cash used in investing activities	(1,752,024)	(1,151,064)
Cash flows from financing activities:		
Refunds of entrance fees and deposits	(1,760,267)	(2,363,326)
Change in entrance fee payable	408,266	(65,694)
Principal payments on long-term debt	(523,588)	(673,371)
Borrowings under financing leases	—	43,078
Repayments on financing lease obligations	(10,441)	(11,028)
Change in annuities payable	(548)	(2,225)
Change in due to affiliated entity	466,607	(1,590,518)
Net cash used in financing activities	(1,419,970)	(4,663,084)
Net (decrease) increase in cash and cash equivalents	(420,894)	484,244
Cash, cash equivalents and restricted cash, beginning of year	934,629	450,385
Cash, cash equivalents and restricted cash, end of year		
Unrestricted	432,498	154,733
Restricted	81,237	779,896
Cash and cash equivalents, end of year	\$ 513,735	934,629