

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Financial Position

September 30, 2020 and December 31, 2019

Assets	September 30, 2020	December 31, 2019
Cash and cash equivalents	\$ 216,759	537,221
Investments	1,000,000	1,000,000
Restricted deposits and funded reserves	2,289,667	2,208,365
Accounts receivable, net	815,792	1,164,724
Prepaid expenses and other current assets	331,679	264,736
Assets whose use is limited	699,969	778,682
Assets whose use is limited, capital assets	3,989,861	—
Promises to give, net	4,467	1,000
Property and equipment (net of accumulated depreciation of \$40,884,512 and \$39,183,624 respectively)	26,215,686	27,428,298
Financing leases (net of accumulated depreciation of \$31,112 and \$20,342 respectively)	11,966	22,736
Assets under operating leases	<u>43,503</u>	<u>76,486</u>
Total assets	<u>\$ 35,619,350</u>	<u>33,482,248</u>

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Financial Position

September 30, 2020 and December 31, 2019

Liabilities and Net Liabilities	September 30, 2020	December 31, 2019
Accounts payable	\$ 545,427	760,670
Accrued expenses	724,920	519,201
Resident deposits	128,101	65,267
Entrance fee payable	13,759,556	14,777,610
Deferred revenue - other	36,050	—
Deferred revenue – entrance fees	4,137,112	4,429,982
Annuities payable	22,559	25,173
Obligations under financing leases	12,527	23,425
Obligations under operating lease	43,503	76,486
Long-term debt	14,836,937	11,467,176
Due to affiliated entities	22,913,862	22,967,668
Total liabilities	<u>57,160,555</u>	<u>55,112,658</u>
Net liabilities:		
Without donor restriction	(22,312,018)	(22,355,928)
With donor restriction	770,812	725,518
Total net liabilities	<u>(21,541,205)</u>	<u>(21,630,410)</u>
Total liabilities and net liabilities	<u>\$ 35,619,350</u>	<u>33,482,248</u>

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

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

Quarters ended September 30, 2020 and year ended December 31, 2019

	<u>September 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Revenues and other support:		
Resident services		
Resident services	\$ 9,646,828	14,203,978
Amortization of entrance fees	689,080	869,859
Implicit price concession	<u>(74,311)</u>	<u>(25,714)</u>
Total resident services	10,261,597	15,048,123
Gifts and bequests	7,942	3,297
Government stimulus funding	436,928	-
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>11,707,868</u>	<u>15,057,938</u>
Cost of services provided		
Nursing services	1,856,558	2,504,737
Rehabilitation	526,327	707,066
Recreation and special services	276,130	519,844
Pharmacy	59,034	101,451
Social services	54,617	71,166
Physician services	18,750	25,000
Food services	1,643,366	2,139,128
Building operations and maintenance	1,922,019	2,468,938
Housekeeping	239,943	360,250
Laundry and linen	44,385	63,979
General and administrative	1,862,069	1,915,299
Employee benefits	465,077	555,262
Depreciation	1,711,657	2,241,480
Interest	417,214	519,723
Fundraising	<u>28,509</u>	<u>51,771</u>
Total cost of services provided	<u>11,125,655</u>	<u>14,245,094</u>
Excess of revenues and other support over expenses	582,213	812,844
Other (expense) income		
Investment income, net of investment expense	26,024	113,030
Realized (loss) gain on investments	(106,055)	17,526
Unusual non-recurring expenses - Covid-19	(514,859)	-
Unrealized gain on investments	<u>56,587</u>	<u>428,608</u>
Total other (expense) income	<u>(538,303)</u>	<u>559,164</u>
Excess of revenue, gains and other support over expenses and losses	43,910	1,372,008
Change in net assets without donor restrictions	<u>43,910</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)

Quarters ended September 30, 2020 and year ended December 31, 2019

	September 30, 2020	December 31, 2019
Net assets without donor restrictions:		
Excess of revenue, gains and other support over expenses and losses	43,910	1,372,008
Change in net assets without donor restrictions	43,910	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	89,205	1,421,271
Net liabilities, beginning of year	(21,630,410)	(23,051,681)
Net liabilities, end of year	\$ (21,541,205)	(21,630,410)

PRESBYTERIAN SENIOR LIVING SERVICES, INC.

Statements of Cash Flows

Quarters ended September 30, 2020 and year ended December 31, 2019

	<u>September 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ 89,205	1,421,271
Adjustments to reconcile change in net liabilities to net cash provided by operating activities:		
Depreciation	1,711,657	2,241,480
Provision for implicit price concession and bad debt	222,178	30,533
Proceeds from refundable entrance fees and deposits	2,342,615	3,027,804
Amortization of entrance fees	(689,080)	(869,859)
Unrealized gain on investments	(56,587)	(428,608)
Realized loss (gain) on investments	106,055	(17,526)
Amortization on deferred financing costs	15,400	16,146
Change in assets and liabilities:		
Accounts receivable	(165,759)	(133,101)
Entrance fees receivable	292,513	(282,196)
Promise to give	(3,467)	3,000
Prepaid expenses and other current assets	(66,943)	(48,410)
Accounts payable	(215,243)	(270,194)
Accrued expenses and deferred revenue other	241,769	31,040
Net cash provided by operating activities	<u>3,824,314</u>	<u>4,721,380</u>
Cash flows from investing activities:		
Acquisition of property and equipment	(488,276)	(1,577,422)
Net purchase of investments	<u>(4,041,918)</u>	<u>(799,089)</u>
Net cash used in investing activities	(4,530,194)	(2,376,511)
Cash flows from financing activities:		
Refunds of entrance fees and deposits	(1,883,571)	(2,230,837)
Change in entrance fee payable	(1,018,054)	652,503
Principal payments on long-term debt	(586,417)	(702,256)
Proceeds on the issuance of debt	4,000,000	—
Financing costs incurred	(59,222)	—
Repayments on financing lease obligations	(10,898)	(13,996)
Change in annuities payable	(2,614)	(90)
Change in due to affiliated entity	<u>(53,806)</u>	<u>(322,856)</u>
Net cash provided by (used in) financing activities	<u>385,418</u>	<u>(2,617,532)</u>
Net decrease in cash and cash equivalents	(320,462)	(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	216,759	537,221
Restricted	124,745	124,745
Cash and cash equivalents, end of year	<u>\$ 341,504</u>	<u>661,966</u>