

PHI (D.B.A. Presbyterian Senior Living)Consolidated Statements of Financial Position
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash and cash equivalents	\$ 13,167,189	\$ 18,168,017
Investments	89,527,686	109,337,247
Restricted deposits and funded reserves	25,600,244	24,981,579
Accounts receivable, net	14,344,730	12,697,887
Assets whose use is limited	45,354,285	55,954,944
Assets held for sale	4,187,517	900,000
Property and equipment, net	536,164,831	540,023,548
Funds held in trust by others	17,559,350	21,414,680
Other assets	23,786,516	25,200,846
Total assets	<u>\$ 769,692,349</u>	<u>\$ 808,678,748</u>
Liabilities and Net Assets		
Accounts payable	\$ 8,631,259	\$ 12,756,185
Accrued expenses	22,653,093	18,398,390
Lines of credit	21,642,167	20,593,443
Resident deposits	3,149,105	3,362,691
Entrance fee payable	20,655,825	20,773,675
Other liabilities	7,841,718	9,583,218
Cares act funding liabilities	20,520	4,615,350
Long-term debt, senior living	276,288,390	294,450,289
Long-term debt, low income housing	32,657,125	32,826,604
Deferred revenue from entrance fees	129,748,658	121,601,721
Total liabilities	<u>523,287,860</u>	<u>538,961,566</u>
Net Assets		
Without donor restriction (including tax credit equity of \$63,803,2019 and \$67,295,958, respectively)	218,652,524	238,499,391
With donor restriction	<u>27,751,965</u>	<u>31,217,791</u>
Total net assets	246,404,489	269,717,182
Total liabilities and net assets	<u>\$ 769,692,349</u>	<u>\$ 808,678,748</u>

PHI (D.B.A. Presbyterian Senior Living)Consolidated of Operations and Changes in Net Assets
Years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 195,005,623	\$ 200,148,787
Amortization of entrance fees	18,266,884	20,386,341
Total resident services	213,272,507	220,535,128
Sales of other services and materials	12,070,028	76,575
Net rental income and developers' fees	288,121	1,073,752
Contributions, gifts, grants and bequests	798,058	7,879,638
Other revenues	2,236,500	5,742,262
Government grant	2,000,000	11,823,109
Revenues from provider relief funds	1,557,893	5,511,023
Net assets released from restrictions	837,136	1,055,711
Total operating revenues and other support	<u>233,060,243</u>	<u>253,697,198</u>
Expenses:		
Nursing services	56,706,435	57,977,833
Rehabilitation	17,400,265	13,672,434
Recreation and special services	4,405,663	4,643,400
Pharmacy	2,905,223	2,755,771
Social services	1,445,705	1,584,163
Physician services	730,113	767,482
Food services	23,204,495	24,256,149
Building operations and maintenance	37,868,854	37,388,810
Housekeeping	3,743,362	4,209,356
Laundry and linen	1,067,340	1,224,705
Management and general	34,307,740	34,819,466
Employee benefits	12,218,054	9,880,143
Interest	8,988,322	8,730,930
Depreciation	32,083,490	30,872,924
Amortization	1,595,159	483,389
Fundraising	929,676	887,982
Total expenses before non-recurring expenses	<u>239,599,897</u>	<u>234,154,937</u>
Non-recurring expenses, COVID-19	1,195,082	2,244,313
Operating income (loss) before gains and losses	(7,734,737)	17,297,948
Gain on sale of community and disposals of property and equipment	(151,279)	10,962,063
Loss on impairment of asset	(836,603)	(3,550,230)
Operating income (loss)	(8,722,619)	24,709,781
Other income (loss):		
Investment income	2,768,446	2,973,283
Realized gain on investments	2,186,261	3,833,422
Unrealized (loss) gain on investments	(18,324,321)	11,847,575
Loss on early extinguishment of debt	-	(1,518,104)
Equity from acquisition	-	1,689,406
Total other income (loss)	<u>(13,369,614)</u>	<u>18,825,582</u>
Revenues (less than) in excess of expenses	(22,092,233)	43,535,363
Equity received from tax credit limited partners	1,564,063	12,360,537
Grant revenue - capital	681,303	-
(Decrease) increase in net assets without donor restrictions	<u>(19,846,867)</u>	<u>55,895,900</u>

PHI (D.B.A. Presbyterian Senior Living)Consolidated of Operations and Changes in Net Assets
Years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Net Assets With Donor Restrictions		
Contributions, gifts, grants and bequests	\$ 1,714,758	\$ 750,006
Investment income, net of investment expense	131,344	91,951
Unrealized (loss) gain on investments	(4,474,793)	1,664,177
Net assets released from restrictions	<u>(837,136)</u>	<u>(1,055,711)</u>
(Decrease) increase in net assets with donor restrictions	<u>(3,465,827)</u>	<u>1,450,423</u>
(Decrease) increase in net assets	(23,312,694)	57,346,323
Net Assets, Beginning	<u>269,717,182</u>	<u>212,370,859</u>
Net Assets, Ending	<u>\$ 246,404,489</u>	<u>\$ 269,717,182</u>

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PHI (D.B.A. Presbyterian Senior Living)Consolidated Statements of Cash Flows
Years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities		
(Decrease) increase in net assets	\$ (23,312,694)	\$ 57,346,323
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	32,083,490	30,872,924
Provision for doubtful collections	1,083,298	1,439,800
Proceeds from non-refundable entrance fees and deposits	27,586,477	22,095,931
Amortization of entrance fees	(18,266,884)	(20,386,341)
Loss on early extinguishment of debt	-	1,518,104
Unrealized loss (gain) on investments and change in fair value of funds held in trust by others	22,799,113	(13,511,752)
Realized gain on investments	(2,186,261)	(3,833,422)
Gain on sale of communities and property and equipment	151,279	(10,962,063)
Contributions restricted for long-term purposes	(222,477)	(74,871)
Amortization of deferred financing costs	179,050	187,427
Amortization of bond premium	(407,025)	(218,313)
Loss on impairment of asset	836,603	3,550,230
Changes in assets and liabilities:		
Accounts receivable	(1,369,991)	(1,672,211)
Entrance fee receivable	(1,360,151)	1,167,573
Other assets	1,414,330	(1,320,398)
Accounts payable	(4,124,926)	(3,077,662)
Accrued expenses	4,254,705	(3,643,823)
Other liabilities	(1,741,500)	1,173,839
Cares act funding liabilities	(4,594,830)	(12,545,783)
Net cash provided by operating activities	<u>32,801,607</u>	<u>48,105,512</u>
Cash Flows From Investing Activities		
Acquisition of property and equipment	(32,700,382)	(35,090,417)
Proceeds from sale of communities and property and equipment	200,211	25,300,000
Amounts paid in acquisitions	-	(11,095,000)
Purchases of investments	(51,231,666)	(48,732,820)
Proceeds from sale of investments	51,364,422	43,598,858
Net cash used in investing activities	<u>(32,367,415)</u>	<u>(26,019,379)</u>
Cash Flows From Financing Activities		
Refunds of entrance fees and deposits	(5,756,049)	(6,542,091)
Proceeds from refundable entrance fees and deposits, resales	3,453,453	1,708,110
Proceeds from refundable entrance fees and deposits, new units	798,668	8,779,487
Principal payments on redemptions of long-term debt	(14,720,066)	(16,641,931)
Proceeds from issuance of long-term debt	2,414,566	33,951,071
Proceeds from bond premium	-	7,151,245
Refunding, refinancing or payoff of long-term debt	(6,198,268)	(18,160,721)
Redemption of treasury bonds	400,000	(225,000)
Financing costs paid	-	(1,093,589)
Borrowings on lines of credit	1,048,724	1,381,031
Contributions restricted for long-term purposes	222,477	74,871
Net cash (used in) provided by financing activities	<u>(18,336,497)</u>	<u>10,382,483</u>
Net change in cash, cash equivalents and restricted cash	(17,902,304)	32,468,616
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	<u>85,598,355</u>	<u>53,129,739</u>
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending		
Unrestricted	13,167,189	18,168,017
Restricted	54,528,861	67,430,338
Cash and cash equivalents included in investments	<u>\$ 67,696,050</u>	<u>\$ 85,598,355</u>