

Presbyterian Homes Obligated Group

Combined Statements of Financial Position
April 30, 2021 and December 31, 2020

	<u>April 30, 2021</u>	<u>December 31, 2020</u>
Assets		
Cash and cash equivalents	\$ 2,684,038	\$ 12,110,330
Investments	87,714,944	83,331,986
Statutory liquid reserves	13,682,171	13,670,554
Accounts receivable, net	9,895,686	12,432,750
Assets whose use is limited	17,298,302	17,929,701
Assets held for sale	-	2,350,618
Property and equipment, net	384,692,759	381,271,664
Due from affiliates, net	86,437,609	86,723,738
Funds held in trust by others	20,900,372	20,257,550
Other assets	6,869,333	6,516,847
	<u>\$ 630,175,214</u>	<u>\$ 636,595,738</u>
Total assets		
Liabilities and Net Assets		
Accounts payable	\$ 8,653,478	\$ 12,508,430
Accrued expenses	17,298,252	16,499,374
Lines of credit	12,530,211	14,212,412
Resident deposits	7,178,336	6,313,720
Entrance fees payable	8,936,108	9,648,523
Other liabilities	4,804,137	5,066,234
Cares act funding liabilities	15,674,438	13,644,706
Long-term debt	244,631,398	248,331,284
Deferred revenues from entrance fees	107,163,322	105,563,008
	<u>426,869,680</u>	<u>431,787,691</u>
Total liabilities		
Net Assets		
Without donor restriction	174,578,229	177,052,198
With donor restrictions	28,727,305	27,755,849
	<u>203,305,534</u>	<u>204,808,047</u>
Total net assets		
Total liabilities and net assets	<u>\$ 630,175,214</u>	<u>\$ 636,595,738</u>

Presbyterian Homes Obligated Group

Combined Statements of Operations and Changes in Net Assets

Period ended April 30, 2021 and year ended December 31, 2020

	April 30, 2021	December 31, 2020
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 57,609,357	\$ 184,334,409
Amortization of entrance fees	5,829,768	17,531,498
Total resident services	63,439,125	201,865,907
Contributions, gifts, grants and bequests	192,557	666,812
Government Stimulus	208,846	12,502,478
Net assets released from restrictions	50,543	900,638
Total operating revenues and other support	63,891,071	215,935,835
Expenses:		
Nursing services	18,673,706	59,895,338
Rehabilitation	4,370,785	14,157,544
Recreation and special services	1,214,291	4,013,902
Pharmacy	952,339	3,001,699
Social services	314,039	993,605
Physician services	247,117	727,903
Food Services	7,318,180	23,331,083
Building operations and maintenance	9,049,356	25,960,232
Housekeeping	1,219,569	3,885,355
Laundry and linen	397,275	1,251,903
General and administrative	10,520,338	30,477,782
Employee benefits	3,473,345	11,059,376
Interest	2,414,282	6,942,336
Depreciation	7,831,333	22,327,535
Amortization	94,200	282,601
Fundraising	240,696	501,396
Total expenses	68,330,851	208,809,590
Unusual non-recurring expenses - COVID-19	1,870,815	12,692,325
Operating loss	(6,310,595)	(5,566,080)
Other income (loss):		
Investment income, net of investment expense	554,685	2,188,723
Realized (loss) gain on investments	713,299	5,290,142
Unrealized gain on investments	3,077,642	2,828,905
Gain (loss) on sale of property and equipment	-	(214,042)
Loss on early extinguishment of debt	-	(75,093)
Total other income	4,345,626	10,018,635
Revenues (less than) in excess of expenses	(1,964,969)	4,452,555
Transfer to affiliated entity	(509,000)	(3,325,994)
(Decrease) increase in net assets without donor restrictions	(2,473,969)	1,126,561

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Combined Statements of Operations and Changes in Net Assets
Period ended April 30, 2021 and year ended December 31, 2020

	<u>April 30, 2021</u>	<u>December 31, 2020</u>
Net Assets With Donor Restrictions		
Contributions, gifts, grants and bequests	\$ 143,749	\$ 728,843
Investment income, net of investment expense	15,200	119,000
Unrealized gain on investments	863,050	1,316,949
Net assets released from restrictions	<u>(50,543)</u>	<u>(900,638)</u>
Increase in net assets with donor restrictions	<u>971,456</u>	<u>1,264,154</u>
Change in net assets	(1,502,513)	2,390,715
Net Assets, Beginning	<u>204,808,047</u>	<u>202,417,332</u>
Net Assets, Ending	<u><u>\$ 203,305,534</u></u>	<u><u>\$ 204,808,047</u></u>

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Combined Statements of Cash Flows

Period ended April 30, 2021 and year ended December 31, 2020

	April 30, 2021	December 31, 2020
Cash Flows From Operating Activities		
(Decrease) increase in net assets	\$ (1,502,513)	\$ 2,390,715
Adjustments to reconcile (decrease) increase in net deficit to net cash provided by operating activities:		
Depreciation	7,831,333	22,327,535
Provision for doubtful collections	450,710	1,679,115
Proceeds from non-refundable entrance fees and deposits	7,864,076	15,332,945
Amortization of entrance fees	(5,829,768)	(17,531,498)
Loss on early extinguishment of debt	-	75,093
Unrealized gain on investments	(3,940,692)	(4,145,854)
Realized gain on investments	(713,299)	(5,290,142)
Loss on sale of property and equipment	-	214,042
Contributions restricted for long-term purposes	-	(28,411)
Amortization of deferred financing costs	36,503	155,616
Amortization of bond premium	(8,921)	(26,762)
Changes in assets and liabilities:		
Accounts receivable	1,460,310	2,776,752
Entrance fees receivable	626,045	(481,703)
Other assets	(352,486)	100,383
Accounts payable	(3,854,952)	(3,710,207)
Accrued expenses	798,878	253,261
Other liabilities	(262,097)	1,868,922
Cares act funding liabilities	2,029,732	13,644,706
Net cash provided by operating activities	4,632,858	29,604,508
Cash Flows From Investing Activities		
Acquisition of property and equipment	(8,901,810)	(40,200,360)
Net proceeds from sale of property and equipment	-	1,303,466
Purchases of investments	(6,319,878)	(30,160,727)
Proceeds from sale of investments	4,236,159	33,076,075
Change in due from affiliates	286,129	(5,734,633)
Net cash used in investing activities	(10,699,400)	(41,716,179)
Cash Flows From Financing Activities		
Refunds of entrance fees and deposits	(1,499,768)	(4,437,514)
Proceeds from refundable entrance fees and deposits, resales	97,500	550,854
Proceeds from refundable entrance fees and deposits, new units	1,120,475	7,349,318
Principal payments on long-term debt	(4,686,857)	(13,133,752)
Proceeds from issuance of long-term debt	1,000,000	27,955,000
Refunding, refinancing or payoff of long-term debt	-	(3,430,000)
Financing costs incurred	(40,611)	(210,056)
Borrowings (repayments) on lines of credit	(1,682,201)	(986,378)
Contributions restricted for long-term purposes	-	28,411
Net cash (used in) provided by financing activities	(5,691,462)	13,685,883
Net change in cash, cash equivalents and restricted cash	(11,758,004)	1,574,212
Cash, Cash Equivalents and Restricted Cash, Beginning	32,494,465	30,920,253
Cash, Cash Equivalents and Restricted Cash, Ending		
Unrestricted	\$ 2,684,038	\$ 12,110,330
Restricted	18,052,423	20,384,135
	<u>\$ 20,736,461</u>	<u>\$ 32,494,465</u>