

## Presbyterian Homes Obligated Group

Combined Statements of Financial Position

April 30, 2022 and December 31, 2021

	<u>April 30, 2022</u>	<u>December 31, 2021</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,433,756	\$ 11,239,818
Investments	102,386,399	113,869,829
Statutory liquid reserves	10,471,254	10,471,255
Accounts receivable, net	10,391,376	10,858,834
Assets whose use is limited	51,564,837	53,388,482
Property and equipment, net	372,795,269	375,066,095
Due from affiliates, net	86,772,380	88,045,022
Funds held in trust by others	18,942,940	21,414,680
Other assets	6,183,410	5,564,488
	<u>\$ 660,941,621</u>	<u>\$ 689,918,503</u>
Total assets		
	<u>\$ 660,941,621</u>	<u>\$ 689,918,503</u>
<b>Liabilities and Net Assets</b>		
Accounts payable	\$ 6,550,812	\$ 10,373,384
Accrued expenses	14,515,800	14,135,713
Lines of credit	10,727,391	15,593,443
Resident deposits	1,572,285	2,507,309
Entrance fees payable	7,495,330	8,147,685
Other liabilities	4,293,944	5,362,815
Cares act funding liabilities	688,975	4,472,340
Long-term debt	268,537,103	272,663,720
Deferred revenues from entrance fees	117,291,637	114,979,674
	<u>431,673,277</u>	<u>448,236,083</u>
Total liabilities		
	<u>431,673,277</u>	<u>448,236,083</u>
<b>Net Assets</b>		
Without donor restriction	202,328,709	212,527,325
With donor restrictions	26,939,635	29,155,095
	<u>229,268,344</u>	<u>241,682,420</u>
Total net assets		
	<u>229,268,344</u>	<u>241,682,420</u>
Total liabilities and net assets	<u>\$ 660,941,621</u>	<u>\$ 689,918,503</u>

## Presbyterian Homes Obligated Group

Combined Statements of Operations and Changes in Net Assets

Period ended April 30, 2022 and year ended December 31, 2021

	<u>April 30, 2022</u>	<u>December 31, 2021</u>
<b>Net Assets Without Donor Restrictions</b>		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 54,422,919	\$ 174,338,100
Amortization of entrance fees	5,514,595	18,993,628
Total resident services	59,937,514	193,331,728
Contributions, gifts, grants and bequests	88,253	1,330,159
Other revenues	771,050	5,742,262
Government grants	2,000,000	7,515,900
Government stimulus	84,266	4,799,292
Net assets released from restrictions	142,627	992,913
Total operating revenues and other support	63,023,710	213,712,254
Expenses:		
Nursing services	17,143,816	55,328,956
Rehabilitation	3,052,398	13,025,251
Recreation and special services	1,102,188	3,805,588
Pharmacy	856,478	2,651,932
Social services	285,742	940,602
Physician services	229,178	742,482
Food Services	6,668,244	22,037,415
Building operations and maintenance	8,518,000	26,859,867
Housekeeping	1,039,997	3,786,145
Laundry and linen	321,873	1,169,109
General and administrative	9,705,258	31,446,154
Employee benefits	3,228,723	7,843,468
Interest	2,349,247	7,084,265
Depreciation	8,148,608	23,836,080
Amortization	94,200	282,601
Fundraising	222,528	700,094
Total expenses	62,966,478	201,540,009
Unusual non-recurring expenses - COVID-19	758,111	2,101,279
Operating (loss) income before gains	(700,879)	10,070,966
Gain (loss) on sale of community and disposals of property and equipment	-	14,615,126
Loss on impairment of asset	-	(2,350,230)
Operating (loss) income	(700,879)	22,335,862
Other income (loss):		
Investment income, net of investment expense	495,614	2,800,155
Realized gain on investments	26,364	3,716,532
Unrealized (loss) gain on investments	(10,019,715)	11,470,916
Loss on early extinguishment of debt	-	(1,518,104)
Total other income (loss)	(9,497,737)	16,469,499
Revenues (less than) in excess of expenses	(10,198,616)	38,805,361
Transfer to affiliated entity	-	(3,330,234)
(Decrease) increase in net assets without donor restrictions	(10,198,616)	35,475,127

## Presbyterian Homes Obligated Group

Combined Statements of Operations and Changes in Net Assets

Period ended April 30, 2022 and year ended December 31, 2021

	<u>April 30, 2022</u>	<u>December 31, 2021</u>
<b>Net Assets With Donor Restrictions</b>		
Contributions, gifts, grants and bequests	\$ 435,570	\$ 666,920
Investment income, net of investment expense	20,389	61,061
Unrealized (loss) gain on investments	(2,528,792)	1,664,178
Net assets released from restrictions	<u>(142,627)</u>	<u>(992,913)</u>
(Decrease) increase in net assets with donor restrictions	<u>(2,215,460)</u>	<u>1,399,246</u>
Change in net assets	(12,414,076)	36,874,373
<b>Net Assets, Beginning</b>	<u>241,682,420</u>	<u>204,808,047</u>
<b>Net Assets, Ending</b>	<u>\$ 229,268,344</u>	<u>\$ 241,682,420</u>

## Presbyterian Homes Obligated Group

### Combined Statements of Cash Flows

Period ended April 30, 2022 and year ended December 31, 2021

	April 30, 2022	December 31, 2021
<b>Cash Flows From Operating Activities</b>		
(Decrease) increase in net assets	\$ (12,414,076)	\$ 36,874,373
Adjustments to reconcile (decrease) increase in net deficit to net cash provided by operating activities:		
Depreciation	8,148,608	23,836,080
Provision for doubtful collections	393,852	1,454,968
Proceeds from non-refundable entrance fees and deposits	7,579,622	20,470,367
Amortization of entrance fees	(5,514,595)	(18,993,628)
Loss on early extinguishment of debt	-	1,518,104
Unrealized loss (gain) on investments	12,548,507	(13,135,094)
Realized gain on investments	(26,364)	(3,716,532)
Gain on sale of community and disposals of property and equipment	-	(14,615,126)
Contributions restricted for long-term purposes	(4,777)	(74,871)
Amortization of deferred financing costs	43,913	131,225
Amortization of bond premium	(136,054)	(218,313)
Loss on impairment of asset	-	2,350,230
Changes in assets and liabilities:		
Accounts receivable	889,486	(883,002)
Entrance fees receivable	(815,880)	1,055,402
Other assets	(618,922)	667,344
Accounts payable	(3,822,572)	(2,134,577)
Accrued expenses	380,087	(2,240,320)
Other liabilities	(1,068,871)	578,378
Cares act funding liabilities	(3,783,365)	(9,172,366)
Net cash provided by operating activities	<u>1,778,599</u>	<u>23,752,642</u>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property and equipment	(5,877,782)	(25,278,369)
Net proceeds from sale of property and equipment	-	19,500,000
Purchases of investments	(5,248,101)	(49,398,706)
Proceeds from sale of investments	8,504,774	36,465,949
Change in due from affiliates	1,272,642	(1,321,284)
Net cash used in investing activities	<u>(1,348,467)</u>	<u>(20,032,410)</u>
<b>Cash Flows From Financing Activities</b>		
Refunds of entrance fees and deposits	(1,629,668)	(3,654,981)
Proceeds from refundable entrance fees and deposits, resales	-	97,500
Proceeds from refundable entrance fees and deposits, new units	289,225	8,779,487
Principal payments on redemptions of long-term debt	(3,759,476)	(14,003,114)
Proceeds from issuance of long-term debt	-	31,050,679
Proceeds from bond premium	-	7,151,245
Refunding, refinancing or payoff of long-term debt	(275,000)	-
Redemption of treasury bonds	-	(225,000)
Financing costs incurred	-	(1,072,391)
Borrowing on lines of credit	(4,866,052)	1,381,031
Contributions restricted for long-term purposes	4,777	74,871
Net cash (used in) provided by financing activities	<u>(10,236,194)</u>	<u>29,579,327</u>
Net change in cash, cash equivalents and restricted cash	(9,806,062)	33,299,559
<b>Cash, Cash Equivalents and Restricted Cash, Beginning</b>	<u>64,504,738</u>	<u>31,205,179</u>
<b>Cash, Cash Equivalents and Restricted Cash, Ending</b>		
Unrestricted	\$ 1,433,756	\$ 11,239,818
Restricted	<u>53,264,920</u>	<u>53,264,920</u>
	<u>\$ 54,698,676</u>	<u>\$ 64,504,738</u>