

## Presbyterian Homes Obligated Group

Combined Statements of Financial Position  
August 31, 2021 and December 31, 2020

	<u>August 31, 2021</u>	<u>December 31, 2020</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 2,201,612	\$ 12,110,330
Investments	85,041,234	83,331,986
Statutory liquid reserves	13,899,814	13,670,554
Accounts receivable, net	9,971,969	12,432,750
Assets whose use is limited	42,907,744	17,929,701
Assets held for sale	6,449,598	2,350,618
Property and equipment, net	378,642,884	381,271,664
Due from affiliates, net	82,896,307	86,723,738
Funds held in trust by others	21,460,217	20,257,550
Other assets	7,576,915	6,516,847
	<u>\$ 651,048,294</u>	<u>\$ 636,595,738</u>
<b>Liabilities and Net Assets</b>		
Accounts payable	\$ 7,391,374	\$ 12,508,430
Accrued expenses	14,832,789	16,499,374
Lines of credit	11,469,211	14,212,412
Resident deposits	2,777,865	6,313,720
Entrance fees payable	8,811,253	9,648,523
Other liabilities	3,345,592	5,066,234
Cares act funding liabilities	6,114,595	13,644,706
Long-term debt	268,147,319	248,331,284
Deferred revenues from entrance fees	114,881,849	105,563,008
	<u>437,771,847</u>	<u>431,787,691</u>
<b>Net Assets</b>		
Without donor restriction	184,022,489	177,052,198
With donor restrictions	29,253,958	27,755,849
	<u>213,276,447</u>	<u>204,808,047</u>
Total net assets	<u>213,276,447</u>	<u>204,808,047</u>
Total liabilities and net assets	<u>\$ 651,048,294</u>	<u>\$ 636,595,738</u>

## Presbyterian Homes Obligated Group

Combined Statements of Operations and Changes in Net Assets

Period ended August 31, 2021 and year ended December 31, 2020

	<u>August 31, 2021</u>	<u>December 31, 2020</u>
<b>Net Assets Without Donor Restrictions</b>		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 119,316,016	\$ 184,334,409
Amortization of entrance fees	11,812,011	17,531,498
Total resident services	131,128,027	201,865,907
Contributions, gifts, grants and bequests	546,712	666,812
Government grants	7,515,900	-
Government stimulus	208,846	12,502,478
Net assets released from restrictions	313,829	900,638
Total operating revenues and other support	<u>139,713,314</u>	<u>215,935,835</u>
Expenses:		
Nursing services	37,035,272	59,895,338
Rehabilitation	8,814,801	14,157,544
Recreation and special services	2,515,009	4,013,902
Pharmacy	1,845,570	3,001,699
Social services	634,867	993,605
Physician services	500,928	727,903
Food Services	14,766,028	23,331,083
Building operations and maintenance	18,025,407	25,960,232
Housekeeping	2,557,372	3,885,355
Laundry and linen	792,567	1,251,903
General and administrative	21,049,680	30,504,544
Employee benefits	6,906,356	11,059,376
Interest	4,753,610	6,915,574
Depreciation	15,814,319	22,327,535
Amortization	188,401	282,601
Fundraising	362,592	501,396
Total expenses	<u>136,562,779</u>	<u>208,809,590</u>
Unusual non-recurring expenses - COVID-19	2,205,606	12,692,325
Operating gain (loss)	<u>944,929</u>	<u>(5,566,080)</u>
Other income (loss):		
Investment income, net of investment expense	1,048,220	2,188,723
Realized gain on investments	1,905,688	5,290,142
Unrealized gain on investments	7,825,156	2,828,905
Loss on sale of property and equipment	-	(214,042)
Loss on early extinguishment of debt	(1,423,468)	(75,093)
Total other income	<u>9,355,596</u>	<u>10,018,635</u>
Revenues in excess of expenses	<u>10,300,525</u>	<u>4,452,555</u>
Transfer to affiliated entity	<u>(3,330,234)</u>	<u>(3,325,994)</u>
Increase in net assets without donor restrictions	6,970,291	1,126,561

## Presbyterian Homes Obligated Group

Combined Statements of Operations and Changes in Net Assets

Period ended August 31, 2021 and year ended December 31, 2020

	<u>August 31, 2021</u>	<u>December 31, 2020</u>
<b>Net Assets With Donor Restrictions</b>		
Contributions, gifts, grants and bequests	\$ 358,746	\$ 728,843
Investment income, net of investment expense	30,297	119,000
Unrealized gain on investments	1,422,895	1,316,949
Net assets released from restrictions	<u>(313,829)</u>	<u>(900,638)</u>
 Increase in net assets with donor restrictions	 <u>1,498,109</u>	 <u>1,264,154</u>
 Change in net assets	 8,468,400	 2,390,715
 <b>Net Assets, Beginning</b>	 <u>204,808,047</u>	 <u>202,417,332</u>
 <b>Net Assets, Ending</b>	 <u><u>\$ 213,276,447</u></u>	 <u><u>\$ 204,808,047</u></u>

## Presbyterian Homes Obligated Group

Combined Statements of Cash Flows

Period ended August 31, 2021 and year ended December 31, 2020

	<u>August 31, 2021</u>	<u>December 31, 2020</u>
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$ 8,468,400	\$ 2,390,715
Adjustments to reconcile (decrease) increase in net deficit to net cash provided by operating activities:		
Depreciation	15,814,319	22,327,535
Provision for doubtful collections	1,001,223	1,679,115
Proceeds from non-refundable entrance fees and deposits	12,850,295	15,332,945
Amortization of entrance fees	(11,812,011)	(17,531,498)
Loss on early extinguishment of debt	1,423,468	75,093
Unrealized gain on investments	(9,248,051)	(4,145,854)
Realized gain on investments	(1,905,688)	(5,290,142)
Loss on sale of property and equipment	-	214,042
Contributions restricted for long-term purposes	(29,019)	(28,411)
Amortization of deferred financing costs	208,551	155,616
Amortization of bond premium	(301,648)	(26,762)
Changes in assets and liabilities:		
Accounts receivable	249,925	2,776,752
Entrance fees receivable	1,209,632	(481,703)
Other assets	(1,060,068)	100,383
Accounts payable	(5,117,056)	(3,710,207)
Accrued expenses	(1,666,585)	253,261
Other liabilities	(1,720,642)	1,868,922
Cares act funding liabilities	(7,530,111)	13,644,706
Net cash provided by operating activities	<u>834,937</u>	<u>29,604,508</u>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property and equipment	(17,284,519)	(40,200,360)
Net proceeds from sale of property and equipment	-	1,303,466
Purchases of investments	(53,457,414)	(30,160,727)
Proceeds from sale of investments	34,160,223	33,076,075
Change in due from affiliates	3,827,431	(5,734,633)
Net cash used in investing activities	<u>(32,754,279)</u>	<u>(41,716,179)</u>
<b>Cash Flows From Financing Activities</b>		
Refunds of entrance fees and deposits	(2,041,900)	(4,437,514)
Proceeds from refundable entrance fees and deposits, resales	97,500	550,854
Proceeds from refundable entrance fees and deposits, new units	5,851,832	7,349,318
Principal payments on long-term debt	(10,577,622)	(13,133,752)
Proceeds from issuance of long-term debt	69,150,000	27,955,000
Proceeds from bond premium	7,151,245	-
Refunding, refinancing or payoff of long-term debt	(46,054,321)	(3,430,000)
Redemption of treasury bonds	(225,000)	-
Financing costs incurred	(958,640)	(210,056)
Repayments on lines of credit	(2,743,201)	(986,378)
Contributions restricted for long-term purposes	29,019	28,411
Net cash provided by financing activities	<u>19,678,912</u>	<u>13,685,883</u>
Net change in cash, cash equivalents and restricted cash	(12,240,430)	1,574,212
<b>Cash, Cash Equivalents and Restricted Cash, Beginning</b>	<u>32,494,465</u>	<u>30,920,253</u>
<b>Cash, Cash Equivalents and Restricted Cash, Ending</b>		
Unrestricted	\$ 2,201,612	\$ 12,110,330
Restricted	18,052,423	20,384,135
	<u>\$ 20,254,035</u>	<u>\$ 32,494,465</u>