

## Presbyterian Homes Obligated Group

Statements of Financial Position

February 28, 2023 and December 31, 2022

	<u>February 28, 2023</u>	<u>December 31, 2022</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,416,880	\$ 10,041,000
Investments	97,423,408	95,098,031
Statutory Liquid Reserve	10,905,687	10,905,688
Accounts receivable, net	11,944,119	11,220,074
Assets whose use is limited	41,682,487	43,561,377
Property and equipment, net	375,873,362	377,257,983
Due from affiliates, net	88,819,579	86,233,954
Funds held in trust by others	17,747,434	17,559,350
Other assets	5,188,739	6,005,752
	<u>5,188,739</u>	<u>6,005,752</u>
Total assets	<u>\$ 651,001,698</u>	<u>\$ 657,883,209</u>
<b>Liabilities and Net Assets</b>		
Accounts payable	\$ 6,956,676	\$ 8,084,608
Accrued expenses	15,161,357	15,061,226
Lines of credit	10,804,476	16,602,167
Entrance fee and deposit payable	9,656,265	9,341,995
Other liabilities	4,637,403	5,177,226
Cares act funding liabilities	223,113	20,520
Long-term debt, senior living	257,338,313	259,343,071
Deferred revenue from entrance fees	122,190,197	123,277,629
	<u>122,190,197</u>	<u>123,277,629</u>
Total liabilities	<u>426,967,799</u>	<u>436,908,441</u>
<b>Net Assets</b>		
Without donor restriction	198,446,808	195,704,334
With donor restriction	25,587,089	25,270,433
Total net assets	<u>224,033,897</u>	<u>220,974,767</u>
Total liabilities, net assets and equity	<u>\$ 652,543,563</u>	<u>\$ 657,883,209</u>

**Presbyterian Homes Obligated Group**

Statements of Operations and Changes in Net Assets

Period ended February 28, 2023 and year ended December 31, 2022

	<u>February 28, 2023</u>	<u>December 31, 2022</u>
<b>Net Assets Without Donor Restrictions</b>		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 29,037,489	\$ 168,470,466
Amortization of entrance fees	4,003,729	16,756,172
Total resident services	<u>33,041,218</u>	<u>185,226,639</u>
Contributions, gifts, grants and bequests	164,771	495,274
Government grants	-	2,000,000
Government stimulus	-	1,465,364
FEMA funding	-	2,236,500
Net assets released from restrictions	-	709,098
Total operating revenues and other support	<u>33,205,989</u>	<u>192,132,875</u>
Expenses:		
Nursing services	9,017,680	53,970,315
Rehabilitation	1,380,317	8,934,430
Recreation and special services	547,378	3,505,546
Pharmacy	466,295	2,812,912
Social Services	142,194	837,211
Physician Services	125,812	705,113
Dining Services	3,429,521	20,993,437
Building operations and maintenance	4,667,259	26,255,439
Housekeeping	583,821	3,304,580
Laundry	176,637	1,009,706
Management and general	4,983,625	29,992,932
Employee Benefits	1,634,420	9,467,050
Interest	1,481,530	7,583,565
Depreciation	4,170,954	24,799,176
Amortization	47,100	282,601
Fundraising	77,348	620,799
Total expenses before non-recurring expenses	<u>32,931,891</u>	<u>195,074,813</u>
Non-recurring expenses, COVID-19	37,339	1,037,819
Operating income (loss) before gains and losses	236,759	(3,979,756)
Loss on sale and disposal of property	-	(30,440)
Operating income (loss)	<u>236,759</u>	<u>(4,010,196)</u>
Other income (loss):		
Investment income, net of investment expense	446,430	2,647,569
Realized gain on investments	-	2,026,907
Unrealized gain (loss) on investments	2,059,285	(17,399,455)
Total other income (loss)	<u>2,505,715</u>	<u>(12,724,979)</u>
Revenues in excess of (less than) expenses	2,742,474	(16,735,175)
Transfer to affiliated entity	-	(725,000)
Grant revenue - capital	-	637,183
Increase (decrease) in net assets without donor restrictions	<u>2,742,474</u>	<u>(16,822,992)</u>

**Presbyterian Homes Obligated Group**

Statements of Operations and Changes in Net Assets

Period ended February 28, 2023 and year ended December 31, 2022

	<u>February 28, 2023</u>	<u>December 31, 2022</u>
<b>Net Assets With Donor Restrictions</b>		
Contributions, gifts, grants and bequests	-	1,216,357
Investment income, net of investment expense	-	82,871
Unrealized gain (loss) on investments	316,655	(4,474,792)
Net assets released from restrictions	-	(709,098)
	<u>316,655</u>	<u>(3,884,662)</u>
Increase in net assets with donor restrictions	<u>316,655</u>	<u>(3,884,662)</u>
Increase (decrease) in net assets	3,059,129	(20,707,654)
<b>Net Assets, Beginning</b>	<u>220,974,767</u>	<u>241,682,421</u>
<b>Net Assets, Ending</b>	<u>\$ 224,033,897</u>	<u>\$ 220,974,767</u>

**Presbyterian Homes Obligated Group**

## Statements of Cash Flows

Period ended February 28, 2023 and year ended December 31, 2022

	<u>February 28, 2023</u>	<u>December 31, 2022</u>
<b>Cash Flows From Operating Activities</b>		
Increase (decrease) in net assets	\$ 3,059,129	\$ (20,707,654)
Adjustments to reconcile increase (decrease) in net assets (deficit) to net cash provided by (used in) operating activities		
Depreciation	4,170,954	24,799,176
Provision for doubtful collections	215,307	1,069,215
Proceeds from non-refundable fees and deposits	3,343,781	26,384,571
Amortization of entrance fees	(4,003,729)	(16,756,172)
Unrealized (gain) loss on investments and change in fair value of funds held in trust by others	(2,375,941)	21,874,247
Realized gain on investments	-	(2,026,907)
Gain on sale of community and disposals of property and equipment	-	30,440
Contributions restricted for long-term purposes	-	(222,477)
Amortization of deferred financing costs	21,115	128,372
Amortization of bond premium	(66,793)	(407,025)
Changes in assets and liabilities		
Accounts receivable	(1,368,976)	(377,236)
Entrance fee receivable	429,624	(1,053,219)
Other assets	817,014	(441,264)
Accounts payable	(1,127,931)	(2,288,776)
Accrued expenses	100,131	925,513
Other liabilities	(539,823)	(185,589)
CARES act funding liabilities	202,593	(4,451,820)
Net cash provided by operating activities	<u>2,876,454</u>	<u>26,293,395</u>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property and equipment	(2,786,333)	(27,221,715)
Proceeds from sale of property and equipment	-	200,211
Purchases of investments	(750,437)	(48,582,381)
Proceeds from sale of investments	2,491,806	48,868,412
Due from affiliates, net	(2,585,625)	1,811,069
Net cash used in investing activities	<u>(3,630,590)</u>	<u>(24,924,404)</u>
<b>Cash Flows From Financing Activities</b>		
Refunds of entrance fees and deposits	(357,080)	(3,681,435)
Proceeds from refundable entrance fees and deposits, resales	72,000	239,325
Proceeds from refundable entrance fees and deposits, new units	171,868	798,668
Principal payments on redemptions of long-term debt	(1,959,081)	(13,041,996)
Early payoff of long-term debt	-	-
Redemption of treasury bonds	-	-
(Repayments) borrowings on lines of credit	(5,797,691)	1,008,724
Contributions restricted for long-term purposes	-	222,477
Net cash used in financing activities	<u>7,869,985</u>	<u>(14,454,238)</u>
Net change in cash, cash equivalents and restricted cash	(8,624,120)	(13,085,247)
<b>Cash, cash equivalents and restricted cash, beginning</b>	<u>51,967,810</u>	<u>64,504,738</u>
<b>Cash, cash equivalents and restricted cash, ending</b>	<u>\$ 43,343,690</u>	<u>\$ 51,419,491</u>
Cash and cash equivalents	\$ 1,416,880	\$ 10,041,000
Restricted cash in investments	41,926,810	41,378,491
Total cash, cash equivalents and restricted cash	<u>\$ 43,343,690</u>	<u>\$ 51,419,491</u>