

## Presbyterian Homes Obligated Group

### Statements of Financial Position

February 29, 2024 and December 31, 2023

	<u>February 29, 2024</u>	<u>December 31, 2023</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 7,594,475	\$ 15,213,460
Investments	104,788,604	109,332,265
Statutory Liquid Reserve	13,729,381	13,650,901
Accounts receivable, net	17,445,343	15,233,968
Assets whose use is limited	42,740,819	44,514,015
Property and equipment, net	462,648,051	464,066,268
Due from affiliates, net	87,423,116	86,107,579
Funds held in trust by others	19,300,300	18,867,774
Other assets	34,063,438	34,631,708
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Total assets	<u>\$ 789,733,528</u>	<u>\$ 801,617,938</u>
<b>Liabilities and Net Assets</b>		
Accounts Payable	\$ 6,327,981	\$ 11,196,881
Accrued expenses	20,135,496	20,615,867
Lines of credit	6,798,915	16,750,000
Resident deposits	3,039,345	3,294,828
Entrance fees payable	13,726,326	13,980,916
Other liabilities	4,012,100	4,013,857
Long-term debt, senior living	350,095,985	350,941,000
Deferred revenue from entrance fees	151,807,413	150,814,426
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Total liabilities	<u>555,943,560</u>	<u>571,607,775</u>
<b>Net Assets</b>		
Without donor restriction	205,631,858	202,363,054
With donor restriction	28,158,110	27,647,109
Total net assets (deficit)	<u>233,789,968</u>	<u>230,010,163</u>
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Total liabilities, net assets and equity	<u>\$ 789,733,528</u>	<u>\$ 801,617,938</u>

**Presbyterian Homes Obligated Group**

## Statements of Operations and Changes in Net Assets

Period ended February 29, 2024 and year ended December 31, 2023

	<u>February 29, 2024</u>	<u>December 31, 2023</u>
<b>Net Assets Without Donor Restrictions</b>		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 36,559,962	\$ 190,058,377
Amortization of entrance fees	3,963,261	19,867,271
Total resident services	40,523,223	209,925,649
Sales of other services and materials	-	78,046
Contributions, gifts, grants and bequests	639,150	845,034
Government grants	-	811,173
Government stimulus	-	184,711
FEMA funding	-	29,790
Net assets released from restrictions	-	687,704
Total operating revenues and other support	41,162,374	212,562,106
Expenses:		
Nursing services	11,292,296	60,407,358
Rehabilitation	1,597,771	8,706,017
Recreation and special services	702,535	3,753,962
Pharmacy	504,320	2,873,042
Social Services	159,579	863,611
Physician Services	60,047	626,738
Dining Services	4,511,115	24,077,143
Building operations and maintenance	5,783,473	28,923,373
Housekeeping	683,393	3,875,125
Laundry	227,633	1,285,475
Management and general	5,505,048	33,549,244
Employee Benefits	1,960,575	9,867,450
Interest	2,836,361	12,178,581
Depreciation	4,466,593	25,063,463
Amortization	548,896	1,286,192
Fundraising	101,046	467,763
Total expenses before non-recurring expenses	40,940,682	217,804,537
Non-recurring expenses, COVID-19	-	8,393
Operating income (loss) before gains and losses	221,692	(5,250,824)
Loss on sale and disposal of property	-	(860,625)
Loss on impairment of asset	-	(635,166)
Operating income (loss)	221,692	(6,746,615)
Other income (loss):		
Investment income, net of investment expense	724,368	4,369,868
Realized gain on investments	17	181,709
Unrealized gain on investments	2,322,726	9,619,457
Loss on early extinguishment of debt	-	(765,698)
Total other income (loss)	3,047,112	13,405,335
Revenues in excess of expenses	3,268,803	6,658,720
Increase in net assets without donor restrictions	3,268,803	6,658,720

**Presbyterian Homes Obligated Group**

Statements of Operations and Changes in Net Assets

Period ended February 29, 2024 and year ended December 31, 2023

	<u>February 29, 2024</u>	<u>December 31, 2023</u>
<b>Net Assets With Donor Restrictions</b>		
Contributions, gifts, grants and bequests	-	1,301,384
Investment income, net of investment expense	-	68,271
Unrealized gain on investments	511,001	1,694,724
Net assets released from restrictions	-	(687,704)
	<u>511,001</u>	<u>2,376,676</u>
Increase in net assets with donor restrictions	511,001	2,376,676
Increase in net assets	3,779,805	9,035,396
<b>Net Assets (Deficit), Beginning</b>	<u>230,010,163</u>	<u>220,974,767</u>
<b>Net Assets (Deficit), Ending</b>	<u>\$ 233,789,968</u>	<u>\$ 230,010,163</u>

**Presbyterian Homes Obligated Group**

## Statements of Cash Flows

Period ended February 29, 2024 and year ended December 31, 2023

	<u>February 29, 2024</u>	<u>December 31, 2023</u>
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$ 3,779,805	\$ 9,035,396
Adjustments to reconcile increase (decrease) in net assets (deficit) to net cash provided by (used in) operating activities		
Depreciation	4,466,593	25,063,463
Provision for doubtful collections	139,922	2,427,462
Proceeds from non-refundable fees and deposits	4,714,959	25,878,134
Amortization of entrance fees	(3,963,261)	(19,867,271)
Loss on early extinguishment of debt	-	765,698
Unrealized gain on investments and change in fair value of funds held in trust by others	(2,833,728)	(11,314,181)
Realized gain on investments	(17)	(181,709)
Loss on sale of community and disposals of property and equipment	-	860,625
Contributions restricted for long-term purposes	-	(55,525)
Amortization of deferred financing costs	35,400	146,699
Amortization of bond premium	(66,651)	(400,757)
Amortization of bond discount	28,876	83,210
Loss on impairment of asset	-	635,166
Changes in assets and liabilities		
Accounts receivable	(1,178,854)	(6,925,507)
Entrance fee receivable	(1,172,443)	484,151
Other assets	568,271	2,458,209
Accounts payable	(4,868,900)	3,112,274
Accrued expenses	(480,371)	5,554,641
Other liabilities	(1,757)	(1,659,439)
Net cash (used in) provided by operating activities	<u>(832,156)</u>	<u>36,100,739</u>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property and equipment	(3,048,377)	(34,407,539)
Proceeds from sale of property and equipment	-	2,600,000
Amounts paid in acquisitions	-	(79,764,976)
Purchases of investments	(813,841)	(38,482,287)
Proceeds from sale of investments	9,453,435	37,747,406
Due from affiliates, net	(1,315,537)	126,375
Net cash provided by (used in) investing activities	<u>4,275,680</u>	<u>(112,181,021)</u>
<b>Cash Flows From Financing Activities</b>		
Refunds of entrance fees and deposits	(848,014)	(4,941,393)
Proceeds from refundable entrance fees and deposits, resales	-	443,405
Proceeds from refundable entrance fees and deposits, new units	579,230	1,554,032
Principal payments on redemptions of long-term debt	(767,302)	(18,182,915)
Proceeds from issuance of long-term debt	-	216,090,000
Early payoff of long-term debt	-	(100,387,570)
Financing costs paid	(75,338)	(6,516,436)
(Repayments) borrowings on lines of credit	(9,951,085)	147,833
Contributions restricted for long-term purposes	-	55,525
Net cash (used in) provided by financing activities	<u>(11,062,509)</u>	<u>88,262,481</u>
Net change in cash, cash equivalents and restricted cash	(7,618,985)	12,182,199
<b>Cash, cash equivalents and restricted cash, beginning</b>	<u>64,150,009</u>	<u>51,967,810</u>
<b>Cash, cash equivalents and restricted cash, ending</b>	<u>\$ 56,531,025</u>	<u>\$ 64,150,009</u>
Cash and cash equivalents	\$ 7,594,475	\$ 15,213,460
Restricted cash in investments	48,936,550	48,936,550
Total cash, cash equivalents and restricted cash	<u>\$ 56,531,025</u>	<u>\$ 64,150,009</u>