

Presbyterian Homes Obligated Group

Statements of Financial Position

February 28, 2025 and December 31, 2024

	<u>February 28, 2025</u>	<u>December 31, 2024</u>
Assets		
Cash and cash equivalents	\$ 5,351,033	\$ 10,578,204
Investments	137,205,913	138,141,276
Statutory Liquid Reserve	13,866,273	13,786,571
Accounts receivable, net	15,204,947	14,927,150
Assets whose use is limited	26,121,016	28,586,815
Property and equipment, net	464,922,557	467,080,558
Due from affiliates, net	83,424,015	83,168,709
Funds held in trust by others	20,224,772	19,953,487
Goodwill	25,685,777	26,234,673
Other assets	7,623,063	6,270,053
	<u>799,629,367</u>	<u>808,727,497</u>
Total assets	<u>\$ 799,629,367</u>	<u>\$ 808,727,497</u>
Liabilities and Net Assets		
Accounts Payable	\$ 4,988,421	\$ 8,997,014
Accrued expenses	17,816,160	20,333,310
Lines of credit	1,730,811	6,306,477
Resident deposits	4,045,517	3,457,092
Entrance fees payable	12,294,799	12,586,800
Other liabilities	4,911,603	5,328,990
Long-term debt, senior living	340,502,248	341,297,959
Deferred revenue from entrance fees	166,460,313	166,589,346
	<u>552,749,872</u>	<u>564,896,989</u>
Total liabilities	<u>552,749,872</u>	<u>564,896,989</u>
Net Assets		
Without donor restriction	216,941,123	214,304,793
With donor restriction	29,938,371	29,525,714
Total net assets	<u>246,879,494</u>	<u>243,830,508</u>
Total liabilities and net assets	<u>\$ 799,629,367</u>	<u>\$ 808,727,497</u>

Presbyterian Homes Obligated Group

Statements of Operations and Changes in Net Assets

Period ended February 28, 2025 and year ended December 31, 2024

	<u>February 28, 2025</u>	<u>December 31, 2024</u>
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 36,988,784	\$ 224,505,886
Amortization of entrance fees	4,787,583	21,874,608
Total resident services	41,776,367	246,380,494
Contributions, gifts, grants and bequests	175,392	1,654,571
Government stimulus	-	721,577
Net assets released from restrictions	100	515,541
Total operating revenues and other support	41,951,859	249,272,183
Expenses:		
Nursing services	11,451,525	70,290,259
Rehabilitation	1,577,613	9,992,857
Recreation and special services	741,772	4,520,390
Pharmacy	412,261	2,429,238
Social Services	168,151	1,003,338
Physician Services	68,150	365,104
Dining Services	4,422,157	28,057,276
Building operations and maintenance	6,262,298	33,932,112
Housekeeping	705,643	4,459,200
Laundry	220,884	1,398,386
Management and general	6,001,174	35,638,778
Employee Benefits	2,024,596	12,362,249
Interest	2,736,327	16,474,519
Depreciation	4,721,395	26,811,272
Amortization	548,896	3,293,375
Fundraising	119,198	560,098
Total expenses before non-recurring expenses	42,182,040	251,588,453
Operating loss before gains and losses	(230,181)	(2,316,270)
Gain on sale and disposal of property	-	426,830
Loss on impairment of asset	-	(102,723)
Operating loss	(230,181)	(1,992,163)
Other income:		
Investment income, net of investment expense	651,813	6,162,347
Realized (loss) gain on investments	(4,257)	1,034,003
Unrealized gain on investments	2,218,954	6,737,553
Total other income	2,866,511	13,933,902
Revenues in excess of expenses	2,636,330	11,941,739
Increase in net assets without donor restrictions	2,636,330	11,941,739

Presbyterian Homes Obligated Group

Statements of Operations and Changes in Net Assets

Period ended February 28, 2025 and year ended December 31, 2024

	<u>February 28, 2025</u>	<u>December 31, 2024</u>
Net Assets With Donor Restrictions		
Contributions, gifts, grants and bequests	58,010	913,463
Investment income, net of investment expense	6,205	70,449
Unrealized gain on investments	348,542	1,410,235
Net assets released from restrictions	<u>(100)</u>	<u>(515,541)</u>
Increase in net assets with donor restrictions	<u>412,657</u>	<u>1,878,605</u>
Increase in net assets	3,048,987	13,820,344
Net Assets, Beginning	<u>243,830,508</u>	<u>230,010,163</u>
Net Assets, Ending	<u><u>\$ 246,879,494</u></u>	<u><u>\$ 243,830,508</u></u>

Presbyterian Homes Obligated Group

Statements of Cash Flows

Period ended February 28, 2025 and year ended December 31, 2024

	February 28, 2025	December 31, 2024
Cash Flows From Operating Activities		
Increase in net assets	\$ 3,048,987	\$ 13,820,344
Adjustments to reconcile increase (decrease) in net assets (deficit) to net cash provided by (used in) operating activities		
Depreciation	4,721,395	26,811,272
Provision for doubtful collections	237,056	1,717,937
Proceeds from non-refundable fees and deposits	5,814,884	36,694,775
Amortization of entrance fees	(4,787,583)	(21,874,608)
Unrealized gain on investments and change in fair value of funds held in trust by others	(2,567,496)	(8,147,787)
Realized loss (gain) on investments	4,257	(1,034,003)
Gain on sale of community and disposals of property and equipment	-	(426,830)
Contributions restricted for long-term purposes	-	(93,391)
Amortization of deferred financing costs	35,145	236,120
Amortization of bond premium	(66,651)	(457,028)
Amortization of bond discount	28,870	173,255
Amortization of goodwill	548,896	3,293,375
Loss on impairment of asset	-	102,723
Changes in assets and liabilities		
Accounts receivable	(612,863)	(577,759)
Entrance fee receivable	98,010	(833,361)
Other assets	(1,353,011)	(1,166,392)
Accounts payable	(4,008,592)	(2,199,867)
Accrued expenses	(2,517,150)	(282,557)
Other liabilities	(417,387)	1,315,133
Net cash (used in) provided by operating activities	<u>(1,793,233)</u>	<u>47,071,352</u>
Cash Flows From Investing Activities		
Acquisition of property and equipment	(2,563,394)	(35,101,456)
Proceeds from sale of property and equipment	-	5,600,000
Purchases of investments	(4,092,483)	(31,465,190)
Proceeds from sale of investments	9,705,898	29,052,366
Due from affiliates, net	(255,306)	2,938,870
Net cash provided by (used in) investing activities	<u>2,794,714</u>	<u>(28,975,410)</u>
Cash Flows From Financing Activities		
Refunds of entrance fees and deposits	(859,910)	(6,063,266)
Proceeds from refundable entrance fees and deposits, resales	-	893,355
Proceeds from refundable entrance fees and deposits, new units	-	4,892,813
Principal payments on redemptions of long-term debt	(793,076)	(9,495,803)
Financing costs paid	-	(99,585)
Repayments on lines of credit	(4,575,666)	(10,443,523)
Contributions restricted for long-term purposes	-	93,391
Net cash used in financing activities	<u>(6,228,652)</u>	<u>(20,222,618)</u>
Net change in cash, cash equivalents and restricted cash	(5,227,172)	(2,126,676)
Cash, cash equivalents and restricted cash, beginning	<u>62,023,333</u>	<u>64,150,009</u>
Cash, cash equivalents and restricted cash, ending	<u>\$ 56,796,162</u>	<u>\$ 62,023,333</u>
Cash and cash equivalents	\$ 5,351,033	\$ 10,578,204
Restricted cash in investments	51,445,129	51,445,129
Total cash, cash equivalents and restricted cash	<u>\$ 56,796,162</u>	<u>\$ 62,023,333</u>