

Presbyterian Homes Obligated Group

Combined Statements of Financial Position

January 31, 2021 and December 31, 2020

	January 31, 2021	December 31, 2020
Assets		
Cash and cash equivalents	\$ 2,720,635	\$ 12,110,330
Investments	82,040,900	83,331,986
Statutory liquid reserves	13,445,537	13,670,554
Accounts receivable, net	12,303,749	12,432,750
Assets whose use is limited	17,505,187	17,929,701
Assets held for sale	2,350,618	2,350,618
Property and equipment, net	379,886,782	381,271,664
Due from affiliates, net	89,822,496	90,049,732
Funds held in trust by others	20,258,583	20,257,550
Other assets	7,647,271	6,516,847
Total assets	<u>\$ 627,981,758</u>	<u>\$ 639,921,732</u>
Liabilities and Net Assets		
Accounts payable	\$ 12,056,719	\$ 12,508,428
Accrued expenses	16,604,250	16,499,374
Lines of credit	4,177,751	14,212,412
Resident deposits	7,148,535	6,313,720
Entrance fees payable	9,229,471	9,648,523
Other liabilities	17,833,023	17,777,777
Long-term debt	248,177,266	248,331,284
Deferred revenues from entrance fees	106,749,862	106,496,172
Total liabilities	<u>421,976,877</u>	<u>431,787,690</u>
Net Assets		
Without donor restriction	178,250,428	180,378,192
With donor restrictions	<u>27,754,453</u>	<u>27,755,850</u>
Total net assets	<u>206,004,881</u>	<u>208,134,042</u>
Total liabilities and net assets	<u>\$ 627,981,758</u>	<u>\$ 639,921,732</u>

Presbyterian Homes Obligated Group

Combined Statements of Operations and Changes in Net Assets
Period ended January 31, 2021 and year ended December 31, 2020

	January 31, 2021	December 31, 2020
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 14,570,404	\$ 184,334,408
Amortization of entrance fees	1,559,103	17,531,498
Total resident services	16,129,507	201,865,906
Contributions, gifts, grants and bequests	98,287	666,812
Government Stimulus	-	12,502,478
Net assets released from restrictions	-	900,638
Total operating revenues and other support	16,227,794	215,935,834
Expenses:		
Nursing services	4,950,632	59,895,338
Rehabilitation	1,049,701	14,157,544
Recreation and special services	302,304	4,013,902
Pharmacy	190,251	3,001,699
Social services	78,516	993,605
Physician services	60,011	727,903
Food Services	1,820,224	23,331,081
Building operations and maintenance	2,261,675	25,960,232
Housekeeping	310,980	3,885,355
Laundry and linen	106,367	1,251,903
General and administrative	3,380,049	30,477,782
Employee benefits	921,782	11,059,376
Interest	629,145	6,942,336
Depreciation	1,937,687	22,327,535
Amortization	23,550	282,601
Fundraising	48,140	501,396
Total expenses	18,071,014	208,809,588
Unusual non-recurring expenses - COVID-19	-	12,692,325
Operating loss	(1,843,220)	(5,566,079)
Other income (loss):		
Investment income, net of investment expense	73,470	2,188,723
Realized gain on investments	16,784	5,290,142
Unrealized (loss) gain on investments	(374,798)	2,930,600
Loss on sale of property and equipment	-	(214,042)
Total other (loss) income	(284,544)	10,195,423
Revenues (less than) in excess of expenses	(2,127,764)	4,629,344
Loss on early extinguishment of debt	-	(75,093)
(Decrease) increase in net assets without donor restrictions	(2,127,764)	4,554,251

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Combined Statements of Operations and Changes in Net Assets

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

	January 31, 2021	December 31, 2020
Net Assets With Donor Restrictions		
Contributions, gifts, grants and bequests	\$ -	\$ 728,843
Investment income, net of investment expense	-	119,000
Unrealized (loss) gain on investments	(1,397)	1,215,254
Net assets released from restrictions	-	(900,638)
(Decrease) Increase in net assets with donor restrictions	(1,397)	1,162,459
Change in net assets	(2,129,161)	5,716,710
Net Assets, Beginning	<u>208,134,042</u>	<u>202,417,332</u>
Net Assets, Ending	<u><u>\$ 206,004,881</u></u>	<u><u>\$ 208,134,042</u></u>

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Combined Statements of Cash Flows

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

	January 31, 2021	December 31, 2020
Cash Flows From Operating Activities		
(Decrease) increase in net assets	\$ (2,129,161)	\$ 5,716,710
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities:		
Depreciation	1,937,687	22,327,535
Provision for doubtful collections	148,670	1,679,114
Proceeds from non-refundable entrance fees and deposits	2,843,525	18,733,452
Amortization of entrance fees	(1,559,103)	(17,531,498)
Loss on early extinguishment of debt	-	75,093
Unrealized loss (gain) on investments	376,195	(4,145,854)
Realized gain on investments	(16,784)	(5,290,142)
Loss on sale of property and equipment	-	214,042
Contributions restricted for long-term purposes	-	(28,411)
Amortization of deferred financing costs	8,829	143,095
Amortization of bond premium	(2,230)	(26,762)
Changes in assets and liabilities:		
Accounts receivable	(623,695)	2,776,752
Entrance fees receivable	604,026	(481,703)
Other assets	(1,130,424)	100,383
Accounts payable	(451,709)	(2,448,095)
Accrued expenses	104,876	(1,008,855)
Other liabilities	55,246	14,900,875
Net cash provided by operating activities	165,948	35,705,732
Cash Flows From Investing Activities		
Acquisition of property and equipment	(552,805)	(40,200,360)
Net proceeds from sale of property and equipment	-	1,303,466
Purchases of investments	(150,459)	(30,160,727)
Proceeds from sale of investments	1,730,632	33,076,075
Change in due from affiliates	227,236	(9,060,627)
Net cash provided by (used in) investing activities	1,254,604	(45,042,173)
Cash Flows From Financing Activities		
Refunds of entrance fees and deposits	(614,969)	(4,437,514)
Proceeds from refundable entrance fees and deposits, resales	-	550,854
Proceeds from refundable entrance fees and deposits, new units	-	4,561,568
Principal payments on long-term debt	(1,160,617)	(13,121,232)
Proceeds from issuance of long-term debt	1,000,000	27,955,000
Refunding, refinancing or payoff of long-term debt	-	(3,430,000)
Financing costs incurred	-	(210,056)
Repayments on lines of credit	(10,034,661)	(986,378)
Contributions restricted for long-term purposes	-	28,411
Net cash (used in) provided by financing activities	(10,810,247)	10,910,653
Net change in cash, cash equivalents and restricted cash	(9,389,695)	1,574,212
Cash, Cash Equivalents and Restricted Cash, Beginning	32,494,465	30,920,253
Cash, Cash Equivalents and Restricted Cash, Ending		
Unrestricted	\$ 2,720,635	\$ 12,110,330
Restricted	20,384,135	20,384,135
	<u>\$ 23,104,770</u>	<u>\$ 32,494,465</u>