

Presbyterian Homes Obligated Group

Statements of Financial Position

January 31, 2023 and December 31, 2022

	<u>January 31, 2023</u>	<u>December 31, 2022</u>
Assets		
Cash and cash equivalents	\$ 1,428,330	\$ 10,041,000
Investments	99,693,351	95,098,031
Statutory Liquid Reserve	10,905,687	10,905,688
Accounts receivable, net	12,288,779	11,220,074
Assets whose use is limited	41,776,636	43,561,377
Property and equipment, net	375,351,797	377,257,983
Due from affiliates, net	87,256,466	86,233,954
Funds held in trust by others	18,205,544	17,559,350
Other assets	5,636,974	6,005,752
	<u>652,543,563</u>	<u>657,883,209</u>
Total assets	<u>\$ 652,543,563</u>	<u>\$ 657,883,209</u>
Liabilities and Net Assets		
Accounts payable	\$ 9,658,785	\$ 8,084,608
Accrued expenses	13,834,311	15,061,226
Lines of credit	7,414,605	16,602,167
Entrance fee and deposit payable	9,293,938	9,341,995
Other liabilities	4,870,171	5,177,226
Cares act funding liabilities	-	20,520
Long-term debt, senior living	258,127,431	259,343,071
Deferred revenue from entrance fees	122,870,294	123,277,629
	<u>426,069,535</u>	<u>436,908,441</u>
Total liabilities	<u>426,069,535</u>	<u>436,908,441</u>
Net Assets		
Without donor restriction	200,409,650	195,704,334
With donor restriction	26,064,378	25,270,433
Total net assets	<u>226,474,028</u>	<u>220,974,767</u>
Total liabilities, net assets and equity	<u>\$ 652,543,563</u>	<u>\$ 657,883,209</u>

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Statements of Operations and Changes in Net Assets

Period ended January 31, 2023 and year ended December 31, 2022

	January 31, 2023	December 31, 2022
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 14,958,458	\$ 168,470,466
Amortization of entrance fees	1,966,993	16,756,172
Total resident services	16,925,450	185,226,639
Contributions, gifts, grants and bequests	137,122	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	17,062,573	192,132,875
Expenses:		
Nursing services	4,745,591	53,970,315
Rehabilitation	774,308	8,934,430
Recreation and special services	289,385	3,505,546
Pharmacy	203,724	2,812,912
Social Services	71,492	837,211
Physician Services	60,449	705,113
Dining Services	1,830,943	20,993,437
Building operations and maintenance	2,388,553	26,255,439
Housekeeping	303,973	3,304,580
Laundry	95,237	1,009,706
Management and general	2,501,237	29,992,932
Employee Benefits	813,330	9,467,050
Interest	771,534	7,583,565
Depreciation	2,082,466	24,799,176
Amortization	23,550	282,601
Fundraising	38,674	620,799
Total expenses before non-recurring expenses	16,994,447	195,074,813
Non-recurring expenses, COVID-19	18,900	1,037,819
Operating income (loss) before gains and losses	49,226	(3,979,756)
Loss on sale and disposal of property	-	(30,440)
Operating income (loss)	49,226	(4,010,196)
Other income (loss):		
Investment income, net of investment expense	254,772	2,647,569
Realized gain on investments	-	2,026,907
Unrealized gain (loss) on investments	4,401,318	(17,399,455)
Total other income (loss)	4,656,090	(12,724,979)
Revenues in excess of (less than) expenses	4,705,316	(16,735,175)
Transfer to affiliated entity	-	(725,000)
Grant revenue - capital	-	637,183
Increase (decrease) in net assets without donor restrictions	4,705,316	(16,822,992)

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Statements of Operations and Changes in Net Assets

Period ended January 31, 2023 and year ended December 31, 2022

	<u>January 31, 2023</u>	<u>December 31, 2022</u>
Net Assets With Donor Restrictions		
Contributions, gifts, grants and bequests	-	1,216,357
Investment income, net of investment expense	-	82,871
Unrealized gain (loss) on investments	793,945	(4,474,792)
Net assets released from restrictions	-	(709,098)
	<u>793,945</u>	<u>(3,884,662)</u>
Increase in net assets with donor restrictions	<u>793,945</u>	<u>(3,884,662)</u>
	5,499,261	(20,707,654)
Increase (decrease) in net assets	5,499,261	(20,707,654)
Net Assets, Beginning	<u>220,974,767</u>	<u>241,682,421</u>
Net Assets, Ending	<u>\$ 226,474,028</u>	<u>\$ 220,974,767</u>

Presbyterian Homes Obligated Group

Statements of Cash Flows

Period ended January 31, 2023 and year ended December 31, 2022

	<u>January 31, 2023</u>	<u>December 31, 2022</u>
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ 5,499,261	\$ (20,707,654)
Adjustments to reconcile increase (decrease) in net assets (deficit) to net cash provided by (used in) operating activities		
Depreciation	2,082,466	24,799,176
Provision for doubtful collections	80,896	1,069,215
Proceeds from non-refundable fees and deposits	1,707,796	26,384,571
Amortization of entrance fees	(1,966,993)	(16,756,172)
Unrealized (gain) loss on investments and change in fair value of funds held in trust by others	(5,195,263)	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	10,557	128,372
Amortization of bond premium	(33,396)	(407,025)
Changes in assets and liabilities		
Accounts receivable	(1,277,652)	(377,236)
Entrance fee receivable	128,050	(1,053,219)
Other assets	368,779	(441,264)
Accounts payable	1,574,178	(2,288,776)
Accrued expenses	(1,226,915)	925,513
Other liabilities	(307,055)	(185,589)
CARES act funding liabilities	(20,520)	(4,451,820)
Net cash provided by operating activities	<u>1,424,190</u>	<u>26,293,395</u>
Cash Flows From Investing Activities		
Acquisition of property and equipment	(176,279)	(27,221,715)
Proceeds from sale of property and equipment	-	200,211
Purchases of investments	(174,675)	(48,572,877)
Proceeds from sale of investments	1,913,165	49,407,224
Due from affiliates, net	(1,022,512)	1,811,069
Net cash used provided by (used in) investing activities	<u>539,699</u>	<u>(24,924,404)</u>
Cash Flows From Financing Activities		
Refunds of entrance fees and deposits	(196,195)	(3,681,435)
Proceeds from refundable entrance fees and deposits, resales	-	239,325
Proceeds from refundable entrance fees and deposits, new units	-	798,668
Principal payments on redemptions of long-term debt	(1,192,802)	(13,041,996)
Early payoff of long-term debt	-	-
Redemption of treasury bonds	-	-
Borrowings (repayments) on lines of credit	(9,187,562)	1,008,724
Contributions restricted for long-term purposes	-	222,477
Net cash used in financing activities	<u>(10,576,559)</u>	<u>(14,454,238)</u>
Net change in cash, cash equivalents and restricted cash	(8,612,670)	(13,085,247)
Cash, cash equivalents and restricted cash, beginning	<u>51,419,491</u>	<u>64,504,738</u>
Cash, cash equivalents and restricted cash, ending	<u>\$ 42,806,821</u>	<u>\$ 51,419,491</u>
Cash and cash equivalents	\$ 1,428,330	\$ 10,041,000
Restricted cash in investments	41,378,491	41,378,491
Total cash, cash equivalents and restricted cash	<u>\$ 42,806,821</u>	<u>\$ 51,419,491</u>