

Presbyterian Homes Obligated Group

Combined Statements of Financial Position
July 31, 2021 and December 31, 2020

	<u>July 31, 2021</u>	<u>December 31, 2020</u>
Assets		
Cash and cash equivalents	\$ 1,728,361	\$ 12,110,330
Investments	86,294,883	83,331,986
Statutory liquid reserves	13,837,334	13,670,554
Accounts receivable, net	10,108,331	12,432,750
Assets whose use is limited	43,656,500	17,929,701
Assets held for sale	6,405,056	2,350,618
Property and equipment, net	379,518,526	381,271,664
Due from affiliates, net	82,301,421	86,723,738
Funds held in trust by others	21,287,183	20,257,550
Other assets	8,248,534	6,516,847
	<u>\$ 653,386,129</u>	<u>\$ 636,595,738</u>
Total assets		
Liabilities and Net Assets		
Accounts payable	\$ 7,791,995	\$ 12,508,430
Accrued expenses	16,582,427	16,499,374
Lines of credit	11,713,868	14,212,412
Resident deposits	2,261,029	6,313,720
Entrance fees payable	8,722,728	9,648,523
Other liabilities	3,245,251	5,066,234
Cares act funding liabilities	6,455,620	13,644,706
Long-term debt	269,140,059	248,331,284
Deferred revenues from entrance fees	115,141,931	105,563,008
	<u>441,054,908</u>	<u>431,787,691</u>
Total liabilities		
Net Assets		
Without donor restriction	183,249,298	177,052,198
With donor restrictions	29,081,923	27,755,849
	<u>212,331,221</u>	<u>204,808,047</u>
Total net assets		
Total liabilities and net assets	<u>\$ 653,386,129</u>	<u>\$ 636,595,738</u>

Presbyterian Homes Obligated Group

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

	<u>July 31, 2021</u>	<u>December 31, 2020</u>
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 104,718,584	\$ 184,334,409
Amortization of entrance fees	10,217,912	17,531,498
Total resident services	114,936,496	201,865,907
Contributions, gifts, grants and bequests	502,994	666,812
Government grants	7,515,900	-
Government stimulus	208,846	12,502,478
Net assets released from restrictions	313,829	900,638
Total operating revenues and other support	<u>123,478,065</u>	<u>215,935,835</u>
Expenses:		
Nursing services	32,552,270	59,895,338
Rehabilitation	7,720,061	14,157,544
Recreation and special services	2,169,576	4,013,902
Pharmacy	1,645,229	3,001,699
Social services	557,567	993,605
Physician services	434,697	727,903
Food Services	13,003,492	23,331,083
Building operations and maintenance	15,842,011	25,960,232
Housekeeping	2,218,207	3,885,355
Laundry and linen	696,890	1,251,903
General and administrative	18,432,818	30,504,544
Employee benefits	6,109,025	11,059,376
Interest	4,177,121	6,915,574
Depreciation	13,833,307	22,327,535
Amortization	164,851	282,601
Fundraising	302,418	501,396
Total expenses	<u>119,859,540</u>	<u>208,809,590</u>
Unusual non-recurring expenses - COVID-19	2,154,961	12,692,325
Operating gain (loss)	<u>1,463,564</u>	<u>(5,566,080)</u>
Other income (loss):		
Investment income, net of investment expense	953,792	2,188,723
Realized gain on investments	1,903,430	5,290,142
Unrealized gain on investments	6,630,016	2,828,905
Loss on sale of property and equipment	-	(214,042)
Loss on early extinguishment of debt	(1,423,468)	(75,093)
Total other income	<u>8,063,770</u>	<u>10,018,635</u>
Revenues in excess of expenses	<u>9,527,334</u>	<u>4,452,555</u>
Transfer to affiliated entity	<u>(3,330,234)</u>	<u>(3,325,994)</u>
Increase in net assets without donor restrictions	6,197,100	1,126,561

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

	<u>July 31, 2021</u>	<u>December 31, 2020</u>
Net Assets With Donor Restrictions		
Contributions, gifts, grants and bequests	\$ 359,746	\$ 728,843
Investment income, net of investment expense	30,297	119,000
Unrealized gain on investments	1,249,860	1,316,949
Net assets released from restrictions	<u>(313,829)</u>	<u>(900,638)</u>
 Increase in net assets with donor restrictions	 <u>1,326,074</u>	 <u>1,264,154</u>
 Change in net assets	 7,523,174	 2,390,715
 Net Assets, Beginning	 <u>204,808,047</u>	 <u>202,417,332</u>
 Net Assets, Ending	 <u><u>\$ 212,331,221</u></u>	 <u><u>\$ 204,808,047</u></u>

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Combined Statements of Cash Flows

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

	<u>July 31, 2021</u>	<u>December 31, 2020</u>
Cash Flows From Operating Activities		
Increase in net assets	\$ 7,523,174	\$ 2,390,715
Adjustments to reconcile (decrease) increase in net deficit to net cash provided by operating activities:		
Depreciation	13,833,307	22,327,535
Provision for doubtful collections	844,752	1,679,115
Proceeds from non-refundable entrance fees and deposits	11,249,384	15,332,945
Amortization of entrance fees	(10,217,912)	(17,531,498)
Loss on early extinguishment of debt	1,423,468	75,093
Unrealized gain on investments	(7,879,876)	(4,145,854)
Realized gain on investments	(1,903,430)	(5,290,142)
Loss on sale of property and equipment	-	214,042
Contributions restricted for long-term purposes	(29,019)	(28,411)
Amortization of deferred financing costs	196,599	155,616
Amortization of bond premium	(267,492)	(26,762)
Changes in assets and liabilities:		
Accounts receivable	93,334	2,776,752
Entrance fees receivable	1,386,332	(481,703)
Other assets	(1,731,687)	100,383
Accounts payable	(4,716,435)	(3,710,207)
Accrued expenses	83,053	253,261
Other liabilities	(1,820,983)	1,868,922
Cares act funding liabilities	(7,189,086)	13,644,706
Net cash provided by operating activities	<u>877,483</u>	<u>29,604,508</u>
Cash Flows From Investing Activities		
Acquisition of property and equipment	(16,134,607)	(40,200,360)
Net proceeds from sale of property and equipment	-	1,303,466
Purchases of investments	(53,095,996)	(30,160,727)
Proceeds from sale of investments	30,661,481	33,076,075
Change in due from affiliates	4,422,317	(5,734,633)
Net cash provided by (used in) investing activities	<u>(34,146,805)</u>	<u>(41,716,179)</u>
Cash Flows From Financing Activities		
Refunds of entrance fees and deposits	(2,029,842)	(4,437,514)
Proceeds from refundable entrance fees and deposits, resales	97,500	550,854
Proceeds from refundable entrance fees and deposits, new units	5,501,307	7,349,318
Principal payments on long-term debt	(9,629,264)	(13,133,752)
Proceeds from issuance of long-term debt	69,150,000	27,955,000
Proceeds from bond premium	7,151,245	-
Refunding, refinancing or payoff of long-term debt	(46,054,321)	(3,430,000)
Redemption of treasury bonds	(225,000)	-
Financing costs incurred	(936,459)	(210,056)
Borrowings (repayments) on lines of credit	(2,498,544)	(986,378)
Contributions restricted for long-term purposes	29,019	28,411
Net cash (used in) provided by financing activities	<u>20,555,641</u>	<u>13,685,883</u>
Net change in cash, cash equivalents and restricted cash	(12,713,681)	1,574,212
Cash, Cash Equivalents and Restricted Cash, Beginning	<u>32,494,465</u>	<u>30,920,253</u>
Cash, Cash Equivalents and Restricted Cash, Ending		
Unrestricted	\$ 1,728,361	\$ 12,110,330
Restricted	<u>18,052,423</u>	<u>20,384,135</u>
	<u>\$ 19,780,784</u>	<u>\$ 32,494,465</u>