

Presbyterian Homes Obligated Group

Statements of Financial Position

July 31, 2023 and December 31, 2022

	<u>July 31, 2023</u>	<u>December 31, 2022</u>
Assets		
Cash and cash equivalents	\$ 1,486,868	\$ 10,041,000
Investments	105,478,055	95,098,031
Statutory Liquid Reserve	10,905,687	10,905,687
Accounts receivable, net	12,212,656	11,220,074
Assets whose use is limited	25,530,349	43,561,377
Assets held for sale	2,600,000	-
Property and equipment, net	375,553,045	377,257,983
Due from affiliates, net	85,817,250	86,233,954
Funds held in trust by others	18,610,924	17,559,350
Other assets	9,111,449	6,005,752
	<u>\$ 647,318,421</u>	<u>\$ 657,883,208</u>
Total assets		
Liabilities and Net Assets		
Accounts payable	\$ 11,238,065	\$ 8,084,607
Accrued expenses	14,058,075	15,061,226
Lines of credit	12,606,920	16,602,167
Resident deposits	2,513,517	2,227,667
Entrance fees payable	6,583,326	7,114,328
Other liabilities	3,416,628	5,177,226
Cares act funding liabilities	56,828	20,520
Long-term debt, senior living	243,459,160	259,343,071
Deferred revenue from entrance fees	123,874,777	123,277,629
	<u>417,807,297</u>	<u>436,908,441</u>
Total liabilities		
Net Assets		
Without donor restriction	202,844,693	195,704,334
With donor restriction	26,666,431	25,270,433
Total net assets	<u>229,511,124</u>	<u>220,974,767</u>
Total liabilities, net assets and equity	<u>\$ 647,318,421</u>	<u>\$ 657,883,208</u>

Presbyterian Homes Obligated Group

Statements of Operations and Changes in Net Assets

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

	July 31, 2023	December 31, 2022
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 102,646,029	\$ 168,470,466
Amortization of entrance fees	11,563,990	16,756,172
Total resident services	114,210,019	185,226,639
Contributions, gifts, grants and bequests	701,928	495,274
Government grants	-	2,000,000
Government stimulus	166,284	1,465,364
FEMA funding	29,790	2,236,500
Net assets released from restrictions	344,628	709,098
Total operating revenues and other support	115,452,649	192,132,875
Expenses:		
Nursing services	32,428,635	53,900,760
Rehabilitation	4,886,141	8,934,430
Recreation and special services	1,975,760	3,505,546
Pharmacy	1,531,501	2,812,912
Social Services	464,733	837,211
Physician Services	395,119	705,113
Dining Services	12,507,378	20,993,437
Building operations and maintenance	15,671,988	26,255,439
Housekeeping	2,091,957	3,304,580
Laundry	680,143	1,009,706
Management and general	17,895,468	30,062,485
Employee Benefits	5,614,300	9,467,050
Interest	5,463,006	7,583,565
Depreciation	14,459,798	24,799,176
Amortization	164,851	282,601
Fundraising	257,658	620,799
Total expenses before non-recurring expenses	116,488,435	195,074,811
Non-recurring expenses, COVID-19	3,718	1,037,819
Operating income (loss) before gains and losses	(1,039,503)	(3,979,756)
Loss on sale and disposal of property	(808,830)	(30,440)
Loss on impairment of assets	(599,821)	-
Operating income (loss)	(2,448,153)	(4,010,196)
Other income (loss):		
Investment income, net of investment expense	2,047,632	2,647,569
Realized gain on investments	48,281	2,026,907
Unrealized gain (loss) on investments	7,492,600	(17,399,455)
Total other income (loss)	9,588,512	(12,724,979)
Revenues in excess of (less than) expenses	7,140,359	(16,735,175)
Transfer to affiliated entity	-	(725,000)
Grant revenue - capital	-	637,183
Increase (decrease) in net assets without donor restrictions	7,140,359	(16,822,992)

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Statements of Operations and Changes in Net Assets

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

	<u>July 31, 2023</u>	<u>December 31, 2022</u>
Net Assets With Donor Restrictions		
Contributions, gifts, grants and bequests	355,260	1,216,357
Investment income, net of investment expense	34,042	82,871
Unrealized gain (loss) on investments	1,351,324	(4,474,792)
Net assets released from restrictions	<u>(344,628)</u>	<u>(709,098)</u>
 Increase (decrease) in net assets with donor restrictions	<u>1,395,997</u>	<u>(3,884,662)</u>
 Increase (decrease) in net assets	8,536,356	(20,707,654)
 Net Assets, Beginning	<u>220,974,767</u>	<u>241,682,421</u>
 Net Assets, Ending	<u>\$ 229,511,124</u>	<u>\$ 220,974,767</u>

Presbyterian Homes Obligated Group

Statements of Cash Flows

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

	July 31, 2023	December 31, 2022
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ 8,536,356	\$ (20,707,654)
Adjustments to reconcile increase (decrease) in net assets (deficit) to net cash provided by (used in) operating activities		
Depreciation	14,459,798	24,799,176
Provision for doubtful collections	690,846	1,069,215
Proceeds from non-refundable fees and deposits	14,207,495	26,384,571
Amortization of entrance fees	(11,563,990)	(16,756,172)
Unrealized (gain) loss on investments and change in fair value of funds held in trust by others	(8,843,923)	21,874,247
Realized gain on investments	(48,281)	(2,026,907)
Loss on sale of community and disposals of property and equipment	808,830	30,440
Contributions restricted for long-term purposes	(16,429)	(222,477)
Amortization of deferred financing costs	73,902	128,372
Amortization of bond premium	(233,775)	(407,025)
Loss on impairment of asset	599,821	-
Changes in assets and liabilities		
Accounts receivable	(2,175,638)	(377,236)
Entrance fee receivable	492,210	(1,053,219)
Other assets	(3,117,833)	(441,264)
Accounts payable	3,153,458	(2,288,776)
Accrued expenses	(1,003,151)	925,513
Other liabilities	(1,760,597)	(185,589)
CARES act funding liabilities	36,308	(4,451,820)
Net cash provided by operating activities	<u>14,295,405</u>	<u>26,293,394</u>
Cash Flows From Investing Activities		
Acquisition of property and equipment	(16,763,510)	(27,221,715)
Proceeds from sale of property and equipment	-	200,211
Purchases of investments	(5,632,775)	(48,572,873)
Proceeds from sale of investments	21,124,408	49,407,224
Due from affiliates, net	416,704	1,811,067
Net cash used in investing activities	<u>(855,173)</u>	<u>(24,376,086)</u>
Cash Flows From Financing Activities		
Refunds of entrance fees and deposits	(3,219,179)	(3,681,435)
Proceeds from refundable entrance fees and deposits, resales	186,964	239,325
Proceeds from refundable entrance fees and deposits, new units	740,708	798,668
Principal payments on redemptions of long-term debt	(15,724,040)	(13,041,996)
(Repayments) borrowings on lines of credit	(3,995,247)	1,008,724
Contributions restricted for long-term purposes	16,429	222,477
Net cash used in financing activities	<u>(21,994,365)</u>	<u>(14,454,238)</u>
Net change in cash, cash equivalents and restricted cash	(8,554,132)	(12,536,928)
Cash, cash equivalents and restricted cash, beginning	<u>51,967,810</u>	<u>64,504,738</u>
Cash, cash equivalents and restricted cash, ending	<u>\$ 43,413,678</u>	<u>\$ 51,967,810</u>
Cash and cash equivalents	\$ 1,486,868	\$ 10,041,000
Restricted cash in investments	41,926,810	41,926,810
Total cash, cash equivalents and restricted cash	<u>\$ 43,413,678</u>	<u>\$ 51,967,810</u>