

Presbyterian Homes Obligated Group

Combined Statements of Financial Position
June 30, 2022 and December 31, 2021

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
Assets		
Cash and cash equivalents	\$ 13,810,962	\$ 11,239,818
Investments	98,453,604	113,869,829
Statutory liquid reserves	10,471,254	10,471,255
Accounts receivable, net	9,533,229	10,858,834
Assets whose use is limited	51,613,012	53,388,482
Property and equipment, net	372,607,624	375,066,095
Due from affiliates, net	83,680,378	88,045,022
Funds held in trust by others	18,097,966	21,414,680
Other assets	5,918,455	5,564,488
	<u>\$ 664,186,484</u>	<u>\$ 689,918,503</u>
Total assets		
Liabilities and Net Assets		
Accounts payable	\$ 10,171,421	\$ 10,373,384
Accrued expenses	14,736,820	14,135,713
Lines of credit	16,713,191	15,593,443
Resident deposits	1,897,462	2,507,309
Entrance fees payable	7,399,986	8,147,685
Other liabilities	3,727,364	5,362,815
Cares act funding liabilities	477,420	4,472,340
Long-term debt	266,810,157	272,663,720
Deferred revenues from entrance fees	118,297,576	114,979,674
	<u>440,231,397</u>	<u>448,236,083</u>
Total liabilities		
Net Assets		
Without donor restriction	197,683,936	212,527,325
With donor restrictions	26,271,151	29,155,095
	<u>223,955,087</u>	<u>241,682,420</u>
Total net assets		
Total liabilities and net assets	<u>\$ 664,186,484</u>	<u>\$ 689,918,503</u>

Presbyterian Homes Obligated Group

Combined Statements of Operations and Changes in Net Assets

Period ended June 30, 2022 and year ended December 31, 2021

	June 30, 2022	December 31, 2021
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 82,801,125	\$ 174,338,100
Amortization of entrance fees	8,077,747	18,993,628
Total resident services	90,878,872	193,331,728
Contributions, gifts, grants and bequests	369,690	1,330,159
Other revenues	771,050	5,742,262
Government grants	2,000,000	7,515,900
Government stimulus	84,266	4,799,292
Net assets released from restrictions	268,576	992,913
Total operating revenues and other support	94,372,454	213,712,254
Expenses:		
Nursing services	26,408,023	55,328,956
Rehabilitation	4,564,815	13,025,251
Recreation and special services	1,683,957	3,805,588
Pharmacy	1,374,765	2,651,932
Social services	424,152	940,602
Physician services	347,326	742,482
Food Services	10,180,871	22,037,415
Building operations and maintenance	12,702,760	26,859,867
Housekeeping	1,625,542	3,786,145
Laundry and linen	479,727	1,169,109
General and administrative	14,672,493	31,446,154
Employee benefits	4,942,985	7,843,468
Interest	3,577,588	7,084,265
Depreciation	12,228,685	23,836,080
Amortization	141,301	282,601
Fundraising	333,792	700,094
Total expenses	95,688,782	201,540,009
Unusual non-recurring expenses - COVID-19	891,470	2,101,279
Operating (loss) income before gains	(2,207,798)	10,070,966
Gain on sale of community and disposals of property and equipment	232,986	14,615,126
Loss on impairment of asset	-	(2,350,230)
Operating (loss) income	(1,974,812)	22,335,862
Other income (loss):		
Investment income, net of investment expense	1,161,717	2,800,155
Realized gain on investments	1,001,010	3,716,532
Unrealized (loss) gain on investments	(15,031,304)	11,470,916
Loss on early extinguishment of debt	-	(1,518,104)
Total other income (loss)	(12,868,577)	16,469,499
Revenues (less than) in excess of expenses	(14,843,389)	38,805,361
Transfer to affiliated entity	-	(3,330,234)
(Decrease) increase in net assets without donor restrictions	(14,843,389)	35,475,127

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Combined Statements of Operations and Changes in Net Assets

Period ended June 30, 2022 and year ended December 31, 2021

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
Net Assets With Donor Restrictions		
Contributions, gifts, grants and bequests	\$ 653,725	\$ 666,920
Investment income, net of investment expense	40,964	61,061
Unrealized (loss) gain on investments	(3,310,057)	1,664,178
Net assets released from restrictions	<u>(268,576)</u>	<u>(992,913)</u>
(Decrease) increase in net assets with donor restrictions	<u>(2,883,944)</u>	<u>1,399,246</u>
Change in net assets	(17,727,333)	36,874,373
Net Assets, Beginning	<u>241,682,420</u>	<u>204,808,047</u>
Net Assets, Ending	<u>\$ 223,955,087</u>	<u>\$ 241,682,420</u>

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Combined Statements of Cash Flows

Period ended June 30, 2022 and year ended December 31, 2021

	June 30, 2022	December 31, 2021
Cash Flows From Operating Activities		
(Decrease) increase in net assets	\$ (17,727,333)	\$ 36,874,373
Adjustments to reconcile (decrease) increase in net deficit to net cash provided by operating activities:		
Depreciation	12,228,685	23,836,080
Provision for doubtful collections	603,613	1,454,968
Proceeds from non-refundable entrance fees and deposits	11,195,553	20,470,367
Amortization of entrance fees	(8,077,747)	(18,993,628)
Loss on early extinguishment of debt	-	1,518,104
Unrealized loss (gain) on investments	18,341,361	(13,135,094)
Realized gain on investments	(1,001,010)	(3,716,532)
Gain on sale of community and disposals of property and equipment	(232,986)	(14,615,126)
Contributions restricted for long-term purposes	-	(74,871)
Amortization of deferred financing costs	65,869	131,225
Amortization of bond premium	(203,796)	(218,313)
Loss on impairment of asset	-	2,350,230
Changes in assets and liabilities:		
Accounts receivable	1,133,691	(883,002)
Entrance fees receivable	(411,699)	1,055,402
Other assets	(353,967)	667,344
Accounts payable	(201,963)	(2,134,577)
Accrued expenses	601,107	(2,240,320)
Other liabilities	(1,635,451)	578,378
Cares act funding liabilities	(3,994,920)	(9,172,366)
Net cash provided by operating activities	<u>10,329,006</u>	<u>23,752,642</u>
Cash Flows From Investing Activities		
Acquisition of property and equipment	(9,770,214)	(25,278,369)
Net proceeds from sale of property and equipment	232,986	19,500,000
Purchases of investments	(33,002,935)	(49,398,706)
Proceeds from sale of investments	36,170,994	36,465,949
Change in due from affiliates	4,364,644	(1,321,284)
Net cash used in investing activities	<u>(2,004,525)</u>	<u>(20,032,410)</u>
Cash Flows From Financing Activities		
Refunds of entrance fees and deposits	(1,885,250)	(3,654,981)
Proceeds from refundable entrance fees and deposits, resales	63,325	97,500
Proceeds from refundable entrance fees and deposits, new units	664,475	8,779,487
Principal payments on redemptions of long-term debt	(5,440,635)	(14,003,114)
Proceeds from issuance of long-term debt	-	31,050,679
Proceeds from bond premium	-	7,151,245
Refunding, refinancing or payoff of long-term debt	(275,000)	-
Redemption of treasury bonds	-	(225,000)
Financing costs incurred	-	(1,072,391)
Borrowing on lines of credit	1,119,748	1,381,031
Contributions restricted for long-term purposes	-	74,871
Net cash (used in) provided by financing activities	<u>(5,753,337)</u>	<u>29,579,327</u>
Net change in cash, cash equivalents and restricted cash	2,571,144	33,299,559
Cash, Cash Equivalents and Restricted Cash, Beginning	<u>64,504,738</u>	<u>31,205,179</u>
Cash, Cash Equivalents and Restricted Cash, Ending		
Unrestricted	\$ 13,810,962	\$ 11,239,818
Restricted	<u>53,264,920</u>	<u>53,264,920</u>
	<u>\$ 67,075,882</u>	<u>\$ 64,504,738</u>