

## Presbyterian Homes Obligated Group

Statements of Financial Position

June 30, 2023 and December 31, 2022

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 7,431,873	\$ 10,041,000
Investments	104,372,712	95,098,031
Statutory Liquid Reserve	10,905,687	10,905,687
Accounts receivable, net	12,244,731	11,220,074
Assets whose use is limited	28,303,362	43,561,377
Assets held for sale	2,600,000	-
Property and equipment, net	375,606,145	377,257,983
Due from affiliates, net	84,567,573	86,233,954
Funds held in trust by others	18,356,572	17,559,350
Other assets	5,990,068	6,005,752
	<u>\$ 650,378,722</u>	<u>\$ 657,883,208</u>
Total assets		
<b>Liabilities and Net Assets</b>		
Accounts payable	\$ 8,884,177	\$ 8,084,607
Accrued expenses	14,146,359	15,061,226
Lines of credit	16,660,811	16,602,167
Resident deposits	2,802,574	2,227,667
Entrance fees payable	6,639,700	7,114,328
Other liabilities	3,781,983	5,177,226
Cares act funding liabilities	56,828	20,520
Long-term debt, senior living	246,176,751	259,343,071
Deferred revenue from entrance fees	123,405,298	123,277,629
	<u>422,554,481</u>	<u>436,908,441</u>
Total liabilities		
<b>Net Assets</b>		
Without donor restriction	201,479,039	195,704,334
With donor restriction	26,345,202	25,270,433
Total net assets	<u>227,824,241</u>	<u>220,974,767</u>
Total liabilities, net assets and equity	<u>\$ 650,378,722</u>	<u>\$ 657,883,208</u>

**Presbyterian Homes Obligated Group**

Statements of Operations and Changes in Net Assets

Period ended June 30, 2023 and year ended December 31, 2022

	June 30, 2023	December 31, 2022
<b>Net Assets Without Donor Restrictions</b>		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 88,253,519	\$ 168,470,466
Amortization of entrance fees	10,068,333	16,756,172
Total resident services	98,321,852	185,226,639
Contributions, gifts, grants and bequests	267,792	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	99,130,346	192,132,875
Expenses:		
Nursing services	27,465,594	53,900,760
Rehabilitation	4,224,423	8,934,430
Recreation and special services	1,685,427	3,505,546
Pharmacy	1,320,934	2,812,912
Social Services	400,956	837,211
Physician Services	346,710	705,113
Dining Services	10,715,194	20,993,437
Building operations and maintenance	13,403,381	26,255,439
Housekeeping	1,792,977	3,304,580
Laundry	584,360	1,009,706
Management and general	15,328,224	30,062,485
Employee Benefits	4,837,256	9,467,050
Interest	4,686,574	7,583,565
Depreciation	12,514,057	24,799,176
Amortization	141,301	282,601
Fundraising	218,984	620,799
Total expenses before non-recurring expenses	99,666,351	195,074,811
Non-recurring expenses, COVID-19	2,477	1,037,819
Operating income (loss) before gains and losses	(538,483)	(3,979,756)
Loss on sale and disposal of property	(808,830)	(30,440)
Loss on impairment of assets	(599,821)	-
Operating income (loss)	(1,947,133)	(4,010,196)
Other income (loss):		
Investment income, net of investment expense	1,858,275	2,647,569
Realized gain on investments	48,281	2,026,907
Unrealized gain (loss) on investments	5,815,281	(17,399,455)
Total other income (loss)	7,721,838	(12,724,979)
Revenues in excess of (less than) expenses	5,774,705	(16,735,175)
Transfer to affiliated entity	-	(725,000)
Grant revenue - capital	-	637,183
Increase (decrease) in net assets without donor restrictions	5,774,705	(16,822,992)

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Statements of Operations and Changes in Net Assets

Period ended June 30, 2023 and year ended December 31, 2022

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
<b>Net Assets With Donor Restrictions</b>		
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	1,030,095	(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>1,074,768</u>	<u>(3,884,662)</u>
Increase (decrease) in net assets	6,849,473	(20,707,654)
<b>Net Assets, Beginning</b>	<u>220,974,767</u>	<u>241,682,421</u>
<b>Net Assets, Ending</b>	<u><u>\$ 227,824,241</u></u>	<u><u>\$ 220,974,767</u></u>

**Presbyterian Homes Obligated Group**

## Statements of Cash Flows

Period ended June 30, 2023 and year ended December 31, 2022

	June 30, 2023	December 31, 2022
<b>Cash Flows From Operating Activities</b>		
Increase (decrease) in net assets	\$ 6,849,473	\$ (20,707,654)
Adjustments to reconcile increase (decrease) in net assets (deficit) to net cash provided by (used in) operating activities		
Depreciation	12,514,057	24,799,176
Provision for doubtful collections	619,423	1,069,215
Proceeds from non-refundable fees and deposits	12,032,121	26,384,571
Amortization of entrance fees	(10,068,333)	(16,756,172)
Unrealized (gain) loss on investments and change in fair value of funds held in trust by others	(6,845,376)	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	63,345	128,372
Amortization of bond premium	(200,378)	(407,025)
Loss on impairment of asset	599,821	-
Changes in assets and liabilities		
Accounts receivable	(2,143,787)	(377,236)
Entrance fee receivable	499,707	(1,053,219)
Other assets	15,685	(441,264)
Accounts payable	799,570	(2,288,776)
Accrued expenses	(914,867)	925,513
Other liabilities	(1,395,243)	(185,589)
CARES act funding liabilities	36,308	(4,451,820)
Net cash provided by operating activities	<u>13,205,644</u>	<u>26,293,394</u>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property and equipment	(14,870,868)	(27,221,715)
Proceeds from sale of property and equipment	-	200,211
Purchases of investments	(5,428,630)	(48,572,873)
Proceeds from sale of investments	17,508,398	49,407,224
Due from affiliates, net	<u>1,666,381</u>	<u>1,811,067</u>
Net cash used in investing activities	<u>(1,124,719)</u>	<u>(24,376,086)</u>
<b>Cash Flows From Financing Activities</b>		
Refunds of entrance fees and deposits	(2,607,559)	(3,681,435)
Proceeds from refundable entrance fees and deposits, resales	131,013	239,325
Proceeds from refundable entrance fees and deposits, new units	740,708	798,668
Principal payments on redemptions of long-term debt	(13,029,287)	(13,041,996)
(Repayments) borrowings on lines of credit	58,644	1,008,724
Contributions restricted for long-term purposes	<u>16,429</u>	<u>222,477</u>
Net cash used in financing activities	<u>(14,690,053)</u>	<u>(14,454,238)</u>
Net change in cash, cash equivalents and restricted cash	(2,609,127)	(12,536,928)
<b>Cash, cash equivalents and restricted cash, beginning</b>	<u>51,967,810</u>	<u>64,504,738</u>
<b>Cash, cash equivalents and restricted cash, ending</b>	<u>\$ 49,358,683</u>	<u>\$ 51,967,810</u>
Cash and cash equivalents	\$ 7,431,873	\$ 10,041,000
Restricted cash in investments	41,926,810	41,926,810
Total cash, cash equivalents and restricted cash	<u>\$ 49,358,683</u>	<u>\$ 51,967,810</u>