

Presbyterian Homes Obligated Group

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

	March 31, 2021	December 31, 2020
Assets		
Cash and cash equivalents	\$ 9,527,294	\$ 12,110,330
Investments	85,498,736	83,331,986
Statutory liquid reserves	13,525,025	13,670,554
Accounts receivable, net	10,183,982	12,432,750
Assets whose use is limited	17,736,012	17,929,701
Assets held for sale	-	2,350,618
Property and equipment, net	384,706,329	381,271,664
Due from affiliates, net	85,424,983	86,723,738
Funds held in trust by others	20,550,143	20,257,550
Other assets	6,800,917	6,516,847
Total assets	<u>\$ 633,953,421</u>	<u>\$ 636,595,738</u>
Liabilities and Net Assets		
Accounts payable	\$ 10,570,176	\$ 12,508,430
Accrued expenses	15,532,328	16,499,374
Lines of credit	16,317,549	14,212,412
Resident deposits	6,989,284	6,313,720
Entrance fees payable	8,939,842	9,648,523
Other liabilities	4,991,808	5,066,234
Cares act funding liabilities	15,674,438	13,644,706
Long-term debt	245,962,976	248,331,284
Deferred revenues from entrance fees	107,032,976	105,563,008
Total liabilities	<u>432,011,377</u>	<u>431,787,691</u>
Net Assets		
Without donor restriction	173,787,625	177,052,198
With donor restrictions	<u>28,154,419</u>	<u>27,755,849</u>
Total net assets	<u>201,942,044</u>	<u>204,808,047</u>
Total liabilities and net assets	<u>\$ 633,953,421</u>	<u>\$ 636,595,738</u>

Presbyterian Homes Obligated Group

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

	March 31, 2021	December 31, 2020
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 42,923,059	\$ 184,334,408
Amortization of entrance fees	4,390,501	17,531,498
Total resident services	47,313,560	201,865,906
Contributions, gifts, grants and bequests	114,831	666,812
Government Stimulus	208,846	12,502,478
Net assets released from restrictions	50,543	900,638
Total operating revenues and other support	47,687,780	215,935,834
Expenses:		
Nursing services	13,927,106	59,895,338
Rehabilitation	3,224,779	14,157,544
Recreation and special services	895,621	4,013,902
Pharmacy	709,536	3,001,699
Social services	228,116	993,605
Physician services	186,310	727,903
Food Services	5,369,082	23,331,082
Building operations and maintenance	6,818,615	25,960,232
Housekeeping	926,899	3,885,355
Laundry and linen	283,067	1,251,903
General and administrative	9,280,649	30,477,782
Employee benefits	2,596,199	11,059,376
Interest	1,802,452	6,942,336
Depreciation	5,867,060	22,327,535
Amortization	70,650	282,601
Fundraising	180,522	501,396
Total expenses	52,366,663	208,809,589
Unusual non-recurring expenses - COVID-19	-	12,692,325
Operating loss	(4,678,883)	(5,566,080)
Other income (loss):		
Investment income, net of investment expense	465,364	2,188,723
Realized (loss) gain on investments	306,999	5,290,142
Unrealized gain on investments	1,150,947	2,828,905
Gain (loss) on sale of property and equipment	-	(214,042)
Loss on early extinguishment of debt	-	(75,093)
Total other income	1,923,310	10,018,635
Revenues (less than) in excess of expenses	(2,755,573)	4,452,555
Transfer to affiliated entity	(509,000)	(3,325,994)
(Decrease) increase in net assets without donor restrictions	(3,264,573)	1,126,561

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

	<u>March 31, 2021</u>	<u>December 31, 2020</u>
Net Assets With Donor Restrictions		
Contributions, gifts, grants and bequests	\$ 143,749	\$ 728,843
Investment income, net of investment expense	15,200	119,000
Unrealized gain on investments	290,164	1,316,949
Net assets released from restrictions	<u>(50,543)</u>	<u>(900,638)</u>
Increase in net assets with donor restrictions	<u>398,570</u>	<u>1,264,154</u>
Change in net assets	(2,866,003)	2,390,715
Net Assets, Beginning	<u>204,808,047</u>	<u>202,417,332</u>
Net Assets, Ending	<u><u>\$ 201,942,044</u></u>	<u><u>\$ 204,808,047</u></u>

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Combined Statements of Cash Flows

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

	March 31, 2021	December 31, 2020
Cash Flows From Operating Activities		
(Decrease) increase in net assets	\$ (2,866,003)	\$ 2,390,715
Adjustments to reconcile (decrease) increase in net deficit to net cash provided by operating activities:		
Depreciation	5,867,060	22,327,535
Provision for doubtful collections	314,799	1,679,115
Proceeds from non-refundable entrance fees and deposits	6,276,128	15,332,945
Amortization of entrance fees	(4,390,501)	(17,531,498)
Loss on early extinguishment of debt	-	75,093
Unrealized gain on investments	(1,441,111)	(4,145,854)
Realized gain on investments	(306,999)	(5,290,142)
Loss on sale of property and equipment	-	214,042
Contributions restricted for long-term purposes	-	(28,411)
Amortization of deferred financing costs	22,940	155,616
Amortization of bond premium	(6,690)	(26,762)
Changes in assets and liabilities:		
Accounts receivable	1,818,113	2,776,752
Entrance fees receivable	115,856	(481,703)
Other assets	(284,070)	100,383
Accounts payable	(1,938,255)	(3,710,207)
Accrued expenses	(967,046)	253,261
Other liabilities	(74,426)	1,868,922
Cares act funding liabilities	2,029,732	13,644,706
Net cash provided by operating activities	4,169,527	29,604,508
Cash Flows From Investing Activities		
Acquisition of property and equipment	(6,951,107)	(40,200,360)
Net proceeds from sale of property and equipment	-	1,303,466
Purchases of investments	(6,607,478)	(30,160,727)
Proceeds from sale of investments	1,903,737	33,076,075
Change in due from affiliates	1,298,755	(5,734,633)
Net cash used in investing activities	(10,356,093)	(41,716,179)
Cash Flows From Financing Activities		
Refunds of entrance fees and deposits	(1,344,201)	(4,437,514)
Proceeds from refundable entrance fees and deposits, resales	97,500	550,854
Proceeds from refundable entrance fees and deposits, new units	797,925	7,349,318
Principal payments on long-term debt	(3,379,954)	(13,133,752)
Proceeds from issuance of long-term debt	1,000,000	27,955,000
Refunding, refinancing or payoff of long-term debt	-	(3,430,000)
Financing costs incurred	(4,604)	(210,056)
Borrowings (repayments) on lines of credit	2,105,137	(986,378)
Contributions restricted for long-term purposes	-	28,411
Net cash (used in) provided by financing activities	(728,197)	13,685,883
Net change in cash, cash equivalents and restricted cash	(6,914,763)	1,574,212
Cash, Cash Equivalents and Restricted Cash, Beginning	32,494,465	30,920,253
Cash, Cash Equivalents and Restricted Cash, Ending		
Unrestricted	\$ 9,527,294	\$ 12,110,330
Restricted	16,052,409	20,384,135
	<u>\$ 25,579,703</u>	<u>\$ 32,494,465</u>