

Presbyterian Homes Obligated Group

Combined Statements of Financial Position
March 31, 2022 and December 31, 2021

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Assets		
Cash and cash equivalents	\$ 14,715,766	\$ 11,239,818
Investments	107,307,485	113,869,829
Statutory liquid reserves	10,471,254	10,471,255
Accounts receivable, net	9,380,609	10,858,834
Assets whose use is limited	52,127,172	53,388,482
Property and equipment, net	373,137,673	375,066,095
Due from affiliates, net	83,172,287	88,045,022
Funds held in trust by others	20,165,228	21,414,680
Other assets	6,832,174	5,564,488
	<u>\$ 677,309,648</u>	<u>\$ 689,918,503</u>
Total assets		
Liabilities and Net Assets		
Accounts payable	\$ 9,283,195	\$ 10,373,384
Accrued expenses	15,393,118	14,135,713
Lines of credit	16,262,978	15,593,443
Resident deposits	2,299,795	2,507,309
Entrance fees payable	7,646,810	8,147,685
Other liabilities	4,554,386	5,362,815
Cares act funding liabilities	1,013,248	4,472,340
Long-term debt	269,657,208	272,663,720
Deferred revenues from entrance fees	115,432,279	114,979,674
	<u>441,543,017</u>	<u>448,236,083</u>
Total liabilities		
Net Assets		
Without donor restriction	207,671,188	212,527,325
With donor restrictions	28,095,443	29,155,095
	<u>235,766,631</u>	<u>241,682,420</u>
Total net assets		
Total liabilities and net assets	<u>\$ 677,309,648</u>	<u>\$ 689,918,503</u>

Presbyterian Homes Obligated Group

Combined Statements of Operations and Changes in Net Assets
Period ended March 31, 2022 and year ended December 31, 2021

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 40,566,851	\$ 174,338,100
Amortization of entrance fees	3,986,583	18,993,628
Total resident services	44,553,434	193,331,728
Contributions, gifts, grants and bequests	69,087	1,330,159
Other revenues	706,450	5,742,262
Government grants	2,000,000	7,515,900
Government stimulus	84,266	4,799,292
Net assets released from restrictions	142,627	992,913
Total operating revenues and other support	47,555,864	213,712,254
Expenses:		
Nursing services	12,777,450	55,328,956
Rehabilitation	2,306,298	13,025,251
Recreation and special services	821,319	3,805,588
Pharmacy	628,047	2,651,932
Social services	221,727	940,602
Physician services	172,409	742,482
Food Services	4,963,911	22,037,415
Building operations and maintenance	6,415,665	26,859,867
Housekeeping	777,808	3,786,145
Laundry and linen	244,717	1,169,109
General and administrative	7,220,985	31,446,154
Employee benefits	2,432,926	7,843,468
Interest	1,748,134	7,084,265
Depreciation	6,110,298	23,836,080
Amortization	70,650	282,601
Fundraising	166,896	700,094
Total expenses	47,079,240	201,540,009
Unusual non-recurring expenses - COVID-19	684,445	2,101,279
Operating income before gains	(207,821)	10,070,966
Gain (loss) on sale of community and disposals of property and equipment	-	14,615,126
Loss on impairment of asset	-	(2,350,230)
Operating income	(207,821)	22,335,862
Other income (loss):		
Investment income, net of investment expense	426,376	2,800,155
Realized gain on investments	10,807	3,716,532
Unrealized (loss) gain on investments	(5,085,499)	11,470,916
Loss on early extinguishment of debt	-	(1,518,104)
Total other income (loss)	(4,648,316)	16,469,499
Revenues (less than) in excess of expenses	(4,856,137)	38,805,361
Transfer to affiliated entity	-	(3,330,234)
(Decrease) increase in net assets without donor restrictions	(4,856,137)	35,475,127

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Combined Statements of Operations and Changes in Net Assets
Period ended March 31, 2022 and year ended December 31, 2021

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Net Assets With Donor Restrictions		
Contributions, gifts, grants and bequests	\$ 369,090	\$ 666,920
Investment income, net of investment expense	20,389	61,061
Unrealized (loss) gain on investments	(1,306,504)	1,664,178
Net assets released from restrictions	<u>(142,627)</u>	<u>(992,913)</u>
(Decrease) increase in net assets with donor restrictions	<u>(1,059,652)</u>	<u>1,399,246</u>
Change in net assets	(5,915,789)	36,874,373
Net Assets, Beginning	<u>241,682,420</u>	<u>204,808,047</u>
Net Assets, Ending	<u>\$ 235,766,631</u>	<u>\$ 241,682,420</u>

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Combined Statements of Cash Flows

Period ended March 31, 2022 and year ended December 31, 2021

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Cash Flows From Operating Activities		
(Decrease) increase in net assets	\$ (5,915,789)	\$ 36,874,373
Adjustments to reconcile (decrease) increase in net deficit to net cash provided by operating activities:		
Depreciation	6,110,298	23,836,080
Provision for doubtful collections	329,344	1,454,968
Proceeds from non-refundable entrance fees and deposits	4,837,962	20,470,367
Amortization of entrance fees	(3,986,583)	(18,993,628)
Loss on early extinguishment of debt	-	1,518,104
Unrealized loss (gain) on investments	6,392,003	(13,135,094)
Realized gain on investments	(10,807)	(3,716,532)
Gain on sale of community and disposals of property and equipment	-	(14,615,126)
Contributions restricted for long-term purposes	(4,777)	(74,871)
Amortization of deferred financing costs	32,934	131,225
Amortization of bond premium	(102,182)	(218,313)
Loss on impairment of asset	-	2,350,230
Changes in assets and liabilities:		
Accounts receivable	1,297,496	(883,002)
Entrance fees receivable	(148,615)	1,055,402
Other assets	(1,267,686)	667,344
Accounts payable	(1,090,189)	(2,134,577)
Accrued expenses	1,257,405	(2,240,320)
Other liabilities	(808,429)	578,378
Cares act funding liabilities	(3,459,092)	(9,172,366)
Net cash provided by operating activities	<u>3,463,294</u>	<u>23,752,642</u>
Cash Flows From Investing Activities		
Acquisition of property and equipment	(4,181,876)	(25,278,369)
Net proceeds from sale of property and equipment	-	19,500,000
Purchases of investments	(5,177,973)	(49,398,706)
Proceeds from sale of investments	7,869,884	36,465,949
Change in due from affiliates	4,872,735	(1,321,284)
Net cash provided by (used in) investing activities	<u>3,382,770</u>	<u>(20,032,410)</u>
Cash Flows From Financing Activities		
Refunds of entrance fees and deposits	(1,396,388)	(3,654,981)
Proceeds from refundable entrance fees and deposits, resales	-	97,500
Proceeds from refundable entrance fees and deposits, new units	289,225	8,779,487
Principal payments on redemptions of long-term debt	(2,937,264)	(14,003,114)
Proceeds from issuance of long-term debt	-	31,050,679
Proceeds from bond premium	-	7,151,245
Redemption of treasury bonds	-	(225,000)
Financing costs incurred	-	(1,072,391)
Borrowing on lines of credit	669,535	1,381,031
Contributions restricted for long-term purposes	4,777	74,871
Net cash (used in) provided by financing activities	<u>(3,370,116)</u>	<u>29,579,327</u>
Net change in cash, cash equivalents and restricted cash	3,475,948	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	\$ 14,715,766	\$ 11,239,818
Restricted	<u>53,264,920</u>	<u>53,264,920</u>
	<u>\$ 67,980,686</u>	<u>\$ 64,504,738</u>