

## Presbyterian Homes Obligated Group

Statements of Financial Position

March 31, 2023 and December 31, 2022

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,415,650	\$ 10,041,000
Investments	102,336,991	95,098,031
Statutory Liquid Reserve	10,905,687	10,905,687
Accounts receivable, net	11,118,915	11,220,074
Assets whose use is limited	41,817,714	43,561,377
Assets held for sale	3,429,355	-
Property and equipment, net	373,166,764	377,257,983
Due from affiliates, net	85,707,556	86,233,954
Funds held in trust by others	17,917,933	17,559,350
Other assets	7,080,263	6,005,752
	<u>\$ 654,896,827</u>	<u>\$ 657,883,208</u>
Total assets		
<b>Liabilities and Net Assets</b>		
Accounts payable	\$ 9,836,110	\$ 8,084,607
Accrued expenses	14,494,575	15,061,226
Lines of credit	10,475,485	16,602,167
Resident deposits	2,712,276	2,227,667
Entrance fees payable	7,044,439	7,114,328
Other liabilities	4,532,742	5,177,226
Cares act funding liabilities	223,113	20,520
Long-term debt, senior living	256,417,174	259,343,071
Deferred revenue from entrance fees	122,594,567	123,277,629
	<u>428,330,480</u>	<u>436,908,441</u>
Total liabilities		
<b>Net Assets</b>		
Without donor restriction	200,731,286	195,704,334
With donor restriction	25,835,061	25,270,433
Total net assets	<u>226,566,347</u>	<u>220,974,767</u>
Total liabilities, net assets and equity	<u>\$ 654,896,827</u>	<u>\$ 657,883,208</u>

**Presbyterian Homes Obligated Group**

Statements of Operations and Changes in Net Assets

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

	March 31, 2023	December 31, 2022
<b>Net Assets Without Donor Restrictions</b>		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 44,115,272	\$ 168,470,466
Amortization of entrance fees	5,721,331	16,756,172
Total resident services	49,836,604	185,226,639
Contributions, gifts, grants and bequests	120,909	495,274
Government grants	-	2,000,000
Government stimulus	-	1,465,364
FEMA funding	-	2,236,500
Net assets released from restrictions	231,729	709,098
Total operating revenues and other support	50,189,242	192,132,875
Expenses:		
Nursing services	13,542,590	53,900,760
Rehabilitation	2,114,767	8,934,430
Recreation and special services	836,621	3,505,546
Pharmacy	643,868	2,812,912
Social Services	209,996	837,211
Physician Services	184,625	705,113
Dining Services	5,303,883	20,993,437
Building operations and maintenance	6,945,308	26,255,439
Housekeeping	889,020	3,304,580
Laundry	290,241	1,009,706
Management and general	7,604,046	30,062,485
Employee Benefits	2,437,173	9,467,050
Interest	2,304,705	7,583,565
Depreciation	6,260,873	24,799,176
Amortization	70,650	282,601
Fundraising	116,022	620,799
Total expenses before non-recurring expenses	49,754,390	195,074,811
Non-recurring expenses, COVID-19	33,727	1,037,819
Operating income (loss) before gains and losses	401,125	(3,979,756)
Loss on sale and disposal of property	-	(30,440)
Operating income (loss)	401,125	(4,010,196)
Other income (loss):		
Investment income, net of investment expense	833,240	2,647,569
Realized gain on investments	-	2,026,907
Unrealized gain (loss) on investments	3,792,586	(17,399,455)
Total other income (loss)	4,625,827	(12,724,979)
Revenues in excess of (less than) expenses	5,026,952	(16,735,175)
Transfer to affiliated entity	-	(725,000)
Grant revenue - capital	-	637,183
Increase (decrease) in net assets without donor restrictions	5,026,952	(16,822,992)

**Presbyterian Homes Obligated Group**

Statements of Operations and Changes in Net Assets

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
<b>Net Assets With Donor Restrictions</b>		
Contributions, gifts, grants and bequests	285,910	1,216,357
Investment income, net of investment expense	17,085	82,871
Unrealized gain (loss) on investments	493,362	(4,474,792)
Net assets released from restrictions	<u>(231,729)</u>	<u>(709,098)</u>
Increase (decrease) in net assets with donor restrictions	<u>564,628</u>	<u>(3,884,662)</u>
Increase (decrease) in net assets	5,591,580	(20,707,654)
<b>Net Assets, Beginning</b>	<u>220,974,767</u>	<u>241,682,421</u>
<b>Net Assets, Ending</b>	<u>\$ 226,566,347</u>	<u>\$ 220,974,767</u>

**Presbyterian Homes Obligated Group**

## Statements of Cash Flows

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
<b>Cash Flows From Operating Activities</b>		
Increase (decrease) in net assets	\$ 5,591,580	\$ (20,707,654)
Adjustments to reconcile increase (decrease) in net assets (deficit) to net cash provided by (used in) operating activities		
Depreciation	6,260,873	24,799,176
Provision for doubtful collections	290,507	1,069,215
Proceeds from non-refundable fees and deposits	5,787,454	26,384,571
Amortization of entrance fees	(5,721,331)	(16,756,172)
Unrealized (gain) loss on investments and change in fair value of funds held in trust by others	(4,285,948)	21,874,247
Realized gain on investments	-	(2,026,907)
Gain on sale of community and disposals of property and equipment	-	30,440
Contributions restricted for long-term purposes	(6,707)	(222,477)
Amortization of deferred financing costs	31,672	128,372
Amortization of bond premium	(100,189)	(407,025)
Changes in assets and liabilities		
Accounts receivable	(880,937)	(377,236)
Entrance fee receivable	691,589	(1,053,219)
Other assets	(1,074,510)	(441,264)
Accounts payable	1,751,503	(2,288,776)
Accrued expenses	(566,651)	925,513
Other liabilities	(644,484)	(185,589)
CARES act funding liabilities	202,593	(4,451,820)
Net cash provided by operating activities	<u>7,327,012</u>	<u>26,293,394</u>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property and equipment	(5,599,008)	(27,221,715)
Proceeds from sale of property and equipment	-	200,211
Purchases of investments	(1,567,931)	(48,572,873)
Proceeds from sale of investments	-	49,407,224
Due from affiliates, net	526,872	1,811,067
Net cash used in investing activities	<u>(6,640,542)</u>	<u>(24,376,086)</u>
<b>Cash Flows From Financing Activities</b>		
Refunds of entrance fees and deposits	(637,345)	(3,681,435)
Proceeds from refundable entrance fees and deposits, resales	131,013	239,325
Proceeds from refundable entrance fees and deposits, new units	171,868	798,668
Principal payments on redemptions of long-term debt	(2,857,380)	(13,041,996)
(Repayments) borrowings on lines of credit	(6,126,682)	1,008,724
Contributions restricted for long-term purposes	6,707	222,477
Net cash used in financing activities	<u>(9,311,820)</u>	<u>(14,454,238)</u>
Net change in cash, cash equivalents and restricted cash	(8,625,350)	(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>\$ 43,342,460</u>	<u>\$ 51,967,810</u>
Cash and cash equivalents	\$ 1,415,650	\$ 10,041,000
Restricted cash in investments	41,926,810	41,926,810
Total cash, cash equivalents and restricted cash	<u>\$ 43,342,460</u>	<u>\$ 51,967,810</u>