

## Presbyterian Homes Obligated Group

### Statements of Financial Position

March 31, 2024 and December 31, 2023

	<u>March 31, 2024</u>	<u>December 31, 2023</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 5,981,782	\$ 15,213,460
Investments	107,824,783	109,332,265
Statutory Liquid Reserve	13,801,236	13,650,901
Accounts receivable, net	17,378,841	15,233,968
Assets whose use is limited	39,823,928	44,514,015
Assets held for sale	4,313,491	-
Property and equipment, net	461,568,159	464,066,268
Due from affiliates, net	88,028,990	86,107,579
Funds held in trust by others	19,613,123	18,867,774
Other assets	34,657,063	34,631,708
	<u>\$ 792,991,396</u>	<u>\$ 801,617,938</u>
Total assets		
<b>Liabilities and Net Assets</b>		
Accounts Payable	\$ 6,842,190	\$ 11,196,881
Accrued expenses	21,626,021	20,615,867
Lines of credit	6,798,915	16,750,000
Resident deposits	2,836,407	3,294,828
Entrance fees payable	13,893,527	13,980,916
Other liabilities	4,136,001	4,013,857
Long-term debt, senior living	347,275,016	350,941,000
Deferred revenue from entrance fees	152,584,263	150,814,426
	<u>555,992,340</u>	<u>571,607,775</u>
Total liabilities		
<b>Net Assets</b>		
Without donor restriction	208,305,963	202,363,054
With donor restriction	28,693,093	27,647,109
Total net assets (deficit)	<u>236,999,056</u>	<u>230,010,163</u>
Total liabilities, net assets and equity	<u>\$ 792,991,396</u>	<u>\$ 801,617,938</u>

**Presbyterian Homes Obligated Group**

## Statements of Operations and Changes in Net Assets

Period ended March 31, 2024 and year ended December 31, 2023

	<u>March 31, 2024</u>	<u>December 31, 2023</u>
<b>Net Assets Without Donor Restrictions</b>		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 55,222,599	\$ 190,058,377
Amortization of entrance fees	5,716,868	19,867,271
Total resident services	<u>60,939,467</u>	<u>209,925,649</u>
Sales of other services and materials	-	78,046
Contributions, gifts, grants and bequests	667,353	845,034
Government grants	-	811,173
Government stimulus	249,316	184,711
FEMA funding	-	29,790
Net assets released from restrictions	<u>213,407</u>	<u>687,704</u>
Total operating revenues and other support	<u>62,069,543</u>	<u>212,562,106</u>
Expenses:		
Nursing services	17,065,957	60,407,358
Rehabilitation	2,444,292	8,706,017
Recreation and special services	1,083,448	3,753,962
Pharmacy	768,932	2,873,042
Social Services	240,526	863,611
Physician Services	89,104	626,738
Dining Services	6,806,634	24,077,143
Building operations and maintenance	8,648,789	28,923,373
Housekeeping	1,038,863	3,875,125
Laundry	351,259	1,285,475
Management and general	8,274,179	33,549,244
Employee Benefits	2,904,999	9,867,450
Interest	4,224,504	12,178,581
Depreciation	6,722,187	25,063,463
Amortization	823,344	1,286,192
Fundraising	<u>151,569</u>	<u>467,763</u>
Total expenses before non-recurring expenses	<u>61,638,586</u>	<u>217,804,537</u>
Non-recurring expenses, COVID-19	<u>-</u>	<u>8,393</u>
Operating income (loss) before gains and losses	430,958	(5,250,824)
Loss on sale and disposal of property	-	(860,625)
Loss on impairment of asset	<u>-</u>	<u>(635,166)</u>
Operating income (loss)	<u>430,958</u>	<u>(6,746,615)</u>
Other income (loss):		
Investment income, net of investment expense	1,280,190	4,369,868
Realized gain on investments	17	181,709
Unrealized gain on investments	4,231,744	9,619,457
Loss on early extinguishment of debt	<u>-</u>	<u>(765,698)</u>
Total other income (loss)	<u>5,511,952</u>	<u>13,405,335</u>
Revenues in excess of expenses	<u>5,942,909</u>	<u>6,658,720</u>
Increase in net assets without donor restrictions	<u>5,942,909</u>	<u>6,658,720</u>

**Presbyterian Homes Obligated Group**

Statements of Operations and Changes in Net Assets

Period ended March 31, 2024 and year ended December 31, 2023

	<u>March 31, 2024</u>	<u>December 31, 2023</u>
<b>Net Assets With Donor Restrictions</b>		
Contributions, gifts, grants and bequests	349,048	1,301,384
Investment income, net of investment expense	17,467	68,271
Unrealized gain on investments	892,875	1,694,724
Net assets released from restrictions	<u>(213,407)</u>	<u>(687,704)</u>
Increase in net assets with donor restrictions	<u>1,045,984</u>	<u>2,376,676</u>
Increase in net assets	6,988,893	9,035,396
<b>Net Assets (Deficit), Beginning</b>	<u>230,010,163</u>	<u>220,974,767</u>
<b>Net Assets (Deficit), Ending</b>	<u><u>\$ 236,999,056</u></u>	<u><u>\$ 230,010,163</u></u>

**Presbyterian Homes Obligated Group**

## Statements of Cash Flows

Period ended March 31, 2024 and year ended December 31, 2023

	March 31, 2024	December 31, 2023
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$ 6,988,893	\$ 9,035,396
Adjustments to reconcile increase (decrease) in net assets (deficit) to net cash provided by (used in) operating activities		
Depreciation	6,722,187	25,063,463
Provision for doubtful collections	203,849	2,427,462
Proceeds from non-refundable fees and deposits	6,897,341	25,653,384
Amortization of entrance fees	(5,716,868)	(19,867,271)
Loss on early extinguishment of debt	-	765,698
Unrealized gain on investments and change in fair value of funds held in trust by others	(5,124,619)	(11,314,181)
Realized gain on investments	(17)	(181,709)
Loss on sale of community and disposals of property and equipment	-	860,625
Contributions restricted for long-term purposes	(300)	(55,525)
Amortization of deferred financing costs	55,137	146,699
Amortization of bond premium	(99,976)	(400,757)
Amortization of bond discount	43,314	83,210
Loss on impairment of asset	-	635,166
Changes in assets and liabilities		
Accounts receivable	(1,426,708)	(6,925,507)
Entrance fee receivable	(922,013)	484,151
Other assets	(25,355)	2,687,209
Accounts payable	(4,354,691)	3,112,274
Accrued expenses	1,010,154	5,554,641
Other liabilities	122,144	(1,659,439)
Net cash provided by operating activities	<u>4,372,472</u>	<u>36,104,989</u>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property and equipment	(8,537,570)	(34,407,539)
Proceeds from sale of property and equipment	-	2,600,000
Amounts paid in acquisitions	-	(79,764,976)
Purchases of investments	(2,395,852)	(38,482,287)
Proceeds from sale of investments	12,822,373	37,747,406
Due from affiliates, net	(1,921,411)	126,375
Net cash used in investing activities	<u>(32,459)</u>	<u>(112,181,021)</u>
<b>Cash Flows From Financing Activities</b>		
Refunds of entrance fees and deposits	(913,434)	(4,949,893)
Proceeds from refundable entrance fees and deposits, resales	156,401	447,655
Proceeds from refundable entrance fees and deposits, new units	800,588	1,554,032
Principal payments on redemptions of long-term debt	(3,589,122)	(18,182,915)
Proceeds from issuance of long-term debt	-	212,316,527
Early payoff of long-term debt	-	(100,387,570)
Financing costs paid	(75,338)	(2,742,963)
(Repayments) borrowings on lines of credit	(9,951,085)	147,833
Contributions restricted for long-term purposes	300	55,525
Net cash (used in) provided by financing activities	<u>(13,571,690)</u>	<u>88,258,231</u>
Net change in cash, cash equivalents and restricted cash	(9,231,677)	12,182,199
<b>Cash, cash equivalents and restricted cash, beginning</b>	<u>64,150,009</u>	<u>51,967,810</u>
<b>Cash, cash equivalents and restricted cash, ending</b>	<u>\$ 54,918,332</u>	<u>\$ 64,150,009</u>
Cash and cash equivalents	\$ 5,981,782	\$ 15,213,460
Restricted cash in investments	48,936,550	48,936,550
Total cash, cash equivalents and restricted cash	<u>\$ 54,918,332</u>	<u>\$ 64,150,009</u>