

Presbyterian Homes Obligated Group

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

	May 31, 2021	December 31, 2020
Assets		
Cash and cash equivalents	\$ 2,080,375	\$ 12,110,330
Investments	87,253,191	83,331,986
Statutory liquid reserves	13,750,137	13,670,554
Accounts receivable, net	11,200,690	12,432,750
Assets whose use is limited	17,475,471	17,929,701
Assets held for sale	-	2,350,618
Property and equipment, net	384,452,808	381,271,664
Due from affiliates, net	85,146,095	86,723,738
Funds held in trust by others	20,648,514	20,257,550
Other assets	6,054,364	6,516,847
Total assets	<u>\$ 628,061,645</u>	<u>\$ 636,595,738</u>
Liabilities and Net Assets		
Accounts payable	\$ 6,872,973	\$ 12,508,430
Accrued expenses	17,670,650	16,499,374
Lines of credit	11,416,369	14,212,412
Resident deposits	7,653,366	6,313,720
Entrance fees payable	8,932,000	9,648,523
Other liabilities	4,626,022	5,066,234
Cares act funding liabilities	14,953,135	13,644,706
Long-term debt	243,573,555	248,331,284
Deferred revenues from entrance fees	106,938,504	105,563,008
Total liabilities	<u>422,636,574</u>	<u>431,787,691</u>
Net Assets		
Without donor restriction	176,590,594	177,052,198
With donor restrictions	<u>28,834,477</u>	<u>27,755,849</u>
Total net assets	<u>205,425,071</u>	<u>204,808,047</u>
Total liabilities and net assets	<u>\$ 628,061,645</u>	<u>\$ 636,595,738</u>

Presbyterian Homes Obligated Group

Combined Statements of Operations and Changes in Net Assets

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

	May 31, 2021	December 31, 2020
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 73,299,960	\$ 184,334,409
Amortization of entrance fees	7,323,215	17,531,498
Total resident services	80,623,175	201,865,907
Contributions, gifts, grants and bequests	396,601	666,812
Government Stimulus	208,846	12,502,478
Net assets released from restrictions	50,543	900,638
Total operating revenues and other support	81,279,165	215,935,835
Expenses:		
Nursing services	23,364,966	59,895,338
Rehabilitation	5,462,874	14,157,544
Recreation and special services	1,538,155	4,013,902
Pharmacy	1,227,832	3,001,699
Social services	395,279	993,605
Physician services	309,155	727,903
Food Services	9,185,955	23,331,083
Building operations and maintenance	11,260,064	25,960,232
Housekeeping	1,556,701	3,885,355
Laundry and linen	500,360	1,251,903
General and administrative	13,118,404	30,477,782
Employee benefits	4,385,590	11,059,376
Interest	3,016,225	6,942,336
Depreciation	9,804,098	22,327,535
Amortization	117,751	282,601
Fundraising	300,870	501,396
Total expenses	85,544,279	208,809,590
Unusual non-recurring expenses - COVID-19	2,165,095	12,692,325
Operating loss	(6,430,209)	(5,566,080)
Other income (loss):		
Investment income, net of investment expense	599,924	2,188,723
Realized gain on investments	1,305,113	5,290,142
Unrealized gain on investments	4,572,568	2,828,905
Loss on sale of property and equipment	-	(214,042)
Loss on early extinguishment of debt	-	(75,093)
Total other income	6,477,605	10,018,635
Revenues in excess of expenses	47,396	4,452,555
Transfer to affiliated entity	(509,000)	(3,325,994)
(Decrease) increase in net assets without donor restrictions	(461,604)	1,126,561

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

	<u>May 31, 2021</u>	<u>December 31, 2020</u>
Net Assets With Donor Restrictions		
Contributions, gifts, grants and bequests	\$ 143,750	\$ 728,843
Investment income, net of investment expense	15,200	119,000
Unrealized gain on investments	970,221	1,316,949
Net assets released from restrictions	<u>(50,543)</u>	<u>(900,638)</u>
Increase in net assets with donor restrictions	<u>1,078,628</u>	<u>1,264,154</u>
Change in net assets	617,024	2,390,715
Net Assets, Beginning	<u>204,808,047</u>	<u>202,417,332</u>
Net Assets, Ending	<u><u>\$ 205,425,071</u></u>	<u><u>\$ 204,808,047</u></u>

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Combined Statements of Cash Flows

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

	May 31, 2021	December 31, 2020
Cash Flows From Operating Activities		
(Decrease) increase in net assets	\$ 617,024	\$ 2,390,715
Adjustments to reconcile (decrease) increase in net deficit to net cash provided by operating activities:		
Depreciation	9,804,098	22,327,535
Provision for doubtful collections	619,350	1,679,115
Proceeds from non-refundable entrance fees and deposits	8,935,405	15,332,945
Amortization of entrance fees	(7,323,215)	(17,531,498)
Loss on early extinguishment of debt	-	75,093
Unrealized gain on investments	(5,542,789)	(4,145,854)
Realized gain on investments	(1,305,113)	(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	45,462	155,616
Amortization of bond premium	(11,151)	(26,762)
Changes in assets and liabilities:		
Accounts receivable	109,968	2,776,752
Entrance fees receivable	502,743	(481,703)
Other assets	462,483	100,383
Accounts payable	(5,635,457)	(3,710,207)
Accrued expenses	1,171,276	253,261
Other liabilities	(440,212)	1,868,922
Cares act funding liabilities	1,308,429	13,644,706
Net cash provided by operating activities	3,318,301	29,604,508
Cash Flows From Investing Activities		
Acquisition of property and equipment	(10,634,624)	(40,200,360)
Net proceeds from sale of property and equipment	-	1,303,466
Purchases of investments	(10,937,006)	(30,160,727)
Proceeds from sale of investments	11,515,674	33,076,075
Change in due from affiliates	1,577,643	(5,734,633)
Net cash used in investing activities	(8,478,313)	(41,716,179)
Cash Flows From Financing Activities		
Refunds of entrance fees and deposits	(1,629,746)	(4,437,514)
Proceeds from refundable entrance fees and deposits, resales	97,500	550,854
Proceeds from refundable entrance fees and deposits, new units	1,918,675	7,349,318
Principal payments on long-term debt	(5,751,429)	(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	(40,611)	(210,056)
Borrowings (repayments) on lines of credit	(2,796,043)	(986,378)
Contributions restricted for long-term purposes	-	28,411
Net cash (used in) provided by financing activities	(7,201,655)	13,685,883
Net change in cash, cash equivalents and restricted cash	(12,361,667)	1,574,212
Cash, Cash Equivalents and Restricted Cash, Beginning	32,494,465	30,920,253
Cash, Cash Equivalents and Restricted Cash, Ending		
Unrestricted	\$ 2,080,375	\$ 12,110,330
Restricted	18,052,423	20,384,135
	<u>\$ 20,132,798</u>	<u>\$ 32,494,465</u>