

Presbyterian Homes Obligated Group

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

	<u>May 31, 2022</u>	<u>December 31, 2021</u>
Assets		
Cash and cash equivalents	\$ 748,847	\$ 11,239,818
Investments	103,074,636	113,869,829
Statutory liquid reserves	10,471,254	10,471,255
Accounts receivable, net	8,871,007	10,858,834
Assets whose use is limited	51,571,495	53,388,482
Property and equipment, net	371,941,597	375,066,095
Due from affiliates, net	86,216,258	88,045,022
Funds held in trust by others	18,964,824	21,414,680
Other assets	5,660,522	5,564,488
	<u>\$ 657,520,440</u>	<u>\$ 689,918,503</u>
Liabilities and Net Assets		
Accounts payable	\$ 6,408,337	\$ 10,373,384
Accrued expenses	14,911,550	14,135,713
Lines of credit	8,385,443	15,593,443
Resident deposits	1,947,383	2,507,309
Entrance fees payable	7,493,355	8,147,685
Other liabilities	3,760,371	5,362,815
Cares act funding liabilities	437,880	4,472,340
Long-term debt	267,583,494	272,663,720
Deferred revenues from entrance fees	117,199,326	114,979,674
	<u>428,127,139</u>	<u>448,236,083</u>
Net Assets		
Without donor restriction	202,431,782	212,527,325
With donor restrictions	26,961,519	29,155,095
	<u>229,393,301</u>	<u>241,682,420</u>
Total liabilities and net assets	<u>\$ 657,520,440</u>	<u>\$ 689,918,503</u>

Presbyterian Homes Obligated Group

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

	<u>May 31, 2022</u>	<u>December 31, 2021</u>
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 68,588,484	\$ 174,338,100
Amortization of entrance fees	6,642,431	18,993,628
Total resident services	75,230,915	193,331,728
Contributions, gifts, grants and bequests	224,903	1,330,159
Other revenues	771,050	5,742,262
Government grants	2,000,000	7,515,900
Government stimulus	84,266	4,799,292
Net assets released from restrictions	142,907	992,913
Total operating revenues and other support	78,454,041	213,712,254
Expenses:		
Nursing services	21,868,877	55,328,956
Rehabilitation	3,848,457	13,025,251
Recreation and special services	1,391,521	3,805,588
Pharmacy	1,113,006	2,651,932
Social services	358,706	940,602
Physician services	288,097	742,482
Food Services	8,409,295	22,037,415
Building operations and maintenance	10,561,354	26,859,867
Housekeeping	1,337,765	3,786,145
Laundry and linen	397,022	1,169,109
General and administrative	12,185,910	31,446,154
Employee benefits	4,034,761	7,843,468
Interest	2,961,410	7,084,265
Depreciation	10,196,546	23,836,080
Amortization	117,751	282,601
Fundraising	278,160	700,094
Total expenses	79,348,638	201,540,009
Unusual non-recurring expenses - COVID-19	831,003	2,101,279
Operating (loss) income before gains	(1,725,600)	10,070,966
Gain on sale of community and disposals of property and equipment	-	14,615,126
Loss on impairment of asset	-	(2,350,230)
Operating (loss) income	(1,725,600)	22,335,862
Other income (loss):		
Investment income, net of investment expense	709,029	2,800,155
Realized gain on investments	128,052	3,716,532
Unrealized (loss) gain on investments	(9,207,024)	11,470,916
Loss on early extinguishment of debt	-	(1,518,104)
Total other income (loss)	(8,369,943)	16,469,499
Revenues (less than) in excess of expenses	(10,095,543)	38,805,361
Transfer to affiliated entity	-	(3,330,234)
(Decrease) increase in net assets without donor restrictions	(10,095,543)	35,475,127

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

	<u>May 31, 2022</u>	<u>December 31, 2021</u>
Net Assets With Donor Restrictions		
Contributions, gifts, grants and bequests	\$ 435,850	\$ 666,920
Investment income, net of investment expense	20,389	61,061
Unrealized (loss) gain on investments	(2,506,908)	1,664,178
Net assets released from restrictions	<u>(142,907)</u>	<u>(992,913)</u>
(Decrease) increase in net assets with donor restrictions	<u>(2,193,576)</u>	<u>1,399,246</u>
Change in net assets	(12,289,119)	36,874,373
Net Assets, Beginning	<u>241,682,420</u>	<u>204,808,047</u>
Net Assets, Ending	<u>\$ 229,393,301</u>	<u>\$ 241,682,420</u>

Presbyterian Homes Obligated Group

Combined Statements of Cash Flows

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

	May 31, 2022	December 31, 2021
Cash Flows From Operating Activities		
(Decrease) increase in net assets	\$ (12,289,119)	\$ 36,874,373
Adjustments to reconcile (decrease) increase in net deficit to net cash provided by operating activities:		
Depreciation	10,196,546	23,836,080
Provision for doubtful collections	499,194	1,454,968
Proceeds from non-refundable entrance fees and deposits	9,039,849	20,470,367
Amortization of entrance fees	(6,642,431)	(18,993,628)
Loss on early extinguishment of debt	-	1,518,104
Unrealized loss (gain) on investments	11,713,932	(13,135,094)
Realized gain on investments	(128,052)	(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	54,891	131,225
Amortization of bond premium	(169,925)	(218,313)
Loss on impairment of asset	-	2,350,230
Changes in assets and liabilities:		
Accounts receivable	1,455,082	(883,002)
Entrance fees receivable	33,551	1,055,402
Other assets	(96,034)	667,344
Accounts payable	(3,965,047)	(2,134,577)
Accrued expenses	775,837	(2,240,320)
Other liabilities	(1,602,444)	578,378
Cares act funding liabilities	(4,034,460)	(9,172,366)
Net cash provided by operating activities	<u>4,836,593</u>	<u>23,752,642</u>
Cash Flows From Investing Activities		
Acquisition of property and equipment	(7,072,048)	(25,278,369)
Net proceeds from sale of property and equipment	-	19,500,000
Purchases of investments	(5,248,101)	(49,398,706)
Proceeds from sale of investments	8,724,258	36,465,949
Change in due from affiliates	1,828,764	(1,321,284)
Net cash used in investing activities	<u>(1,767,127)</u>	<u>(20,032,410)</u>
Cash Flows From Financing Activities		
Refunds of entrance fees and deposits	(1,681,247)	(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	(4,690,192)	(14,003,114)
Proceeds from issuance of long-term debt	-	31,050,679
Proceeds from bond premium	-	7,151,245
Refunding, refinancing or payoff of long-term debt	(275,000)	-
Redemption of treasury bonds	-	(225,000)
Financing costs incurred	-	(1,072,391)
Borrowing on lines of credit	(7,208,000)	1,381,031
Contributions restricted for long-term purposes	4,777	74,871
Net cash (used in) provided by financing activities	<u>(13,560,437)</u>	<u>29,579,327</u>
Net change in cash, cash equivalents and restricted cash	(10,490,971)	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	\$ 748,847	\$ 11,239,818
Restricted	<u>53,264,920</u>	<u>53,264,920</u>
	<u>\$ 54,013,767</u>	<u>\$ 64,504,738</u>